underdeveloped countries of the world, as well as those of the Department of Agriculture in depressed rural area of the United States. Such a program would try to develop the natural resources of Indian reservations for the benefit of the Indians themselves. It would also attempt to develop human resources as the Department of Health Service point out.

Thus the development of natural resources and employment opportunities must go hand in hand with a program which would condition the Indian population to an approach to life under which they could fully utilize them.

Senate Concurrent Resolution 3 is a statement of a proposed approach, of a fundamental policy. It is not envisaged as a specific blueprint. The specific blueprints, which will vary from reservation to reservation, can be developed only with the help of the resources available to the Federal Government.

At this time I would like to serve notice on the Bureau that Senate Concurrent Resolution 3 is being supported by a growing group, ultimately a majority, in Congress—and that it should be considered in advance planning for our Indians.

The Indians can get along in the white man's society, and still retain their Indian culture, if we help them by constructive legislation. But those who want to maintain their tribal association and Indian culture must also be permitted to do so.

A basic American principle is the consent of the governed. The consent of our Indians—consent freely given—must be obtained prior to any change in policy. They must be consulted by Congress and the administration and must be given adequate opportunity to be heard on legislation affecting them, their property and their freedoms. For mutual participation—not government by decree imposed upon the group—is the way of progress.

We in Congress must legislate to preserve the Indian heritage, insofar as it can be preserved in the 20th century. We must engender respect for the Indian as an individual and for his way of life. We must seek a basic understanding between our races—so that we can mutually trust each other and cooperate for the betterment of our American homeland. We must recognize that our Indians are not an abstract problem to be solved by legalistic formulas administered by a distant and unsympathetic bureaucracy, but that Indians are people—our people.

SENATE

MONDAY, APRIL 21, 1958

Rabbi Charles M. Rubel, Congregation Sherah Israel, Macon, Ga., offered the following prayer:

Sovereign Ruler of the universe, in whose hands rest the destinies of man and of nations: Look down from Thy holy habitation upon our beloved country, the United States of America; and in Thy mercy guide it, and preserve it, in safety and in happiness. Give it of Thy bounties, of the dew of heaven and the fatness of the earth, so it may continue to prosper; and bring peace and contentment to all its inhabitants. Cause all within its borders to dwell in harmony and peace. May we all seek one another's well-being and the common good.

We pray Thee, O Father in heaven, bless our beloved President of the United States, Dwight D. Eisenhower, whom Thou didst endow with Thy heavenly spirit to enable him to save our country from mortal enemies. Give him health and strength, to continue to lead us into the paths of peace and prosperity, justice and righteousness. Send down Thy heavenly blessings, also, upon our beloved Vice President of the United States, RICHARD M. NIXON, who stands beside our leader at all times, to help him guide our land to its destinies.

Bless each and every one of these chosen representatives of our people, the honorable Senators of our 48 States, their families, and dear ones. May they always devote themselves unselfishly to the welfare of our beloved country. Grant them wise and discerning hearts, to legislate wisely and beneficently. May they deal justly with all the problems confronting them for the welfare of our people. May all their deliberations be in the spirit of Thine eternal truths. Bless all other representatives of our people and all others who exercise just and rightful authority.

We pray also for the welfare of all the nations of the world and for all mankind, which is now undergoing the pangs of a rebirth, through their own representatives at the United Nations. May our beloved United States always be the torch bearer of true international love and friendship, understanding, and liberty, for all. May the day soon come when the words of the divine prophet will be realized, that nation shall not lift up sword against nation, neither shall they learn war any more. May our country ever be the home of justice and freedom. Shelter it beneath the shadow of Thy wings, and spread the canopy of Thy peace over our land, and the lands of all the world, so they may all form one bond of unity, in love and friendship, thus performing Thy will with a perfect heart. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 17, 1958, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of January 16, 1958,

Mr. RUSSELL, from the Committee on Appropriations, on April 18, 1958, reported favorably, with amendments, the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, and submitted a report (No. 1438) thereon, which was printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Howard R. Jordan, to be postmaster at Leighton, Ala., which nominating messages were referred to the appropriate committees.

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

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. 864. An act to provide for the transfer of certain lands to the State of Minnesota;

S. 1118. An act to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes;

S. 2037. An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; and

S. 3120. An act to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committee and subcommittees were authorized to meet during the session of the Senate today:

The Committee on Agriculture and Forestry.

The Subcommittee on Public Health, Education, and Welfare of the Committee of the District of Columbia.

The Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare.

COMMITTEE SERVICE

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed order, request that the clerk state it, and ask that it be considered immediately.

The VICE PRESIDENT. The proposed order will be stated by the clerk.

The legislative clerk read as follows:

Ordered, That Mr. PROXMIRE be excused from further service as a member of the Committee on Post Office and Civil Service and assigned to service on the Committee on Agriculture and Forestry.

Mr. JOHNSON of Texas. Mr. President, I may say the distinguished junior Senator from Wisconsin has been in this

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body only a short time, but he has made a profound impression on every Member of the body. He asked for service on the Committee on Agriculture and Forestry. This is the first vacancy we have had since he came to the Senate to which he could be assigned. He has manifested a great deal of interest in the subject and speaks with authority on it. I am delighted, by the direction of the 15-man Democratic steering committee, with the approval of the minority leader, to present this order to the Senate at this time and ask Senate approval.

The VICE PRESIDENT. The question is on agreeing to the order.

The order was entered.

Mr. JOHNSON of Texas. Mr. President, I send another proposed order to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The proposed order will be read by the clerk.

The legislative clerk read as follows:

Ordered, That Mr. CLARK be appointed to the Committee on Post Office and Civil Service.

Mr. JOHNSON of Texas. Mr. President, I should like to observe that the Senator from Pennsylvania has previously served on the committee, has done outstanding work in the field of post office and civil service and related matters, and he has expressed a desire to serve on the committee. The Democratic steering committee has unanimously recommended his assignment to the committee. We have cleared with the minority leader taking up this matter at this time.

Mr. CARLSON. Mr. President, I should like to state, as the ranking minority member of the Committee on Post Office and Civil Service, it has been a pleasure to have worked with and to have been associated with the Senator from Wisconsin. While we regret to see him leave that committee, we are glad we shall get the services of the Senator from Pennsylvania.

Mr. JOHNSON of Texas. I appreciate the sentiments expressed by the Senator from Kansas. We appreciate his complete cooperation with us at all times.

The VICE PRESIDENT. The question is on agreeing to the order.

The order was entered.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

TEXAS INDEPENDENCE DAY

Mr. JOHNSON of Texas. Mr. President, on this day, 122 years ago, Texas won its independence from Mexico in one of the most decisive battles of world history.

It is a day dear to the hearts of all Texans, wherever they may be. This is San Jacinto Day. The battle won by Gen. Sam Houston at the junction of the San Jacinto River and Buffalo Bayou permanently changed the course of development in this country.

The freedom of Texas from Mexico, won at San Jacinto, led to annexation and to the Mexican War, which resulted in the acquisition by the United States of Texas, New Mexico, Arizona, Nevada, California, Utah, and parts of Colorado, Wyoming, Kansas, and Oklahoma. Almost one-third of the present area of the American Nation—nearly 1,000,000 square miles of territory—changed sovereignty.

When trouble developed between the colonists and the Mexican Government, the successive tragedies at San Antonio, San Patricio, Agua Dulce, Goliad, Refugio, and Victoria, and the retreat of the Texas Army, followed.

The memory of the Alamo and Goliad massacres was very clear in the hearts and minds of Sam Houston's men when they set out for what developed to be the concluding military event of the revolution. They remembered the words of William Barret Travis, who, with Jim Bowie, Davy Crockett, and 184 others under his command, had died fighting in the Alamo, only a few weeks before:

> I am besieged by a thousand or more of the Mexicans under Santa Anna. * * * The enemy has demanded a surrender at discretion, otherwise the garrison are to be put to the sword. * * * I shall never surrender or retreat. * * * I call on you in the name of liberty, of patriotism, and everything dear to the American character, to come to our aid. * * * I am determined to sustain myself as long as possible and die like a soldier who never forgets what is due to his own honor and that of his country—victory or death.

Santa Anna swept eastward with his army, thinking the war was over. Houston and his army moved eastward, in pursuit; and on April 21, as the Mexicans camped under the high grounds overlooking a marsh, the Texans attacked. The battle lasted 18 minutes. The Mexican Army was routed; Santa Anna was taken prisoner. The war was truly ended then.

Few military battles in North America have had greater significance. But for Texans, the significance is not of land, or money, or bigness, but the bright, shining memory of how and why we won our freedoms.

SMALL BUSINESS INVESTMENT ADMINISTRATION ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, on January 30, 1958, I introduced a bill, S. 3191, which proposes the establishment of a system of small business capital banks. This bill was referred to the Committee on Banking and Currency, to be considered together with other bills designed to provide long-term credit and equity capital for small businesses.

S. 3191 grew out of hearings held in the House of Representatives by my beloved friend Representative WRIGHT PATMAN, is aimed at one of the great problems now faced by America's small businesses: The problem of securing long-term and equity money at reasonable interest rates.

In March of this year, the Board of Governors of the Federal Reserve System released the first two parts of a very comprehensive study of the financing needs of small businesses. An evaluation of the first two parts of this study would indicate that other proposals for financing small business are worthy of consideration. I now introduce for appropriate reference on behalf of myself, and Senators FULBRIGHT, SPARKMAN, CLARK, PROXMIRE, HILL, O'MAHONEY, HUMPHREY, BEALL, and CASE of New Jersey, a bill which contains some of the features embodied in S. 3191, but which approaches the problem in ways which seem to be indicated by some of the conclusions of the Federal Reserve study.

The Banking and Currency Committee is now holding hearings on S. 2160, S. 2185, S. 2286, and S. 3191. The bill which I introduce today will also be considered during these hearings, and I am confident that the committee will select the best and most workable features of these bills and will report to the Senate a measure which can be successful in solving the long-term credit and equity capital needs of small businesses.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point of my remarks a sectional analysis of the new bill.

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

SECTIONAL ANALYSIS OF SMALL BUSINESS INVESTMENT ADMINISTRATION ACT OF 1958

TITLE I—SHORT TITLE, STATEMENT OF PURPOSE, AND DEFINITIONS

Section 101: The act is cited as the "Small Business Investment Administration Act of 1958."

Section 102: The policy of Congress is to establish a program to stimulate and supplement the flow of private equity capital and long-term loan funds to small-business concerns.

Section 103: Defines various terms used in the act.

TITLE II—SMALL BUSINESS POLICY BOARD

Section 201: There is created a Small Business Policy Board to consist of the Secretary of the Treasury, the Secretary of Commerce, the Administrator of the Small Business Administration, and the Administrator of the Small Business Investment Administration.

Section 202: The Small Business Policy Board has the following functions:

(a) to establish general policies governing the approval and disapproval of applications for financial assistance by the Small Business Administration (hereinafter called SBA) and the Small Business Investment Administration (hereinafter called SBIA);

(b) to coordinate the activities of the SBA and the SBIA, and their activities with other activities and policies of the Government;

(c) to prescribe standards and criteria for the definition of "small business concerns," as used in this act and as used in the Small Business Act of 1953; and

(d) to promulgate standards to determine the eligibility of small-business concerns for assistance as provided in this act.

TITLE III—SMALL BUSINESS INVESTMENT ADMINISTRATION

Section 301: Creates an agency of the Federal Government to be known as the Small Business Investment Administration.

Section 302: The management of the SBIA is vested in an Administrator appointed by the President with the advice and consent of the Senate. His salary is set at $20,000 a year.

Section 303: Enumerates the general powers of the Administrator (such as the hiring of employees, availing himself of the service and facilities of other agencies and departments of the Government, and the acquiring and disposal of property in connection with carrying out the functions of this act).

Section 304: Provides for the deposit of funds by the SBIA, and its contributions to the civil service retirement and disability fund.

Section 305: To finance its activities, as set forth in section 306, the SBIA is authorized to issue obligations to the Secretary of the Treasury in an amount not exceeding $250 million outstanding. During the first year after enactment, the SBIA may not have such obligations outstanding in excess of $50 million, and during the second year it shall not have obligations outstanding in excess of $150 million. Such funds and proceeds therefrom shall constitute a revolving fund. Interest rate paid to the Treasury shall be not more than the current average yields on United States obligations of comparable maturities.

Funds necessary to carry out the administrative operations of the SBIA will be appropriated by the Congress.

Section 306: The revolving fund of the SBIA may be used to:

1. Invest in small business investment companies;
2. Make loans to small business investment companies; and
3. Make loans to State and local development companies.

TITLE IV—SMALL BUSINESS INVESTMENT COMPANIES

Section 401: Small business investment companies may be formed by five or more persons subject to the approval of the SBIA. Enumerated are such powers as are necessary to carry on the business for which the company is established.

Section 402: A small business investment company must have $500,000 paid-in capital and surplus before it may commence business. The SBIA is authorized to invest a maximum of $250,000 in any such company. Shares of stock in such companies may also be purchased by member banks of the Federal Reserve System, nonmember banks, insurance companies, financial institutions, corporations, partnerships, and other persons. A member bank or an insured nonmember bank, however, may hold stock in such companies only in an aggregate amount of 1 percent of such bank's capital and surplus. The aggregate amount of stock in such companies which may be held by any stockholder may be limited by the SBIA.

Section 403: Small business investment companies may borrow money and issue obligations subject to limitations and regulations of the SBIA. The SBIA is authorized to lend money to such companies upon such terms and at such interest rate as determined by the SBIA. The SBIA may not have loans outstanding at any one time to any one company in an amount exceeding 50 percent of the paid-in capital and surplus of such company.

Section 404: Small business investment companies are authorized to provide equity capital to eligible small-business concerns through the purchase of convertible debenture bonds. Such bonds shall bear interest and contain other such terms as the company may fix with the approval of the SBIA. Before any equity capital is provided to a small-business concern under this section, the investment company may require such concern to (1) refinance any or all of its outstanding debt so the investment company is the only holder of evidence of indebtedness of such concern, and (2) agree not to thereafter incur any debts without the approval of the investment company. When a small-business concern obtains equity capital under this section, it is required to purchase stock in the investment company in an amount ranging from 2 to 5 percent of the funds it obtains; the amount of such stock purchase to be set by the SBIA.

Section 405: Small business investment companies are authorized to make long-term loans to eligible small-business concerns. The maximum rate of interest on such loans is to be determined by the SBIA, and maximum maturity is set at 30 years with the investment company having the right to extend the maturity of any loan another 10 years if it deems such extension advisable to orderly liquidation of the loan. Such loans may be made directly or in cooperation with other lending institutions through agreements to participate on an immediate or deferred basis.

Section 406: Without the approval of the SBIA, no small business investment company can have more than one-third of its combined capital and surplus in loans and investments of a single small business concern at one time.

Section 407: Securities issued by small business investment companies may be exempt by the SEC from the Securities Act of 1933 and the Trust Indenture Act of 1939, or issued under special regulations, if the SEC finds that enforcement of these two acts is not necessary in the public interest and for the protection of investors.

Section 408: Any individual or corporation is allowed an ordinary (rather than capital) loss derived from a sale or exchange of stock in a small business investment company. Also, a small business investment company receives an ordinary loss on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to section 404 above. Further, a dividend received deduction equal to 100 percent (rather than 85 percent) of dividends received by a small business investment company is allowed.

Section 409: Contains miscellaneous provisions concerning the operations of small business investment companies and the regulation of them by the SBIA.

TITLE V—CONVERSION OF STATE CHARTER INVESTMENT COMPANIES

Section 501: State chartered investment companies may, upon the vote of the majority of stockholders, be converted into a small business investment company with the approval of the SBIA.

TITLE VI—STATE AND LOCAL DEVELOPMENT COMPANIES

Section 601: The SBIA is authorized to make loans to State and local development companies with the stipulation that such funds are to be used by such companies to supply equity capital to small-business concerns. Such loans by the SBIA are to be in exchange for obligations of the development companies on such terms and at an interest rate set by the SBIA. The SBIA loans outstanding at any one time to any one development company cannot exceed 50 percent of a company's paid-in capital and surplus.

TITLE VII—CHANGES IN FEDERAL RESERVE AUTHORITY

Section 701: Section 13b of the Federal Reserve Act (which provides that Federal Reserve banks may make working capital loans to business concerns) is repealed 1 year after enactment of this act. A savings provision protects transactions being carried out.

Section 702: Section 13b funds are to be returned by the Federal Reserve banks to the Treasury.

Section 703: Small business investment companies are authorized to purchase from any Federal Reserve bank the assets acquired by such bank under section 13b of the Federal Reserve Act.

TITLE VIII—CRIMINAL PROVISIONS

Sections 801–805: Makes it a crime for an officer, director, agent, or employee of a small business investment company to (a) make any loans to an examiner of such company, (b) receive a fee, gift or commission for any transaction by the company which is not authorized in this act, (c) embezzle or willfully misapply any funds or securities belonging to such company, and (d) make a false entry or report or to make an unauthorized transaction.

It is a crime for an examiner of a small business investment company to receive a loan from such company.

It is a crime for anyone to knowingly make any false statement or report or to willfully overvalue any property or securities for the purpose of influencing the action of a small business investment company.

Mr. JOHNSON of Texas. Mr. President, I also ask unanimous consent that the bill remain at the desk for a period of 24 hours, in order that other Senators may have an opportunity to join as cosponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Texas.

The bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes, introduced by Mr. JOHNSON of Texas (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CERTAIN RESEARCH AND DEVELOPMENT CONTRACTS

A letter from the Director of Research and Development, Department of the Army, Washington, D. C., transmitting, pursuant to law, a report on research and development contracts for $50,000 or more which were awarded during the period July 1, 1957, to December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

FINANCIAL ASSISTANCE TO SMALL-BUSINESS CONCERNS

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting a draft of proposed legislation to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

AUDIT REPORT ON THE GOVERNMENT PRINTING OFFICE

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

REPORT PRIOR TO RESTORATION OF BALANCES, NATIONAL PARK SERVICE

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report prior to restoration of balances, National Park Service, as of February 28, 1958 (with an accompanying report); to the Committee on Government Operations.

REVISED REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF THE ARMY

A letter from the Engineer Comptroller, Corps of Engineers, Department of the Army, transmitting, pursuant to law, a revised report prior to restoration of balances, Corps of Engineers, as of April 1, 1958 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT, BLUE RIDGE PARKWAY, NORTH CAROLINA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract, Blue Ridge Parkway, North Carolina (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF WAR-RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of March 31, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF CHAPTER XIII, BANKRUPTCY ACT

A letter from the Acting Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend chapter XIII—wage earners' plans—of the Bankruptcy Act (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters 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.

RESCISSION OF ADJUSTMENT OF STATUS OF JESUS ANGEL-MORENO

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order relative to the rescission of adjustment of status granted Jesus Angel-Moreno (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman, National Labor Relations Board, Washington, D. C., transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

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

"Senate Joint Resolution 3

"Joint resolution relative to the school lunch program

"Whereas the school lunch program today faces a serious curtailment as a result of changing conditions; and

"Whereas the reduction in crop surpluses with the accompanying decrease in surplus foods available to school cafeterias has forced the school districts to buy on the climbing open market; and

"Whereas the Federal subsidy has dropped from 9 cents a plate in 1946 to only 4 cents today in California because more children are participating in the program; and

"Whereas raising lunch prices to make up the losses forces away children whose families are receiving less and less take home pay: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes Congress to increase its appropriation to the Federal school lunch program so that the schools may continue to offer the high quality low-cost lunches which they have in the past; 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 Interior and Insular Affairs.

"Senate Joint Resolution 5

"Joint resolution relative to expanding the Federal construction program

"Whereas a subcommittee of the Committee on Interior and Insular Affairs of the United States Senate will meet on March 31, 1958, to consider ways and means of expanding the program for the construction of reclamation projects; and

"Whereas there are, at the present time, projects within the State of California upon which construction can and should proceed in the immediate future; and

"Whereas the expediting of said projects will assist in achieving the objective sought in expanding a Federal construction program to enhance the economic welfare of the United States; and

"Whereas among said projects which should and can be constructed in the immediate future are the following: Auburn Dam project; Folsom South Canal project; Yolo Zamora project; Nashville Dam project; any additional project or projects for which studies have been completed or can be completed to the point that their construction can be commenced before April 1, 1962; and

"Whereas said projects are vitally needed for water conservation and flood control within this State: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California jointly, That the Congress of the United States is respectfully memorialized to provide authorization, in any expanded Federal reclamation construction program, for the early construction of the following projects: Auburn Dam project; Folsom South Canal project; Yolo Zamora project; Nashville Dam project; any additional project or projects for which studies have been completed or can be completed to the point that their construction can be commenced before April 1, 1962; and urges the Congress of the United States to enact legislation to accomplish this objective; 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, to the Honorable CLINTON ANDERSON, chairman of the subcommittee of the United States Senate Committee on Interior and Insular Affairs, and to each Senator and Representative from California in the Congress of the United States."

"Senate Joint Resolution 8

"Joint resolution relative to providing San Benito, Santa Cruz, and Monterey Counties with a supply of water from the Central Valley project

"Whereas the anticipated increase in population and in industrial development in the area comprising the counties of San Benito, Santa Cruz, and Monterey, together with the intense agricultural activity now existing in that area, will combine increasingly to tax existing water supplies of the region; and

"Whereas at present the watersheds of San Benito, Santa Cruz, and Monterey Counties are virtually the sole source of the water supply for the region; and

"Whereas to meet the desperate water needs of this region, it is necessary that the most feasible plan to obtain an additional supply of water be determined with the least possible delay; and

"Whereas it may prove advantageous to San Benito, Santa Cruz, and Monterey Counties to have an alternative choice to the service contemplated by the California water plan; and

"Whereas lack of a report made by the Secretary of the Interior, through the Bureau of Reclamation, on the feasibility of serving San Benito, Santa Cruz, and Monterey Counties with water from the Central Valley project or the San Luis project, or both, may preclude the possibility of Congressional authorization of a Federal reclamation project to serve the area; and

"Whereas lack of Congressional authorization of a Federal reclamation project to serve San Benito, Santa Cruz, and Monterey Counties with water from the Central Valley project or the San Luis project, or both, would deny citizens of the area an alternative choice of the service contemplated by the California water plan: 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 and the Secretary of the Interior, through the Bureau of Reclamation, to take such action as may be necessary to conduct and complete with least possible delay the necessary investigations, surveys, and studies for the purpose of providing plans and feasibility reports to furnish a supply of water from the Central Valley project or the San Luis project, or both, to San Benito, Santa Cruz, and Monterey Counties, all generally in keeping with section 2 of the act of October 14, 1949 (63 Stat. 852) authorizing the American River Division, Central Valley project; 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, and to the United States Bureau of Reclamation."

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

"Senate Resolution 26

"Resolution relative to the Turlock Naval Reserve Electronics Unit

"Whereas the Turlock, Calif., Naval Reserve Electronics Unit was organized in that city during World War II and has, since that time, been noted throughout the area for the highly successful conduct of its operations; and

"Whereas this unit is currently installed in a quonset hut on land leased from the fair board of the district fair of Stanislaus County; and

"Whereas the growth of the city of Turlock has made it no longer feasible for the fair board of the district fair of Stanislaus this property: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Senate of the State of California respectfully memorializes Congress and requests the Department of Defense to consider the establishment of a new Naval Reserve Electronics Unit installation on land to be provided by the city of Turlock and, until the time of such establishment to renew the present lease for a shorter period not exceeding 2 years; 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 the Department of Defense."

Two resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"Resolutions memorializing Congress requesting the passage of legislation to control inflation

"Whereas the United States of America is in the grip of an inflationary spiral; and

"Whereas inflation frequently leads to financial disaster or depression; and

"Whereas financial disaster or depression is a means by which communism would overcome the democracy in America; and

"Whereas the future of our democratic liberty and free way of life may be threatened unless inflation is curtailed: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation to safeguard the economic stability and strength of this Nation, and to bring under strict control all inflationary processes; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to Members thereof from this Commonwealth."

"Resolutions memoralizing the Congress of the United States to change the population requirement of communities eligible to receive Federal assistance in urban renewal

"Whereas the Congress of the United States has by the enactment of section 701 of title 7 of the Federal Housing Act of 1954 provided urban renewal assistance to various communities; and

"Whereas the provisions of this law apply to communities with a population of 25,000 or less; and

"Whereas His Excellency, the Governor, in his annual message to the general court on January 1, 1958, declared, 'This population limitation should be increased to at least 50,000, which would make 20 more Massachusetts communities eligible for assistance;' Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation amending section 701 of title 7 of the Federal Housing Act of 1954, as amended, by striking out the figure of "25,000" and inserting in place thereof the figure of "50,000," thereby making the benefits of the above-entitled law available to more communities in the Commonwealth of Massachusetts; and be it further

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

A resolution adopted by the Chamber of Commerce of Oakland, Calif., favoring the enactment of legislation to provide funds to pay the expenses of the University of California Marching Band on its trip to Europe; to the Committee on Appropriations.

A resolution adopted by the Cleveland World Trade Association, of Cleveland, Ohio, favoring the extension for 5 years of the Reciprocal Trade Agreements Program; to the Committee on Finance.

A resolution adopted by the Montebello, Calif., Community Chamber of Commerce, favoring the enactment of legislation to repeal the excise tax on communications; to the Committee on Finance.

The petition of Geo. Washington Williams, of Baltimore, Md., relating to the foreign relations of the United States; to the Committee on Foreign Relations.

The petition of Charles A. McBride, relating to secrecy in the affairs of the United States with other nations, and so forth; to the Committee on Foreign Relations.

The petition of Dragiaha Burojevich, of Milwaukee, Wis., praying for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the Alaska National Guard Officers Association, of Anchorage, Alaska, relating to Japanese fishing activities; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the City Council of the City of Philadelphia, Pa., favoring a vote by the Congress to override the Presidential veto of the rivers and harbors bill; to the Committee on Public Works.

EXTENSION OF RURAL ELECTRIFICATION SERVICES TO ALL RURAL RESIDENTS—LETTER AND RESOLUTION

Mr. THYE. Mr. President, I ask unanimous consent that a letter I have received from the Kandiyohi Cooperative Electric Power Association of Willmar, Minn., and a resolution attached thereto, be printed in the RECORD, and that the letter and resolution be referred to the appropriate committee, which I believe to be the Committee on Agriculture and Forestry.

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

KANDIYOHI COOPERATIVE ELECTRIC POWER ASSOCIATION,
Willmar, Minn., April 16, 1958.

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

HONORABLE SIR: Enclosed is a copy of a resolution which was duly adopted by more than 3,000 of the members of Kandiyohi Cooperative Electric Power Association at their annual meeting held in Willmar on March 28, 1958.

The members of all REA electric cooperatives are looking to Congress to see that the Government keeps its word and agreement, namely, that the electric cooperatives are expected to bring central station electric service to all rural residents desiring the same. This has and will be done repeatedly to bring rural electric to rural residents when it is known that some extensions could be not built on economic feasibility alone.

Yours very truly,
J. MAURITZ NELSON,
Manager.

RESOLUTION OF KANDIYOHI COOPERATIVE ELECTRIC POWER ASSOCIATION, WILLMAR, MINN.

Whereas since the inception of the Rural Electrification Administration, the said Administration has been permitted to lend to cooperative borrowers, money at reasonable rates to finance construction of electric distribution lines and for other purposes associated with the distribution of electric energy; and

Whereas there is now a movement on foot in the Congress of the United States to force cooperative associations seeking funds to borrow them elsewhere, and in the public money market, at presumably higher rates than are presently being paid by said borrowers to the said Rural Electrification Administration, to the detriment of said associations and their respective memberships; and

Whereas the members of the Kandiyohi Cooperative Electric Power Association in annual meeting assembled this 28th day of March, 1958, at Willmar, Minn., deplore the said movement and believe that the Rural Electrification Act should be left in status quo and not amended in any particular affecting the borrowing of money by cooperative associations: Now, therefore, be it

Revolved by the said members of Kandiyohi Cooperative Electric Power Association this 28th day of March 1958, That they do deplore the movement to attach higher interest rates for the borrowing of money by the movement in Congress to force such borrowers to go into the public-money market for such financing as may be necessary to bring to the farmers of the United States the benefits of electricity in the rural areas; be it further

Resolved, That said members do memorialize Congress to oppose such a movement and to leave intact the present Rural Electrification Act with respect to the loaning of money by the Rural Electrification Administration to cooperative associations for their legitimate purposes; be it further

Resolved, That copies of this resolution be transmitted forthwith by the secretary of this association to the Senators and Congressmen representing the people of the State of Minnesota, as an expression to said gentlemen of the considered thought of the members of this association, comprised of approximately 3,000 farm families located in and immediately adjacent to Kandiyohi County, Minn.

RESOLUTION OF ST. LOUIS COUNTY, MINN., DEVELOPMENT ASSOCIATION

Mr. THYE. Mr. President, I present a letter from the secretary of the St. Louis County Development Association, of Duluth, Minn., inclosing a resolution adopted by that organization relating to the appropriation of sufficient funds for the planting of trees in the denuded areas of the Superior National Forest. I ask unanimous consent that the letter and resolution may be printed in the RECORD.

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

OFFICE OF COUNTY ATTORNEY,
COUNTY OF ST. LOUIS,
Duluth, Minn., April 18, 1958.

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

DEAR SENATOR THYE: Inclosed herewith please find a resolution adopted by the St. Louis County Development Association at its meeting held on April 17, 1958, in the city hall at Virginia, Minn.

Yours very truly,
RALPH J. OLSON, *Secretary.*

RESOLUTION OF ST. LOUIS COUNTY DEVELOPMENT ASSOCIATION

Whereas at the present time tree planting in the Superior National Forest is done with funds derived from the sale of stumpage within the forest; and

Whereas said tree planting is done only in areas producing stumpage funds; and

Whereas there are large areas of the Superior National Forest completely denuded of trees in which no tree-planting activities are carried on, since such areas produce no stumpage income; and

Whereas under the present policy such areas can never be replanted: Now, therefore, be it

Resolved, That this committee urge the Congress of the United States to appropriate to the Forest Service additional funds to be used for the replanting of trees in the denuded areas of the Superior National Forest which produce no stumpage income; be it further

Resolved, That copies of this resolution be forwarded to Senator HUMPHREY, Senator THYE, Congressman BLATNIK, and Congresswoman COYA KNUTSON.

RESETTLEMENT OF REFUGEES

Mr. LANGER. Mr. President, many, many thousands of Hungarians have come to the Western Hemisphere as refugees and found new homes and a new life. A few, who perhaps would not be happy anywhere, have returned to Europe with a complete lack of appreciation for the mercy shown to them in a crucial hour. Some of these have been critical of the countries which embraced them, including the United States.

Last month a critical appraisal by one Hungarian refugee was given the usual publicity and notoriety which any critical statement about the Dominican Republic seems to receive. In fairness to that country, I ask unanimous consent to have printed in the RECORD one letter and two petitions signed by Hungarian refugees now living in the Dominican Republic which affords a more accurate picture of working conditions and resettlements there.

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

EMBAJADA DE LA REPUBLICA DOMINICANA,
Washington, D. C., April 21, 1958.

Hon. WILLIAM LANGER,
Chairman, Subcommittee on Western Escapees and Refugees, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your subcommittee has done much excellent work in the free world's efforts in resettlement of European refugees and I know you share the pride of the Dominican Republic in the efforts and progress made by governmental authorities in the Dominican Republic.

Knowing the subcommittee would be interested in the feelings and attitude of Hungarian refugees who have found new homes and new life in the Dominican Republic, I wanted to bring to your attention three communications which express a cross section of the sentiments of the refugees in the Dominican Republic.

I believe you will find them of interest and of value to the subcommittee in assaying the program in the Western Hemisphere. You may feel free to make whatever use of the communications which you think appropriate.

With highest regards.

Very sincerely,
MANUEL A. DE MOYA,
Ambassador.

(Enclosures: Letter from Szucs Cyula, letter from numerous petitioners, letter from numerous petitioners.)

CONSTANZA,
Dominican Republic, February 14, 1958.

SIR: Allow us to set before you the opinion of those of us Hungarians who wish to remain in this country, against the propaganda being made in Europe by those who returned from here and who raise calumnies, etc.:

1. We wish to attest our gratitude toward the Dominican Republic and toward your person for the help afforded us in order that we might make our new homes;

2. Our hearts are deeply hurt when we hear the lies which are spread by those ingrates who fled from work in this land and prefer to live elsewhere in idleness rather than earn a decent living with their own work, exactly as they were given a chance to do here. Those who knew nothing of farm work enjoyed speaking ill of this country, calumniating it, and sought pity for their lot by this means; in this same manner they are trying to regain their honor in Austria;

3. We repudiate all those who instead of being grateful speak ill of this country, which did everything possible to give an opportunity to anyone desiring to work. Our living quarters, though small, are pleasant and friendly. Our lands are good and are already giving us a splendid yield, as it is now 2 weeks since we started our first harvest.

We have succeeded in proving for ourselves that production is possible, inasmuch as the climate allows the same the year round.

We are happy and rejoice in the fact that this beloved, small country has welcomed us in so open a fashion, it being perhaps the only land in the world where the Hungarians have met with such good fortune.

4. This small group of Hungarian families living in Constanza wish to work henceforth with still greater efforts in order to show that we are deserving of the help which has been given us and that we are grateful to the nation that afforded us its full aid, so that we could shape our new lives.

We shall prove that we shall act in such wise for the good name of the Hungarians, and not like those who should be ashamed to call themselves Hungarians and with whom we have nothing in common, since our feelings repudiate those persons who left this land.

With sincere thanks,

Vass Laszlo, Vass Iren, Udvaros Sandor, Udvaros Juliana, Ritter Lajos, Hitter Erzsebet, Berta Janos, Knedlik Gyula, Vegvabi Jozsef, Berta Istvan, Vegvari Maria, Bollok Jozsef, Jakabfi Jozsep, Laiko Janos, Abranovics Kalman, Bollok Margit.

CIUDAD TRUJILLO, NATIONAL DISTRICT,
February 27, 1958.

MY DEAR COLONEL: We have a good deal for which to be grateful to him and, in union with my wife, always remember in our thoughts the father of our new land, Generalissimo Trujillo, as well as yourself, who brought us to this beautiful colony in Baoba del Piñal.

I am, my dear Colonel, very happy together with my family in our new home and with our plot of land, and I am more than pleased to state publicly that I have thus far, with good prospects, 80 tareas planted in peanuts, which I hope to harvest at the end of April.

I am anxious, sir, to show the Hungarians as well as the Dominican people how a hard-working Hungarian, with a true desire to work, sets his shoulder to the wheel. According to my calculations, in April and May I shall have between 115 and 120 tareas planted in peanuts, as my attitude is unlike that of those who returned; I propose to remain in this country and to help my new land through my work.

I work day and night, my dear Colonel, so that those who have gone away may never be right in what they say. I regret exceedingly the attitude of those Hungarians against you, and I, as well as my family, are willing to heal the wound they have caused.

Those of us who remained here want to do everything in a fitting way, and I share the feelings of the Hungarians in Constanza, who also are grateful to their father, Trujillo, as well as to yourself.

I must add that of those who returned, the majority never worked as farmers and only wanted to use the Dominican Republic as a beachhead in order to reach the United States, as they believed that dollars are found there as abundantly as it rains here. They were quite mistaken in this, and returned to Europe; it turned out for the best because they can no longer bother the rest. The propaganda they are carrying on in Europe is emphatically refuted by all of us Hungarians who reside in this country.

My dear Colonel, I close this letter saying that I, together with my whole family, bear the greatest possible feeling of gratitude toward the father of our new land, Trujillo, and toward yourself.

SZUCS CYULA,
(And wife, as well as the Dominican citizen, our daughter, Zusana).

HIGHLY ESTEEMED DIRECTOR GENERAL: We, Hungarians who work in the factory in San Cristobal, have heard, with displeasure, that those who returned to Europe from the Dominican Republic have given themselves to propagandizing against this country's interests, and we beg leave to express our thoughts in this regard and to clear up what our viewpoint thereon is, so that you can publicize the same in the European press. We cannot view in silence that those vile persons, through calumnies and lies, succeed in attacking a country that, in proportion to its size, population and economic resources, has contributed the greatest measure of help for the Hungarian cause.

We are grateful to the Dominican Republic for having afforded us, on the one hand, material and moral aid, and, on the other hand, for having afforded us a new fatherland where we are able to lead decent lives.

We must mention that also in Austria a good deal was done for us, but uncertainty as to the future and a lack of employment unnerved us; we were without work. The Dominican Republic helped us not only by giving us a haven but also by giving us gainful employment in keeping with our vocations. This is something that can only be appreciated by persons who know their vocations well and who enjoy working.

We were welcomed upon our arrival with houses that were prepared to lodge us along with our families, and the unmarried among us were lodged in boarding or rooming houses giving very good service. As a general rule, refugees are looked upon every-

where with mistrust and even a degree of hostility. Here we have found nothing of the kind, as the people are affectionate and friendly. Nor has our ignorance of the Spanish language been a handicap for us. In this matter we had the help of those Hungarians who have already resided here for years. In most of the factory's shops the skilled workmen are Hungarians, and that is clear proof that in the Dominican Republic each individual is rated in keeping with what he deserves.

The wages that were paid at the outset were upped in August, and in October we made a new contract which safeguards us for 3 years and assures us future increases in our wages.

From the outset of our living here, our families have had their own furniture and equipment, and dress decently. Many of us own motorcycles, radios and other items which raise the workingman's standard of living, and we believe that our material outlook for the future is a good one.

What do they seek with their calumnies? Why were they discontented?

They wanted to put the high salaries on a par with their own. Upon what grounds? During the brief period in which they were employed at the factory, they failed to make any effort to prove that they were worth at least the wages they were given in the beginning. It is the usual practice in Government plants throughout the world to take into account seniority through years of service. They, too, could have obtained better wages if they had remained at their work, in a decent manner, for a period of time.

They wanted to obtain salary increases without putting out any effort. They now are ashamed to admit the truth that they sought more than what they were willing to give, and that they acted wrongly toward the Dominican Republic which showed them such generosity.

It is easier to find a motive to justify their return to Europe by trampling the good faith of a nation and its enterprises, than to admit the true facts. They prefer to perform no work and live like parasites upon the Austrian Government instead of building their own homes.

We are entirely convinced that those persons who can live only by calumniating others and unceasingly bewailing their own ill luck, will never be satisfied anywhere and will never honor the name of Hungary. We condemn such conduct, and emphatically refute all those calumnies which have been launched against the good name of the Dominican Republic and against the Factory's management.

We, the Hungarians who live here, promise you that we shall uphold the honor of this republic and its laws, and that we shall make every effort to learn its language. Through greater devotion and decent work we want to earn our own honor in an honest fashion, surpassing in our deeds those who have already been residents of this country for a long time.

Deeply grateful, we are

Yours respectfully,

Cserhati Karoly, Motin Mihaly, Kovacs Karoly, Boda Laszlo, Misko Gyorgy, Perger Laszlo, Galaba Karoly, Galaba Karolyne, Dobi Daroly, Dobi Maria, Kovacs Piroska, Kovacs Emil, Katalin Kibedy de Kovacs, Ujszaszi Istvanne, Perger Laszlone, Garga Lazzlo, Ujszaszi Istvan, Olasz Bela, Csekle Janos.

RESOLUTION OF ST. LOUIS COUNTY (MINN.) DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, the St. Louis County Development Association, Virginia, Minn., recently adopted a resolution urging the Congress to appropriate to the Forest Service additional funds to be used for the replanting of trees in the denuded areas of the Superior National Forest.

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:

RESOLUTION OF ST. LOUIS COUNTY DEVELOPMENT ASSOCIATION

Whereas at the present time, tree planting in the Superior National Forest is done with funds derived from the sale of stumpage within the forest; and

Whereas said tree planting is done only in areas producing stumpage funds; and

Whereas there are large areas of the Superior National Forest completely denuded of trees in which no tree planting activities are carried on, since such areas produce no stumpage income; and

Whereas under the present policy, such areas can never be replanted: Now, therefore, be it

Resolved, That this committee urge the Congress of the United States to appropriate to the Forest Service additional funds to be used for the replanting of trees in the denuded areas of the Superior National Forest, which produce no stumpage income; be it further

Resolved, That copies of this resolution be forwarded to Senator HUMPHREY, Senator THYE, Congressman BLATNIK, and Congresswoman COYA KNUTSON.

RESOLUTION OF KANDIYOHI COOPERATIVE ELECTRIC POWER ASSOCIATION, WILLMAR, MINN.

Mr. HUMPHREY. Mr. President, on March 28, 1958, the members of the Kandiyohi Cooperative Electric Power Association, Willmar, Minn., adopted a resolution opposing higher interest rates for REA.

I ask unanimous consent that the text of this resolution be printed at this point in the RECORD, and appropriately referred.

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

RESOLUTION OF KANDIYOHI COOPERATIVE ELECTRIC POWER ASSOCIATION, WILLMAR, MINN.

Whereas since the inception of the Rural Electrification Administration, the said Administration has been permitted to lend to cooperative borrowers, money at reasonable rates to finance construction of electric distribution lines and for other purposes associated with the distribution of electric energy; and

Whereas there is now a movement on foot in the Congress of the United States to force cooperative associations seeking funds to borrow them elsewhere, and in the public money market, at presumably higher rates than are presently being paid by said borrowers to the said Rural Electrification Administration, to the detriment of said associations and their respective memberships; and

Whereas the members of the Kandiyohi Cooperative Electric Power Association in annual meeting assembled this 28th day of March 1958, at Willmar, Minn., deplore the said movement and believe that the Rural Electrification Act should be left in status quo and not amended in any particular affecting the borrowing of money by cooperative association: Now, therefore, be it

Resolved by the said members of Kandiyohi Cooperative Electric Power Association this 28th day of March 1958, That they do deplore the movement to attach higher interest rates for the borrowing of money by the movement in Congress to force such borrowers to go into the public money market for such financing as may be necessary to bring to the farmers of the United States the benefits of electricity in the rural areas; be it further

Resolved, That said members do memorialize Congress to oppose such a movement and to leave intact the present Rural Electrification Act with respect to the loaning of money by the Rural Electrification Administration to cooperative associations for their legitimate purposes; be it further

Resolved, That copies of this resolution be transmitted forthwith by the secretary of this association to the Senators and Congressmen representing the people of the State of Minnesota, as an expression to said gentlemen of the considered thought of the members of this association, comprised of approximately 3,000 farm families located in and immediately adjacent to Kandiyohi County, Minn.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 3195. A bill to authorize certain retired personnel of the United States Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries (Rept. No. 1439).

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

S. 2888. A bill to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans (Rept. No. 1440).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 292. A bill for the relief of Eero Juno Valkonen (Rept. No. 1443);

S. 1782. A bill for the relief of Carolina M. Gomes (Rept. No. 1444);

S. 1975. A bill for the relief of Peder Strand (Rept. No. 1445);

S. 2497. A bill for the relief of Mrs. Hildegard Porkert (Rept. No. 1446);

S. 2997. A bill for the relief of Leobardo Castaneda Vargas (Rept. No. 1447);

H. R. 2935. An act for the relief of Apolonia Quiles Quetglas (Rept. No. 1448);

H. R. 8239. An act for the relief of Maria Dittenberger (Rept. No. 1449);

H. R. 8348. An act for the relief of Michael Romanoff (Rept. No. 1450); and

H. J. Res. 528. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 1442).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1248. A bill for the relief of Fred G. Clark (Rept. No. 1451);

S. 2940. A bill for the relief of Joseph H. Choy (Rept. No. 1452); and

S. 3007. A bill for the relief of Katina Leckas and Argery Leckas (Rept. No. 1453).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 952. A bill for the relief of certain aliens (Rept. No. 1455);

S. 2340. A bill for the relief of Laszlo Kalmar (Rept. No. 1456);

S. 2950. A bill for the relief of Peter Liszczynski (Rept. No. 1457);

S. 3019. A bill for the relief of Herta Wilmersdoerfer (Rept. No. 1458); and

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 1454).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S. J. Res. 159. Joint resolution to authorize and request the President to proclaim July 4, 1958, a day of rededication to the responsibilities of free citizenship (Rept. No. 1459).

By Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, with an amendment:

S. 2861. A bill to extend for an additional 4-year period the provisions of the National Wool Act of 1954 (Rept. No. 1460).

RELIEF OF CERTAIN ALIENS—REPORT OF A COMMITTEE

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution for the relief of certain aliens, and I submit a report (No. 1462) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 83) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244 (a) (5 of the Immigration and Nationality Act (66 Stat. 214; 8 U. S. C. 1254 (c)):

A-10150440, Herrmann, William Ernest.
A-1607807, Latva, Karl Assari.
A-2752014, Nagae, Toshiyoshi.
A-2183058, Ritchie, Anna.
A-2429881, Rotzer, John.
A-2476554, Akelaitis, Anthony Peter.
A-5591361, Brisbeno-Cerano, Pablo.
A-2154168, Gerard, Thursa Bashey.
A-4296775, Philippou, Michael.
A-5077628, Abrams, William.
A-1884341, Billeck, Mike.
A-1223150, Franzone, Peter.
A-8765622, Ramos-Alonzo, Valentin.
A-4753944, Souza, Manuel Francis.
A-1024497, Strk, Ilija.
A-4317593, Vir, David.
A-8844394, Waulke, Samuel S.
A-5940048, Wienski (Wiensky), Nicholas.
A-5858232, Contreras-Munoz, Jose.
A-4969807, Cehringer, Henry Charles.
A-5472840, Derymonjian, Oskan.
A-4285329, Heeney, William Michael Francis.
A-4765082, Lledo, Jaime Cano.
A-5987889, Pietzak, Joseph Adam.
A-5093624, Anthonis, Frank.
A-3090457, Butler, Anna Lucretia.
A-4335159, Gugenhan, Frederick.
A-4011582, Luper, Max.
A-3007376, Orosco, Nabor.
A-1199762, Thompson, Arthur Fisher.
A-4792609, Tima Emery James.
A-5418531, Kuch, Bronislaw.
A-2746556, Nunez-Arreguin, Francisco.
A-4539823, Sailer, Johann N.
A-1852300, Valdastri, Joseph.
A-10139136, Weiner, Benjamin.
A-2807195, Burnett, John Lionel.
A-1229447, Echevarria, Felipe.
A-5048277, Geller, Samuel.
A-5052632, Israel (Izrael), Joseph.
A-5511254, Sollano (Sallano), Salvatore.
A-5592838, Sonneborn, Herbert Joseph.
A-1895860, Tellez-Lara Salvador.
A-5967610, Toy Nee.
A-4656191, Wantroba (Watroba), Thomas.
A-4717588, Zukowski, Antonina.
A-4282074, Krawczuk, Peter.
A-2471862, Miszer, Ignatz.
A-8925175, Rich, Martha Lucille.
A-4926883, Leonelli, Eido.
A-10255683, Ross, Maurice.
A-1899483, Bravo, Lucio.
A-3073370, Consiglio, Anthony.
A-4495275, Evans, Julia.
A-6151475, Lowenthal, Philip Herman.
A-2053517, Aalto, George.
A-8890731, Constante-Fregoso, Rogilio.
A-10458255, Espinosa-Delgado, Miguel.
A-3818164, Jugloff, Theodore Louis.
A-1453355, Naftaniel, Nick.
A-10155976, Sederes, James George.
A-3339304, Brini, Pasquale Luigi.
A-2129962, Flores, Lino B.
A-2157328, Suarez, Ysidro, Jr.
A-4760319, Ho, Chu Hum.
A-6038920, Liedtke, Fred.
A-2481240, Puretz, Leo.
A-3411085, Tornello, Michael.
A-6487465, Valenti, Rocco.

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN—REPORT OF A COMMITTEE

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, withdrawing suspension of deportation in the case of Tan Tat Geen, and I submit a report (No. 1461) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 84) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Tan Tat Geen (A-9097795) which was previously granted by the Attorney General and approved by the Congress.

REPORT ENTITLED "MERGERS AND CONCENTRATION IN THE TRUCKING INDUSTRY" MINORITY VIEWS (S. REPT. NO. 1441)

Mr. SPARKMAN. Mr. President, from the Select Committee on Small Business, I submit a report entitled "Mergers and Concentration in the Trucking Industry." I ask that the report be printed.

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

Mr. SPARKMAN subsequently said: Mr. President, earlier today I submitted a report from the Select Committee on Small Business. Minority views were submitted by the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from Arizona [Mr. GOLDWATER].

I ask unanimous consent that the minority views may be printed with the report.

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

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Mendon Morrill, of New Jersey, to be United States district judge for the district of New Jersey, vice Alfred E. Modarelli;

Edwin D. Steel, Jr., of Delaware, to be United States district judge for the district of Delaware, vice Paul C. Leahy;

William T. Plummer, of Alaska, to be United States attorney for division No. 3, district of Alaska;

Jack D. H. Hays, of Arizona, to be United States attorney for the district of Arizona;

J. Leonard Walker, of Kentucky, to be United States attorney for the western district of Kentucky;

Robert E. Hauberg, of Mississippi, to be United States attorney for the southern district of Mississippi;

Thomas Ramage Ethridge, of Mississippi, to be United States attorney for the northern district of Mississipi;

Maurice Paul Bois, of New Hampshire, to be United States attorney for the District New Hampshire;

Theodore F. Bowes, of New York, to be United States attorney for the northern district of New York;

Sumner Canary, of Ohio, to be United States attorney for the northern district of Ohio;

Clarence Edwin Luckey, of Oregon, to be United States attorney for the district of Oregon;

Daniel H. Jenkins, of Pennsylvania, to be United States attorney for the middle district of Pennsylvania;

Louis Gorman Whitcomb, of Vermont, to be United States attorney for the district of Vermont;

Duncan Wilmer Daugherty, of West Virginia, to be United States attorney for the southern district of West Virginia;

Claire A. Wilder, of Alaska, to be United States marshal for division No. 1, district of Alaska.

Fred S. Williamson, of Alaska, to be United States marshal for division No. 3, district of Alaska.

Albert Fuller Dorsh, Jr., of Alaska, to be United States marshal for division No. 4, district of Alaska.

Rupert Hugo Newcomb, of Mississippi, to be United States marshal for the southern district of Mississippi;

Louis O. Aleksich, of Montana, to be United States marshal for the district of Montana;

Cedric E. Stewart, of Nevada, to be United States marshal for the district of Nevada;

Joseph Stockinger, of New York, to be United States marshal for the eastern district of New York, vice William E. Smith;

J. Bradbury German, Jr., of New York, to be United States marshal for the northern district of New York;

Eugene Levi Kemper, of Kansas, to be United States marshal for the district of Kansas;

George M. Glasser, of New York, to be United States marshal for the western district of New York; and

Dewey Howard Perry, of Vermont, to be United States marshal for the district of Vermont.

By Mr. Ervin, from the Committee on the Judiciary:

James E. Holshouser, of North Carolina, to be United States attorney for the middle district of North Carolina, vice Edwin M. Stanley; and

B. Ray Cohoon, of North Carolina, to be United States marshal for the eastern district of North Carolina.

By Mr. DIRKSEN, from the Committee on the Judiciary:

Harlington Wood, Jr., of Illinois, to be United States attorney for the southern district of Illinois, vice John B. Stoddart, Jr.

By Mr. WILEY, from the Committee on the Judiciary:

George Edward Rapp, of Wisconsin, to be United States attorney for the western district of Wisconsin; and

Ray H. Schoonover, of Wisconsin, to be United States marshal for the western district of Wisconsin.

By Mr. HRUSKA, from the Committee on the Judiciary:

William Raab, of Nebraska, to be United States marshal from the district of Nebraska.

BILLS INTRODUCED

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

By Mr. MANSFIELD:

S. 3634. A bill to amend the Internal Revenue Code of 1954 so as to increase from $600 to $800 the amount of each personal exemption and to repeal certain excise taxes; to the Committee on Finance.

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

By Mr. AIKEN:

S. 3635. A bill to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 3636. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses paid during the taxable year for repair, maintenance, alterations and additions to his residence; and

S. 3637. A bill to permit income derived as an administrator or executor of an estate to be considered as "self-employment income" for the purposes of the insurance system established by title II of the Social Security Act; to the Committee on Finance.

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

By Mr. BUSH:

S. 3638. A bill to authorize certain flood control projects in the State of Connecticut; and

S. 3639. A bill to authorize certain river and harbor projects in the State of Connecticut; to the Committee on Public Works.

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

By Mr. IVES:

S. 3640. A bill for the relief of Daniel (Nathaniel) Rosenzweig; and

S. 3641. A bill for the relief of Gertrude Yang Koo; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 3642. A bill to provide for the accelerated development of secondary school education in the natural sciences in the several States and Territories; to the Committee on Labor and Public Welfare.

By Mr. THYE (for himself, Mr. PAYNE, Mr. ALLOTT, Mr. BEALL, Mr. MUNDT, Mr. CARLSON, Mr. JAVITS, and Mr. YOUNG):

S. 3643. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small business investment associations; to make equity-type capital available through funds provided by the Small Business Administration, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. CHAVEZ:

S. 3644. A bill to provide for the conveyance of certain lands in the State of New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 3645. A bill granting the consent of Congress to the Potomac Electric Power Co. for the construction of a dam on the Potomac River; to the Committee on Public Works.

By Mr. HUMPHREY:

S. 3646. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital and nursing home service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Finance.

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

By Mr. MORSE (by request):

S. 3647. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. ANDERSON (for himself and Mr. CHAVEZ):

S. 3648. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navaho Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL (for himself, Mr. THYE, Mr. COOPER, Mr. BARRETT, Mr. COTTON, and Mr. BUSH):

S. 3649. A bill to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes; to the Committee on Armed Services.

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

By Mr. BEALL:

S. 3650. A bill for the relief of Lieutenant Commander William E. Farrell, United States Naval Reserve, retired; to the Committee on Armed Services.

By Mr. JOHNSON of Texas (for himself, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. CLARK, Mr. PROXMIRE, Mr. HILL, Mr. O'MAHONEY, Mr. HUMPHREY, Mr. BEALL, and Mr. CASE of New Jersey):

S. 3651. A bill to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; to the Committee on Banking and Currency.

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

By Mr. MARTIN of Iowa:

S. 3652. A bill to modify the project for the Coralville Reservoir on Iowa River in Iowa in order to provide for a highway bridge across Coralville Reservoir; to the Committee on Public Works.

By Mr. HRUSKA:

S. 3653. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on the Judiciary.

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

By Mr. O'MAHONEY (for himself and Mr. KENNEDY):

S. 3654. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes," and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3655. A bill to permit persons teaching school upon induction into the armed forces pursuant to the Universal Military Training and Service Act to serve their active duty and training periods when school is not in session; to the Committee on Armed Services.

By Mr. EASTLAND (for himself and Mr. DIRKSEN):

S. 3656. A bill to amend section 456 of title 28, United States Code, with respect to traveling expenses of justices and judges; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 3657. A bill to authorize the construction of a nuclear-powered icebreaking vessel for operation by the United States Coast Guard, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (by request):

S. 3658. 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; and

S. 3659. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize elimination of a hearing in certain cases under section 408; to the Committee on Interstate and Foreign Commerce.

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

By Mr. ALLOTT:

S. 3660. A bill to provide for a less rigid formula governing the amount of annual income which certain veterans may receive without being deprived of the payment of their pensions; to the Committee on Finance.

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

CONCURRENT RESOLUTIONS

Mr. EASTLAND, from the Committee on the Judiciary, reported the following two concurrent resolutions, which were placed on the calendar:

S. Con. Res. 83. Concurrent resolution for the relief of certain aliens; and

S. Con. Res. 84. Concurrent resolution withdrawing suspension of deportation in the case of Tan Tat Geen.

(See the above concurrent resolutions, printed in full, where they occur under the heading "Reports of Committees.")

PROPOSED REDUCTION OF INCOME AND EXCISE TAXES

Mr. MANSFIELD. Mr. President, this morning, I received from Detroit a letter which includes the following in a postscript:

TAX BOUND

There's a tax when I phone, and a tax when I wire, there's a tax on my heat, and my fireplace fire. There's a tax on my lights, and a tax on my books, and if I would fish, there's a tax on my hooks.

There's a tax on my hat, and a tax on each shoe, there's a tax on my shirt, and on other things too. There's a tax on the oil I rub on my hair, and a tax on the toothpaste I use with such care. I am taxed if I gargle, and if I get ill, I'm taxed if I swallow a capsule or pill. I'm taxed when I plan, and taxed when I talk, and a tax on my sex makes me taxed when I walk. They tax all the money I earn, beg or win, then tax me aplenty for blowing it in.

Mr. MANSFIELD. Mr. President, I introduce for appropriate reference, a bill to raise the exemptions on income tax payments from $600 to $800 per individual and to abolish certain excise taxes. I am doing this not so much as an antirecession measure—although it will undoubtedly have an effect in that respect—but I am doing it because it is

high time to correct an inequity in our tax structure which has existed for too long.

Undoubtedly, when the $600 exemption was first made applicable, there was a relationship between it and the cost of living at that time. However, since then the cost of living has increased tremendously, and, as a matter of fact, has gone up steadily in 17 of the past 18 months; whereas, the tax exemption figure has remained the same. It was my understanding, as long as 3 years ago, that in order for a family of four to just live it would take an income of $3,500 a year. I am sure that figure has increased tremendously since that time.

In the matter of excise taxes, they are in effect nothing but sales taxes that are paid by the ultimate consumer, or purchaser, as the case may be. They were put into effect during the war period; they were considered as emergency measures; and they have been carried forward on a year to year basis since that time. In my opinion—and as one who has never believed in sales taxes because they affect the people who can afford it the least—it is high time to do away with excise taxes wherever possible and at the same time to make certain that these taxes once abolished are not kept on in the price of the product. In other words, what I am seeking to do in the abolishing of certain excise taxes is to lower the cost of the products accordingly and to make certain that the benefits thus derived will not accrue to the maker of or the dealer in the product, but that the savings will be passed on to the ultimate consumer and thereby give relief from the present unwieldy, inequitable tax situation which confronts them in the field of the excise or sales taxes.

May I repeat, Mr. President, that this is a long overdue measure, that it is not based primarily on the status of our economy at the present time, but is based first and foremost on the question of equity and fair dealing with the great majority of our people who need help the most but who are being forced to carry a tremendous and unfair tax load at this time.

I ask unanimous consent that the bill 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. 3634) to amend the Internal Revenue Code of 1954 so as to increase from $600 to $800 the amount of each personal exemption and to repeal certain excise taxes, introduced by Mr. MANSFIELD, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SECTION 1. Short title, etc.

(a) Short title: This act may be cited as the "Individual Income Tax and Excise Tax Reducton Act of 1958."

(b) Amendment of 1954 code: Except as otherwise expressly provided, wherever in this act an amendment or repeal is expressed in terms of an amendment to or a repeal of a section or other provision, the reference shall be considered to be made a provision of the Internal Revenue Code of 1954.

TITLE I—INCREASE IN PERSONAL EXEMPTIONS

SEC. 101. Increase from $600 to $800.

Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$600" each place it appears therein and inserting in lieu thereof "$800".

SEC. 102. Optional tax.

(a) Table prescribed by the Secretary: Section 3 (relating to optional tax if adjusted gross income is less than $5,000) is amended by striking out "who has elected for such year to pay the tax imposed by this section, the tax shown in the following table:" and inserting in lieu thereof "who has elected for such year to pay the tax imposed by this section—

"(1) In the case of a taxable year beginning after December 31, 1957, the tax shown in a table which shall be prescribed by the Secretary or his delegate. The table prescribed under this paragraph shall correspond in form to the table in paragraph (2) and shall provide for amounts of tax in the various adjusted gross income brackets approximately equal to the amounts which would be determined under section 1 if the taxable income were computed by taking the standard deduction.

"(2) In the case of a taxable year beginning before January 1, 1958, the tax shown in the following table".

(b) Technical amendment: Section 4 (a) (relating to rules for optional tax) is amended by inserting after "the table in section 3" the following: "and the table prescribed under section 3".

SEC. 103. Withholding of tax at source.

(a) Percentage Method of Withholding.—Section 3402 (b) (1) (relating to percentage method of withholding income tax at source) is amended by striking out the table and inserting in lieu thereof the following:

"Percentage method withholding table

"Payroll period:	*Amount of 1 withholding exemption*
Weekly	$17 33
Biweekly	34.66
Semimonthly	37.33
Monthly	74.66
Quarterly	224.00
Semiannual	448.00
Annual	896.00
Daily or miscellaneous (per day of such period)	2.40"

(b) Wage Bracket Withholding.—So much of paragraph (1) of section 3402 (c) (relating to wage bracket withholding) as precedes the first table in such paragraph is amended to read as follows:

"(1) (A) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee on or after the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Income Tax and Excise Tax Reduction Act of 1958 a tax determined in accordance with the tables prescribed by the Secretary or his delegate, which shall be in lieu of the tax required to be deducted and withheld under subsection (a). The tables prescribed under this subparagraph shall correspond in form to the wage bracket withholding tables in subparagraph (B) and shall provide for amounts of tax in the various wage brackets approximately equal to the amounts which would be determined if the deductions were made under subsection (a).

"(B) At the election of the employer with respect to any employee, the employer shall deduct and withhold upon the wages paid to such employee before the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Income Tax and Excise Tax Reduction Act of 1958 a tax determined in accordance with the following tables, which shall be in lieu of the tax required to be deducted and withheld under subsection (a)".

SEC. 104. Technical amendments.

(a) The following provisions are amended by striking out "$600" each place it appears therein and inserting in lieu thereof "$800":

(1) Section 6012 (a) (1) (relating to persons required to make returns of tax);

(2) Section 6013 (b) (3) (A) (relating to the assessment and collection in the case of certain returns of husband and wife); and

(3) Section 6015 (a) (2) (A) (relating to declaration of estimated income tax by individuals).

(b) The following provisions are amended by striking out "$1,200" each place it appears therein and inserting in lieu thereof "$1,600":

(1) Section 6012 (a) (1) (relating to persons required to make returns of tax); and

(2) Section 6013 (b) (3) (A) (relating to assessment and collection in the case of certain returns of husband and wife).

SEC. 105. Effective dates.

The amendments made sections 101, 102, and 104 shall apply to taxable years beginning after December 31, 1957. The amendments made by section 103 shall apply to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

TITLE II—REPEAL OF CERTAIN EXCISE TAXES

SEC. 201. Retailers excise taxes.

(a) Tax on toilet preparations and luggage, handbags, etc.: The following provisions are repealed:

(1) subchapter C of chapter 31 (tax on toilet preparations); and

(2) subchapter D of chapter 31 (tax on luggage, handbags, etc.).

(b) Jewelery and related items:

(1) Section 4001 (tax on jewelry and related items) is amended by inserting after "articles sold at retail" the following: "for $100 or more".

(2) Section 4003 (b) (exemption of certain auction sales) is repealed.

(c) Technical amendment: The table of subchapters for chapter 31 is amended by striking out:

"Subchapter C. Toilet preparations.

"Subchapter D. Luggage, handbags, etc.

SEC. 202. Manufacturing excise taxes.

(a) Repeal: The following provisions are repealed:

(1) section 4061 (a) (2) (tax on passenger automobile chassis and bodies, etc.);

(2) section 4061 (b) (tax on parts and accessories for automobiles);

(3) subchapter B of chapter 32 (tax on refrigeration equipment, electric, gas, and oil appliances, and electric-light bulbs);

(4) subchapter C of chapter 32 (tax on radio and television sets, phonographs, records, and musical instruments);

(5) part II of subchapter D of chapter 32 (tax on photographic equipment); and

(6) subchapter E of chapter 32 (tax on business machines, pens, mechanical pencils, mechanical lighters, and matches).

(b) Sporting goods: Section 4161 (relating to tax on sporting goods) is amended to read as follows:

"SEC. 4161. Imposition of tax.

"There is hereby imposed upon the sale by the manufacturer, producer, or importer of fishing rods, creels, reels, and artificial lures, baits, and flies (including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale

thereof) a tax equivalent to 10 percent of the price for which so sold."

(c) Firearms: Section 4181 (relating to tax on firearms) is amended to read as follows:

"SEC. 4181. Imposition of tax.

"There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to 11 percent of the price for which so sold:

"Firearms (other than pistols and revolvers).

"Shells and cartridges."

(d) Technical amendments:

(1) The table of subchapters for chapter 32 is amended by striking out:

"Subchapter B. Household-type equipment, etc.

"Subchapter C. Entertainment equipment."

and by striking out:

"Subchapter E. Other items."

(2) The table of parts for subchapter D of chapter 32 is amended by striking out:

"Part II. Photographic equipment."

SEC. 203. Facilities and services.

(a) Repeal: The following provisions are repealed:

(1) part I of subchapter A of chapter 33 (tax on admissions);

(2) subchapter B of chapter 33 (tax on communications);

(3) part I of subchapter C of chapter 33 (tax on transportation of persons);

(4) part II of subchapter C of chapter 33 (tax on transportation of property); and

(5) subchapter D of chapter 33 (tax on safe-deposit boxes).

(b) Technical amendments:

(1) The table of subchapters for chapter 33 is amended by striking out "Subchapter B. Communications."

and by striking out "Subchapter D. Safe deposit boxes."

(2) The table of parts for subchapter A of chapter 33 is amended by striking out "Part I. Admissions."

(3) The table of parts for subchapter C of chapter 33 is amended by striking out:

"Part I. Persons.

"Part II. Property."

(4) Section 4291 (relating to cases where persons receiving payment must collect tax) is amended by striking out "Except as provided in section 4264 (a), every" and inserting in lieu thereof "Every."

(5) Section 4292 (relating to State and local governmental exemption) is repealed.

(6) Section 4293 (relating to exemption for United States and possessions) is amended by striking out "subchapters B and C" and inserting in lieu thereof "subchapter C."

(7) Section 6415 (relating to credits or refunds to persons who collected certain taxes) is amended by striking out "4251, 4261, 4271," each place it appears therein.

(8) Section 6416 (b) (2) (L) (relating to credits or refunds in the case of certain taxes on sales and services) is amended—

(A) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue"; and

(B) by striking out "(not including the tax imposed by section 4261, relating to the tax on transportation of persons)."

(9) Section 6421 (b) (relating to gasoline used for certain nonhighway purposes or by local transit systems) is amended—

(A) by striking out "not including the tax imposed by section 4261, relating to the tax on transportation of persons)" each place it appears therein, and

(B) by striking out "tax-exempt passenger fare revenue" and inserting in lieu thereof "commutation fare revenue" each place it appears therein.

(10) Section 6421 (d) (2) (defining tax-exempt passenger fare revenue) is amended to read as follows:

"(2) Commutation fare revenue.—The term 'commutation fare revenue' means revenue attributable to the transportation of persons and attributable to—

"(A) amounts paid for transportation which do not exceed 60 cents,

"(B) amounts paid for commutation or season tickets for single trips of less than 30 miles, or

"(C) amounts paid for commutation tickets for 1 month or less."

(11) Section 7012 (relating to cross references) is amended by striking out subsection (i) and by redesignating subsection (j) as subsection (i).

(12) Section 7272 (b) (relating to penalty for failure to register) is amended by striking out "4273,".

SEC. 204. Other excise taxes.

(a) Repeal: The following provisions are repealed:

(1) subchapter A of chapter 36 (tax on playing cards); and

(2) subchapter C of chapter 36 (occupational tax on bowling alleys, billiard and pool tables).

(b) Technical amendments: The table of subchapters for chapter 36 is amended by striking out "Subchapter A. Playing cards", and by striking out "Subchapter C. Occupational tax on bowling alleys, billiard and pool tables."

SEC. 205. Floor stocks refunds.

(a) Passenger automobiles: Section 6412 (a) (1) (relating to floor stocks refunds on passenger automobiles) is amended—

(1) by striking out "July 1, 1958" each place it appears and inserting in lieu thereof "the tax reduction date";

(2) by striking out "November 10, 1958" each place it appears and inserting in lieu thereof "the 10th day of the 4th month which begins after the tax reduction date"; and

(3) by striking out "October 1, 1958" and inserting in lieu thereof "the first day of the third month which begins after the tax reduction date."

(b) Allowance of refunds on other tax paid articles: Section 6412 (a) (relating to floor stocks refunds) is amended by renumbering paragraph (3) as (4), and by inserting after paragraph (2) the following new paragraph:

"(3) Miscellaneous articles subject to manufacturers excise tax: Where before the tax reduction date any article subject to the tax imposed by section 4061 (b), 4111, 4121, 4131, 4141, 4151, 4161 (other than fishing rods, creels, reels, and artificial lures, baits, and flies), 4171 4181 (other than firearms (other than pistols and revolvers), shells, and cartridges), 4191, 4201, 4211, or 4451 has been sold by the manufacturer, producer, or importer and on the tax reduction date is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by him on his sale of the article, if—

"(A) claim for such credit or refund is filed with the Secretary or his delegate on or before the tenth day of the fourth month which begins after the tax reduction date, based upon a request submitted to the manufacturer, producer, or importer before the first day of the third month which begins after the tax reduction date by the dealer who held the article in respect of which the credit or refund is claimed, and

"(B) on or before the tenth day of the fourth month which being after the tax reduction date, reimbursement has been made to such dealer by such manufacturer, producer, or importer for the tax reduction on such article or written consent has been obtained from such dealer to the allowance of such credit or refund."

(c) Definition: Paragraph (4) of section 6412 (a) (relating to definitions), as renumbered by subsection (a), is amended by adding at the end thereof the following new subparagraph:

"(C) the term 'tax reduction date' means the first day of the first month which begins more than 10 days after the date of the enactment of the Individual Income Tax and Excise Tax Reduction Act of 1958."

(d) Technical Amendment: Section 6412 (c) (relating to applicability of other laws) is amended by striking out "and 4081" and inserting in lieu thereof "4081, 4111, 4121, 4131, 4141, 4151, 4161, 4171, 4181, 4191, 4201, 4211, and 4451."

SEC. 206. Effective dates.

The repeals and amendments made by sections 201, 202, and 204 (a) (1) shall apply to articles sold on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act. The repeal made by section 203 (a) (1) shall apply to amounts paid on or after such first day for admissions on or after such first day, except that with respect to the tax imposed by section 4231 (6) (relating to tax on cabarets), such repeal shall apply only with respect to periods after 10 antemeridian on such first day. The repeal made by section 203 (a) (2) shall apply to amounts paid on or after such first day for communication services or facilities rendered on or after such first day. The repeal made by sections 203 (a) (3) and (4) shall apply to amounts paid on or after such first day for, or in connection with, transportation which begins on or after such first day. The repeals made by sections 203 (a) (5) and 204 (a) (2) shall apply to amounts paid on or after such first day.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO DEDUCTION OF CERTAIN HOME IMPROVEMENT EXPENSES

Mr. CARLSON. Mr. President, the Congress at this session has approved several measures in the interest of increasing employment and halting the present recession.

The measures we have approved should provide, through the expenditure of Federal funds, increased employment in many areas of the Nation.

Today I wish to offer for consideration by the Congress a bill which will reach into every community of the Nation, and I believe will be a great stimulation to business, and I know will prove to be of great value toward the improvement of our standard of living.

I introduce for appropriate reference a bill to grant a limited income tax deduction for expenditures for repair, maintenance, alterations, and additions to the residences of taxpayers.

Shortly before adjournment of the Congress for the Easter recess, the Senate, without a dissenting vote, approved a measure designed to stimulate the construction of new houses.

I supported that measure because of the importance of construction to our overall economy, and because I firmly believe we should do what we can to encourage home ownership. That bill has now become law.

However, new home construction is only a part of the picture.

Over half of the families in the United States own their own homes. Many of these homes were built and purchased during or immediately following World War II, when there were a great many new family formations.

Many of these families have outgrown their homes or have permitted their homes to deteriorate for lack of funds for adequate repair and maintenance.

There are millions of substandard dwellings in existence throughout the United States.

Satisfying the market demand for new housing leaves untouched the need for upgrading of our older homes.

In 1950 the Bureau of Census figures disclosed some 6.7 million families living in substandard housing.

With increasing land values and the growing scarcity of building sites, many families, particularly those with modest incomes, are forced to buy existing housing instead of new housing.

We should do what we can to encourage those families in older homes to keep them in good repair to prevent future slums.

In most instances, the money expended to repair and maintain a home or to add a room is an investment, not only in terms of dollars, but in adding to the comfort and living standard of the homeowner and his family.

The bill which I have introduced would provide an incentive to homeowners to maintain their homes in good repair and to add necessary living space to many of our homes which their occupants have outgrown.

This bill, if enacted, would permit a homeowner to deduct, within defined limits, the expense of repair and maintenance, additions, and alterations to his residence.

My proposal would not permit such a deduction for nominal and everyday expense for maintenance, but by using a formula similar to that provided in the present tax law for extraordinary medical expense, it would permit deduction of that expense which exceeds 3 percent of the adjusted gross income of the homeowner, but not to exceed $2,000 annually.

There is no particular magic in these figures other than to say they are designed to permit and encourage such home improvements as the addition of a bedroom, modernizing a kitchen, reroofing, finishing an attic or recreation room, and the like.

Much attention has been given to new home construction as an antirecession measure, but little attention has been given to the upgrading of our older homes.

It may surprise many Senators to learn that the home improvement business is a $12 to $14 billion business each year.

I venture to say that most of the businessmen who furnish lumber and building materials and labor for home improvements, repair and maintenance, additions and alterations, are small-business men. They are to be found in every area of the country, and in larger cities and smaller towns alike.

We are searching for ways of aiding small-business men. The bill I have introduced would do just that. It would however, go further and aid homeowners.

It would also provide a stimulus to our economy at a time when it is needed. The effect of this bill would be more immediate than many other antirecession measures under consideration by this body.

It would, by providing extra living space, increase the need and demand for new furniture, appliances, and other products thereby increasing employment in those industries.

At first glance some might think this bill would result in a loss of revenue to the Government. If I believed this, I would not be sponsoring the proposed legislation in the Senate today. To the contrary, I firmly believe it will increase the revenue.

The increase in business resulting from this proposal would, I am convinced, more than offset the loss of revenue from those homeowners who take advantage of the deductions permitted under this bill.

It is not my intention to limit the advantages of this bill to urban homes. The provisions of this proposal are intended to be available to farm residences as well as homes in cities and towns.

Many of us represent States in which farming is an important part of our economy. The plight of the farmers has been known to all of us. Many Senators have seen farm homes badly in need of repair. Under this legislation, the farmer would have some incentive to do the necessary repairs to upgrade his farm residence.

Last, but not least, this proposal would accomplish the desired results completely within the framework of our free enterprise system. As I mentioned earlier, there would, I am convinced, be an increase in revenue for the Government from the additional business generated by my proposal.

I realize revenue measures must originate in the other body.

At a later date a tax bill which is now before the House Ways and Means Committee will undoubtedly be sent to the Senate.

I respectfully urge the other members of the Finance Committee to study my bill and to give it careful consideration.

I introduce the bill for appropriate reference, and ask unanimous consent that the bill may be printed 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. 3636) to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct expenses paid during the taxable year for repair, maintenance, alterations, and additions to his residence, introduced by Mr. CARLSON, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by renumbering section 217 as 218, and by adding after section 216 the following new section:

SEC. 217. Expense of home repair, maintenance, alterations, and additions.

(a) Allowance of deduction: In the case of an individual, there shall be allowed as a deduction the expenses paid by the taxpayer during the taxable year for the repair and maintenance of, or

Alterations and additions to the personal residence of the taxpayer or his spouse.

(b) Limitation:

(1) The deduction provided by subsection (a) shall only be allowable to the extent that the aggregate spent exceeds 3 percent of the adjusted gross income of the taxpayer but in no event shall it exceed $2,000.

(2) The deduction provided for in subsection (a) shall only be applicable to expenses which are—

(A) not otherwise allowable as deductions in computing taxable income under section 63 (a) (defining taxable income);

(B) not properly chargeable as capital additions to the property; and

(C) not allowable as a reduction of adjusted sales price under section 1034.

(c) Personal residence of the taxpayer: The term "personal residence of the taxpayer" shall mean the real property owned by the taxpayer or by his spouse or both (at the time of the repair, maintenance, alteration and additions) which is occupied by them or either of them as their principal residence.

(d) The table of sections for such part VII is amended by striking out the last line and inserting in lieu thereof the following:

"SEC. 217. Expense of home repair, maintenance, alterations and additions.

"SEC. 218. Cross references."

(e) The amendments made by this section shall apply only with respect to expenses paid during the taxable years beginning after ——— 1958.

CONSTRUCTION OF CERTAIN FLOOD CONTROL PROJECTS IN STATE OF CONNECTICUT

Mr. BUSH. Mr. President, I ask unanimous consent that there may be printed at this point in my remarks an editorial from the Hartford (Conn.) Courant of April 17, 1958, entitled "The President Blocks Waste in Rivers, Harbors."

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

THE PRESIDENT BLOCKS WASTE IN RIVERS, HARBORS

Connecticut has lost another few years in the fight against floods and erosion. The rivers and harbors measure that the President vetoed on Tuesday was the authorization bill, that would have needed a followup with money. But it would have meant setting in motion, at any rate, action on the Mad River, Hall Meadow Brook, East Branch Dam, and erosion control projects in Long Island Sound.

Who's at fault in this delay? The obvious target for criticism would be President Eisenhower for having had the courage to veto the bill. Yet a sound and thorough examination proves otherwise. It was, instead, the politicians who loaded the measure with unacceptable projects, unapproved projects, what used to be called more frequently, pork barrel projects. They built a measure that contained worthwhile projects into one that would have cost the taxpayer a pretty penny without a proper measure of return.

There are about 150 projects covered in the bill. The orderly way to have these projects come before the Congress is for proposals to be reviewed by the Army Corps of Engineers and the Budget Bureau. Then, if approved, they could be studied by the Congress. Instead, individual Congressmen make deals to have pet projects slipped into the bill anyway. Sometimes this makes sense; the urgency of the flood problem in Connecticut led legislators a year ago to push for action on Winsted, Torrington, and Litchfield projects without waiting for a report by

the Army, which has since approved them. But from the taxpayer's point of view, it can be a sorry mess.

This year, the bill authorized 28 new projects costing $350 million under terms unacceptable to the President. Some, for instance, would have made the Federal taxpayer pay more than his share, giving local areas an easier ride than usual. Four projects costing $27 million had not yet been evaluated for the Congress, although they were willing to spend the money. Three projects, costing $115 million, are not economically justified according to the Engineers. Other provisions of the bill represented efforts to sidestep Executive decisions unfavorable to specific projects.

The President is given the power of veto against just such Congressional waywardness. It is easy for a local Congressman to work hard for his District without bothering about the overall effect. Senator NORRIS COTTON, of New Hampshire, who opposed the bill originally, remarked: "Perhaps if there were any real big projects in my State, I would not be so fearless and so statesmanlike" in opposing it. The people of Connecticut can regret that action is again delayed on necessary projects here. It will endure the President's urging that Congress take a new and more sensible look at what it is doing. But it will also resent the way Congress refused to be concerned about waste as it voted the public's funds.

Mr. BUSH. Mr. President, I should like to say I believe it was unfortunate the President felt compelled to veto that bill, although, all things taken into consideration, I think he did exactly the right thing. However, the veto leaves a great many worthy projects out on a limb, and I hope between now and the end of the session Congress will take action so that these worthy projects may get the necessary authorizations and be started.

In that connection, Mr. President, I introduce, for appropriate reference 2 bills, one to authorize certain flood-control projects in the State of Connecticut, and another to authorize certain rivers and harbors projects in the State of Connecticut, both of which were in the omnibus bill which was vetoed by the President.

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

The bills, introduced by Mr. BUSH, were received, read twice by their titles, and referred to the Committee on Public Works, as follows:

S. 3638. A bill to authorize certain flood-control projects in the State of Connecticut; and

S. 3639. A bill to authorize certain river and harbor projects in the State of Connecticut.

SMALL BUSINESS CAPITAL ACT OF 1958

Mr. THYE. Mr. President, on behalf of myself, and Senators PAYNE, ALLOTT, BEALL, MUNDT, CARLSON, JAVITS, and YOUNG, I introduce, for appropriate reference, a bill to provide financial assistance to small-business concerns through private, local, or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes. I ask unanimous consent that the bill, together with an explanatory statement of the bill, be printed in the RECORD.

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

The bill (S. 3643) to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes, introduced by Mr. THYE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

TITLE I—TITLE, POLICY, PURPOSE AND DEFINITIONS

TITLE

SEC. 101. This act may be cited as the "Small Business Capital Act of 1958."

Declaration of policy

SEC. 102. It is the policy of the Congress to foster the growth, independence, and stability of small business in this country in order to preserve a sound national economy.

To effectuate such policy in a changing economy requires the enactment by Congress from time to time of legislation to meet the changing needs of small business.

It is hereby declared to be the policy of the Congress to provide the small-business concerns of the United States with an additional source of equity capital and thereby to promote their growth and development in the interest of a sound national economy: *Provided, however,* That this policy shall be carried out in such manner as to insure the maximum participation of private financing sources.

Statement of purpose

SEC. 103. The Congress finds that the small-business concerns of the United States are in need of additional equity capital to finance their growth and development.

The Congress further finds that private (local) and State development credit corporations should be encouraged and are in need of supplemental financial assistance.

The purpose of this act is to provide promptly such capital and assistance.

SEC. 104. As used in this act—

(1) "State" shall have reference to and include the several States, the Territories of Alaska and Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico.

(2) "Small Business Act" shall mean the Small Business Act of 1953, as amended.

(3) "Administrator" means the Administrator of the Small Business Administration, referred to in the Small Business Act.

(4) "Administration" means the Small Business Administration, created by the Small Business Act.

TITLE II—AUTHORIZATION FOR FUNDS

SEC. 201. Subsection (b) of section 204 of the Small Business Act is hereby amended as follows:

(1) The figure "$530,000,000" shall be deleted wherever it appears in such subsection and in lieu thereof there shall be substituted the figure "$750,000,000."

(2) The word and reference "and (b) (3)" at the end of the fourth sentence in such subsection shall be deleted and in lieu thereof there shall be substituted following the references, word and punctuation: "(b) (3), (c), (d), and (e)."

(3) The figure "$305,000,000" appearing in the fifth sentence in such subsection shall be deleted and in lieu thereof there shall be substituted the figure "$525,000,000." Further, the period at the end of such sentence shall be deleted and there shall be inserted the following additional references: ", (c), (d), and (e)."

TITLE III—SECURED LOANS TO PRIVATE (LOCAL) OR STATE DEVELOPMENT CREDIT CORPORATIONS

SEC. 301. Section 207 of the Small Business Act is hereby amended by adding the following new subsection:

"(c) The Administration is empowered to make loans for plant construction, conversion, or expansion, including the acquisition of land, to private (local) or State development credit corporations formed to assist, develop, and expand the economy of an area, and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended by the Administration pursuant to this subsection unless the financial assistance applied for is not otherwise available on reasonable terms and all loans made shall be so secured as reasonably to assure repayment; no immediate participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available. In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

"(2) No financial assistance shall be extended by the Administration pursuant to this subsection if it will cause a relocation of all or a part of a small business concern so as to effect a significant reduction in employment in the general area of original location or will provide facilities to be made available to a small business concern at a subsidy to induce any relocation or will aid any relocation for other than a sound business purpose approved by the Administrator.

"(3) The proceeds of any such loan must be used solely by such borrower to assist an identifiable small-business concern and for a sound business purpose approved by the Administration.

"(4) Loans made by the Administration under this authority shall be limited to $250,000 for each such identifiable small-business concern.

"(5) Such corporations must meet criteria established by the Administration, including the extent of participation or amount of paid-in capital to be used in each instance as is determined to be reasonable by the Administration.

"(6) No loans including extensions or renewals thereof may be made by the Administration for a period or periods exceeding 10 years plus such additional period as is estimated may be required to complete construction, conversion or expansion: *Provided,* That the Administration may extend the maturity of or renew any loan made pursuant to this subsection beyond the period stated for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan. Any such loan shall bear interest at a rate not to exceed 6 percent per annum."

TITLE IV—LOANS TO STATE DEVELOPMENT CREDIT CORPORATIONS EVIDENCED BY DEBENTURES

SEC. 401. Section 207 of the Small Business Act is hereby amended by adding the following new subsection:

"(d) The Administration is also empowered to make loans to State development credit corporations, which shall be evidenced by

debentures, promissory notes, or other obligations upon such conditions and in such form as may be approved by the Administration, subject to the following limitations:

"(1) Any funds loaned to a development credit corporation under this subsection must be used solely for the purpose of assisting small-business concerns and in accordance with regulations promulgated by the Administration.

"(2) No financial assistance shall be extended by the Administration pursuant to this subsection if it will cause a relocation of all or a part of a small-business concern so as to effect a significant reduction in employment in the general area of original location or will provide facilities to be made available to a small-business concern at a subsidy to induce any relocation or will aid any relocation for other than a sound business purpose approved by the Administrator.

"(3) No loans including extensions or renewals thereof may be made by the Administration for a period or periods exceeding 10 years except that any loan made for the purposes of constructing facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction: *Provided*, That the Administration may extend the maturity of or renew any loan made pursuant to this subsection beyond the period stated for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan. Any such loan shall bear interest at a rate not to exceed 6 percent per annum.

"(4) The funds borrowed by the State development credit corporation from all sources, including amounts borrowed from the Administration under this subsection, shall not exceed four times the paid-in capital and surplus of such corporation.

"(5) Loans made by the Administration under this subsection to each State development credit corporation shall not exceed the total of amount borrowed by it from all other sources.

"(6) The administration shall require, to the extent feasible, that the funds borrowed under this subsection shall be treated pari passu with those funds borrowed by the State development credit corporations, regardless of source, having the highest priority."

TITLE V—LOANS TO SMALL BUSINESS INVESTMENT ASSOCIATION ESTABLISHED TO MAKE EQUITY-TYPE FINANCING AVAILABLE TO SMALL BUSINESS CONCERNS

SEC. 501. Section 207 of the Small Business Act is hereby amended by adding the following new subsection:

"(e) The Administration is also empowered to make loans evidenced by debentures, promissory notes, or other obligations, to small business investment associations, chartered under State law, or in the absence of appropriate enabling legislation chartered by the administration, established to provide funds for small-business concerns upon the following conditions:

"(1) The qualifications and activities of small business investment associations must meet criteria established by the administration which shall include the following:

"(A) The minimum paid-in capital for any such association shall be $100,000.

"(B) The minimum number of shareholders for any such association shall be 10.

"(C) The charter of any such association must be approved by the administration and the association must meet requirements for financial reporting, auditing, and examination, as may be established by the administration.

"(D) Any such association shall be authorized to advance funds to small business concerns only, through loans evidenced by convertible debentures, such debentures to be convertible at the option of the association or a holder in due course up to and including the effective date of any call by the issuer, into stock of the small-business concern at the sound book value of such stock at the time of the issuance of the debenture.

"(E) The association shall make investments only in small-business concerns within the criteria established by the Administration. The maximum investment by the association in any small-business concern shall not exceed either 20 percent of the association's paid-in capital and surplus, or $250,000, whichever is less.

"(F) The amount of the investment of an association in the stock of small-business concerns, acquired by conversion of debentures, shall not exceed the total of the paid-in capital and surplus of the association, except with the approval of the Administrator.

"(G) The association shall require each small-business concern to which it makes a loan using funds provided under this subsection to purchase stock of the association in an amount equal to 5 percent of such loan.

"(2) The loans to investment associations by the administration shall be subject to the following requirements:

"(A) The total amount of loans outstanding at any one time by the Administration in any one investment association shall not exceed an amount equal to 2 times the paid-in capital and surplus of the association.

"(B) Loans made by the Administration under this subsection may be on an amortized or unamortized basis and shall bear interest at a rate not in excess of 6 percent per annum and shall have a maturity of not more than 10 years: *Provided*, That the Administration may further extend the maturity of or renew any such loan beyond the period stated therein for additional periods not to exceed 10 years if such extension or renewal will aid in the orderly liquidation of such loan.

"(3) No financial assistance shall be extended by the Administration pursuant to this subsection if it will cause a relocation of all or a part of a small-business concern so as to effect a significant reduction in employment in the general area of original location or will provide facilities to be made available to a small-business concern at a subsidy to induce any relocation or will aid any relocation for other than a sound business purpose approved by the Administrator.

"(4) The Administration shall require that no financial assistance shall be extended pursuant to this subsection by an association to a small-business concern unless the financial assistance applied for is not otherwise available from private sources on reasonable terms.

"(5) (A) The Administration is authorized to prescribe regulations governing the operations of small-business investment associations and to carry out the provisions of this act in accordance with the purposes of this act. Each small-business investment association shall be subject to examinations made by direction of the Administration by examiners selected or approved by the Administration, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Administration be assessed against the association examined and when so assessed shall be paid by such association. Every such association shall make such reports to the Administration at such times and in such form as the Administration may require.

"(B) Should any small-business investment association violate or fail to comply with any of the provisions of this act or of regulations prescribed hereunder, all of its rights, privileges, benefits, and franchises derived herefrom may thereby be forfeited; and, without limitation, the Administration shall thereupon have the option of taking such action as it deems necessary or appropriate in connection with any outstanding Administration loan or loans to any such association, consistent with existing law and any rights of others. Before any association chartered by the Administration shall be declared dissolved, and its rights, privileges, and francises forfeited, any noncompliance with or violation of this act shall, however, be determined and adjudged by a court of the United States of competent jurisdiction in a suit brought for that purpose in the District, Territory, or other place subject to the jurisdiction of the United States, in which the principal office of such association is located, which suit shall be brought by the United States at the instance of the Administration or the Attorney General.

"(C) Whenever in the judgment of the Administration any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act or of any regulation thereunder, the Administration may make application to the proper district court of the United States, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and such courts shall have jurisdiction of such actions and upon a showing by the Administration that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, shall be granted without bond."

TITLE VI—ESTABLISHMENT OF SMALL BUSINESS INVESTMENT ASSOCIATIONS

SEC. 601. Section 207 (b) of the Small Business Act is amended by adding the following additional subsection (6):

"(6) to charter a small business investment association for the purpose of operating under this act, formed by not less than 10 persons who shall subscribe to the articles of incorporation of any such association.

"The articles of incorporation of any such association shall specify in general terms the objects for which the association is formed, the name assumed by such association, the area or areas where its operations are to be carried on, the place where its principal office is to be located, and the amount and classes of its shares of capital stock; and the articles may contain any other provisions not inconsistent with this act that the association may see fit to adopt for the regulation of its business and the conduct of its affairs. Such articles and any amendments thereto adopted from time to time shall be subject to the approval of the Administration.

"The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration and approval or disapproval. In determining whether to approve the establishment of such an association and its proposed articles of incorporation, the Administration shall give due regard, among other things, to the need for the financing of independent small-business enterprises in the area in which the proposed association is to commence business, the general character of the proposed management of the association, the number of such associations previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Administration may in its discretion approve the articles of incorporation and issue a permit to begin business.

"Upon issuance of such permit, the association shall become and be a body corporate, and as such, and in the name designated in its articles, shall have power—

"(A) to adopt and use a corporate seal;

"(B) to have succession for a period of 30 years, unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress, or unless its

franchise becomes forfeited by some violation of law or regulation issued hereunder:

"(C) to make contracts;

"(D) to sue and be sued, complain, and defend in any court of law or equity;

"(E) by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, fix their compensation, require bonds of such of them as it deems advisable and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure and appoint others to fill their places;

"(F) to adopt bylaws regulating the manner in which its stock shall be transferred, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed;

"(G) to acquire, hold, operate, and dispose of any property (real, personal, or mixed) whenever necessary or appropriate to the carrying out of its lawful functions;

"(H) to operate in such area or areas as may be specified in its articles of incorporation and approved by the Administration; and

"(I) to exercise the other powers set forth in this act and such incidental powers as may be reasonably necessary to carry on the business for which the association is established.

"The board of directors of each small business investment association shall consist of not less than 5 members and not more than 9 members all of whom shall be elected annually by the holders of the shares of stock of the association."

TITLE VII—EXEMPTIONS FROM SECURITIES AND INVESTMENT COMPANY ACTS

SEC. 701. Section 3 of the Securities Act of 1933 (15 U. S. C., sec. 77c) is amended by adding at the end of subsection (a) thereof, the following new paragraph:

"(12) Any security issued by a small business investment association chartered or operating under the Small Business Capital Act of 1958."

SEC. 702. Any small business investment association chartered or operating under the Small Business Capital Act of 1958 is exempt from the provisions of the Investment Company Act of 1940.

TITLE VIII—AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 801. (a) Section 165 of the Internal Revenue Code of 1954 (relating to deduction for losses) is amended by adding at the end of subsection (h) the following new paragraphs:

"(3) For special rule for losses on stock in a small business investment association, see section 1242.

"(4) For special rule for losses of a small business investment association, see section 1243."

(b) Subchapter (P) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sections:

"SEC. 1242. Losses on Small Business Investment Association stock.

"In the case of a taxpayer if—

"(1) A loss is on stock in a small business investment association as defined in section 207 of the Small Business Act of 1953, as amended, and

"(2) Such loss would (but for this section) be treated as a loss from the sale or exchange of a capital asset,

then such loss shall be treated as a loss from the sale or exchange of an asset which is not a capital asset.

"SEC. 1243. Loss of Small Business Investment Association.

"In the case of a small business investment association, if—

"(1) A loss is on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to section 207 of the Small Business Act of 1953, as amended, and

"(2) Such loss would (but for this section) be treated as a loss from the sale or exchange of a capital asset,

then such loss shall be treated as a loss from the sale or exchange of an asset which is not a capital asset."

(c) Section 243 of the Internal Revenue Code of 1954 (relating to dividends received by corporations) is amended as follows:

(1) By striking from subsection (a) the following language "In the case of a corporation" and inserting in lieu thereof the following language "In the case of a corporation, other than a small business investment association as defined in the Small Business Act of 1953, as amended)."

(2) By adding at the end thereof the following new subsection:

"(c) Small Business Investment Association: In the case of a small business investment association, there shall be allowed as a deduction an amount equal to 100 percent of the amount received as dividends (other than dividends described in paragraph (1) of section 244, relating to dividends on preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter."

(d) Section 246 (b) (1) is amended by striking "243" wherever appearing and inserting in lieu thereof "243 (a) and (b)."

TITLE IX—REPEAL OF SECTION 13B OF THE FEDERAL RESERVE ACT

SEC. 901. Effective 1 year after the date of enactment of this act, section 13b of the Federal Reserve Act (12 U. S. C. 352a) is hereby repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section. Within 60 days after the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal bank to the United States or to the Secretary of the Treasury arising out of subsection (a) of said section 13b or out of any agreement thereunder. The amounts repaid to the United States pursuant to this section and any remaining balance of the funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into miscellaneous receipts.

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

STATEMENT ACCOMPANYING SMALL BUSINESS CAPITAL ACT OF 1958

Many small business concerns do not have ready access to all the long-term credit and equity capital which they may need.

The Small Business Capital Act of 1958 is designed to provide additional long-term credit and equity capital through the medium of Small Business Administration loans to local private development corporations, State development credit corporations and private small business investment associations established to provide equity-type capital to small concerns.

The bill is designed to utilize to the maximum extent feasible presently existing private, State and Federal organizations equipped to carry out the aims of this legislation.

Title I of the bill recites the policy of Congress to foster the growth, independence and stability of small business in this country and to provide additional sources of equity capital for such concerns, with the admonition that such policy must be carried out in a manner which will insure the maximum participation of private sources. Recognition is given to the fact that local and State development organizations should be encouraged and that they need supplemental financial assistance.

Title II recommends an initial appropriation of $220 million to carry the Federal end of the program. No experience exists in this particular area of small business financing which would provide a basis for an accurate estimate of the amount which in fact may be required for this program. However, based upon the financial requirements of small business in other areas of financing and based upon rough estimates as to the need for equity capital, such amount is believed to be within the necessary and reasonable bounds.

At this point, it is appropriate to consider the administrative setup required to carry out the program. As indicated, action in this field of financing must be viewed in the light of a pilot project, recognizing the possibility of future change in operating structure, as well as activity. For this reason an existing Federal agency equipped to do the job should be employed, to insure prompt action and a minimum of initial expense. Congress created the Small Business Administration for the specific purpose of providing financial and other assistance to small business in this country. It has established a commendable record and is the logical instrumentality to conduct the program set forth in the draft bill.

Title III of the bill authorizes SBA to make secured, direct or participation, loans to private or State development corporations to assist an identifiable small-business concern in connection with plant construction, conversion or expansion. The SBA loan cannot be made if the development corporation can obtain assistance elsewhere. Such loan cannot relocate a small-business concern and cause a reduction in employment in the general area from which the concern is moving. Nor can the proceeds of such loans be used by development corporations to provide and subsidize facilities for a small-business concern to induce relocation. The SBA loans are limited to $250,000 for each identifiable small-business concern; can run for 10 years plus the period to complete construction, conversion or expansion, and can be extended or renewed for 10-year periods to aid liquidation. Interest on the SBA loan to the development corporation cannot exceed 6 percent.

This segment of the program should encourage the formation of local and State development corporations. Such organizations have a direct and personal interest in the welfare and development of the community served by the small-business concerns they help, which assures a substantial and lasting aid to such concerns from such source. Ultimately, private funds should provide all the capital for operating such development corporations.

The Government is protected with collateral for such loans; and the development corporations must not only meet criteria established by SBA but must contribute funds in ventures to the extent required by SBA.

Title IV empowers SBA to make loans to State development corporations evidenced by debentures or any other obligations. This permits an unsecured loan. Statutory safeguards protect the Government funds. The development corporation can use the proceeds of such loans only to assist small-business concerns under regulations promulgated by SBA. Provisions regarding relocations, maturities, and interest, similar to those discussed above, are included under this title. A development corporation receiving assistance from SBA under this title must limit its total borrowings to four times its paid-in capital and surplus; to preserve its stability. Federal funds are available under this title only on a matching basis, that is, the total of SBA loans to

a particular development corporation will never exceed the amount borrowed by the development corporation from any other source. This assures a mutual risk with private capital which can be expected to come from a local source which will no doubt employ prudence as to the soundness of the development corporation itself and the capacity and qualifications of the management thereof. A further protection to Federal funds disbursed under this title, is the right in SBA to require that its funds receive equal priority with other funds borrowed by the development corporation.

Title IV thus provides the support which should mushroom State development corporations to aid small-business concerns which enjoy a financial position justifying financial aid without the necessity of emphasis on collateral security. This can include equity financing.

Title V provides the incentive to establish private organizations to supply equity capital to small-business concerns. SBA can make loans to SBA or State-chartered small-business investment associations, evidenced by debentures or other obligations. Such associations must be established to provide funds to small-business concerns only through loans evidenced by debentures of such small-business concerns, convertible at the option of the holder thereof into stock of the small-business concern at the sound book value of such stock determined at the time of the issuance of the debenture. The debentures of such small-business concerns will never be converted by SBA and hence, while Federal funds for equity capital to small-business concerns are made available, nevertheless, the Government itself will never become the proprietor of small-business concerns, through stock ownership or otherwise. Such control remains in private hands.

Investment associations must meet any criteria established by SBA which must include a minimum private capitalization of $100,000, financial reporting to and auditing by SBA, and investments by such associations only in small-business concerns which meet standards established by SBA. The maximum investment by an investment association in a small-business concern cannot exceed 20 percent of the association's paid-in capital and surplus or $250,000, whichever is less. Stock of small-business concerns acquired by an investment association through conversion of debentures cannot exceed the paid-in capital and suprlus of the investment association without the approval of the SBA Administrator. Small-business concerns helped by investment associations must purchase stock of such associations in an amount equal to 5 percent of the loan received from the association.

SBA can lend to any one investment association up to two times the paid-in capital and surplus of such association. The SBA loan can be an unamortized, unsecured debenture loan. Interest cannot exceed 6 percent. Maturities can run for 10 years with extensions or renewals of 10 years to aid liquidation.

SBA loans to investment associations carry the same restriction with respect to relocation of a business, as indicated above under titles III and IV.

A small-business investment association chartered by SBA or operating under title V, cannot give financial assistance to a small-business concern if such assistance is available from private sources.

SBA will exercise close supervision and control over the operations of such small-business investment associations, through regulations and examinations. Associations which violate the act or said regulations, subject themselves to forfeiture of benefits and franchise. However, before an association chartered by the SBA can be dissolved, noncompliance must be determined by a court. SBA can enjoin violations of the act or its regulations by court action.

Title VI authorizes SBA to charter a small-business investment association to operate under the act.

Title VII provides an exemption from the Securities Act for small-business investment associations; and makes clear the fact that such associations are not subject to the provisions of the Investment Company Act of 1940.

The exemption from the Securities Act is justified on the grounds that such associations conduct business and operate on a basis no different than the type of organizations already exempt under section 3a of such act; and further, such associations will be subject to close control and supervision by this administration pursuant to authority granted by Congress.

Basically, such small-business investment associations will conduct a banking business and will acquire obligations or securities of small-business concerns for investment and banking purposes, and not for the purposes (principally resale) which institutions subject to the Investment Company Act of 1940 would acquire the same. While small-business investment associations may on occasion resell or pledge securities acquired from small-business concerns, the primary or basic purpose or activity of such associations is investment in small concerns as contrasted with an underwriting or resale function. Further, such associations will and must be subject to regulations and supervision by SBA in order to accomplish the purposes of the bill. Such regulation and supervision will include control of capitalization, charter provisions, auditing and financial reporting. Also, the bill provides limitations and criteria with respect to financial assistance by such associations to small business concerns and such concerns must meet qualifications and standards established by SBA.

Companies covered by the Investment Company Act of 1940 are subject to regulation and supervision similar in character but inconsistent with the requirement and purpose of regulation and supervision contained in the subject bill. The objectives of the Investment Company Act and the draft bill are not the same; and the activities of a company covered by the Investment Act and one covered by the draft bill, are not the same.

For instance, the Investment Company Act controls the investment policies, borrowing and issuance of senior securities, as well as capitalization and the submission of reports to the Commission of companies thereunder, on a basis and approach different from that contained in the subject bill. It would be impossible for the investment associations referred to in the draft bill to meet the criteria established under the Investment Company Act and still carry out the functions required of such associations under the subject bill. Thus the exemption provided is mandatory.

Title VIII relates to amendments to the Internal Revenue Code of 1954. Three changes are made in the tax provisions which would otherwise apply to small-business investment associations and their stockholders.

An ordinary loss is allowed to any individual or corporation or other taxpayer derived from a sale or exchange of stock in a small-business investment association as defined in the draft bill. This ordinary loss treatment is also permitted if the stock should become worthless. Without this, stock in small-business investment associations would generally constitute a capital asset.

Small-business investment associations are allowed an ordinary loss on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to the provisions of the subject bill. Generally, convertible debentures held by corporations constitute capital assets and any loss from their sale would be a capital loss. The more beneficial ordinary loss treatment is provided.

A dividends-received deduction equal to 100 percent of dividends received by a small-business investment association is permitted. In other words, in lieu of the rule applicable generally to dividends received by corporations, that is, an allowance of an 85-percent dividends received deduction, a 100-percent dividends-received deduction is permitted, equivalent generally to a complete exclusion of dividends from gross income of small-business investment associations. This 100-percent dividends received deduction is limited to dividends derived from stock of small-business concerns only since small-business investment associations will not invest in other types of stock.

Title IX repeals section 13b of the Federal Reserve Act 1 year after enactment of the bill; and requires the Federal Reserve banks, within 60 days after enactment, to pay to the Government the amount which the Secretary of the Treasury has heretofore paid to such banks under said section of the Federal Reserve Act.

SOCIAL-SECURITY AMENDMENTS OF 1958

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act to increase benefits under the old-age, survivors, and disability insurance program, and to provide insurance against the costs of hospital and nursing-home service for persons eligible for benefits under the OASDI program.

We must constantly be alert to keep our social-insurance programs realistically up to date. Our present program is inadequate in two areas, which I am attempting to remedy by this legislation. First, cash benefit payments under the old-age, survivors, and disabiilty program have not kept up with rising living costs, or with earning levels. If this insurance program is to fulfill its purpose, we must assist people to contribute during their working years so that they might receive in retirement an amount at least sufficient to maintain them at a minimum income level proportionate to that which they enjoyed during their working years.

One problem—a benefit payment that is simply too small—affects people in the lowest earning groups. This level needs to be raised. Another problem—a benefit payment ceiling that is reached too soon—affects people in higher earning brackets. Under the present law, once earnings have reached $4,200 a year, no further increases in retirement or survival benefits are possible. Yet the advance in incomes has enabled 3 workers of every 5 with full-year employment to surpass this level. Thus, when they reach the age where they are entitled to draw benefits, or when the family provider can no longer provide, the family unit suffers a drop in income that is too severe for it to absorb. My bill would raise the maximum earnings covered to $6,000.

There is a further reason for raising the ceiling. In order to follow sound American tradition, it has always been the intent of the Congress that the social-insurance measures we adopt

should not act so as to reduce incentives for self-advancement. Instead, they should be proportional, within limits, to earnings. An insured worker should not be confronted with the situation that anything he earns beyond $4,200 a year will not provide his survivors any better care or himself a more nearly adequate retirement.

The second inadequacy of our old-age, survivors, and disability insurance program which I seek to remedy by this bill is our present failure to provide for one of the major financial disasters threatening those who receive benefits. I refer to the possible need for hospital and nursing home care.

During the time a person is in his earning years, he can often provide for such contingencies through voluntary organizations that provide hospital care on an insurance plan. The wide group coverage at many places of employment may bring such a program within his financial reach. Yet when he retires, or when his providing days come to an end, he or his survivors face the possibility of hospital expenses with a dual handicap. On the one hand their income is suddenly and substantially reduced; on the other, their right to group coverage in hospital insurance plans is lost, and the cost of such insurance is probably beyond their reach. When sickness strikes, many are left with two alternatives—either to forgo the desired treatment and suffer, or apply for public assistance. If the latter, the regular welfare funds are diminished or the overburdened hospitals are denied repayment for their services.

How much more logical it would be to provide a hedge against the additional hazards of hospital expense by incorporating an insurance to take care of it into our already operating national old-age and survivors program.

Under my bill, the two changes I have proposed in the OASDI program—higher benefit payments under the existing program and hospital insurance for persons eligible to receive those benefits—would be financed by an additional one-half of 1 percent payroll tax by employee and employer, and an additional three-quarters of 1 percent payment by the self-employed.

Mr. President, I wish at this point to pay tribute to Hon. AIME J. FORAND, of Rhode Island, who is sponsoring a measure in the other body that is similar in many respects to my own. Now, Mr. President, permit me to explain a few of the details of my own bill:

BENEFITS

First, let us look at the increased benefits proposed under the existing old-age and survivors program. The bill would increase monthly benefits about 10 percent on the average. The largest percentage increases, as in past amendments to this law, go to those in the bottom brackets. Thus, retired individuals whose average monthly earnings were $50 would receive an increase of $5 a month in benefits, raising their total monthly payment to $35. Under the present maximum coverage, anyone earning $350 a month or over can receive only $108.50. Under my proposal those at $350 would get $118.80, and by raising the ceiling, those who earned $500 a month could receive $151.80, the top payment. My colleagues will note that even with this substantial raise, the beneficiary still receives just over 30 percent of his former monthly income.

Family benefits are raised in a similar manner. The present $50 for a widow and 2 children in the lowest bracket is raised to $55. The present maximum family benefit of $200 would be raised to $305, or 61 percent of previous monthly earnings.

These provisions would go into effect for the third month after enactment of the bill. The higher earnings base would be effective in 1959. For the people now on the benefit rolls, the bill provides for increases of from $5 to $10.30.

In order to allow the new $6,000 earnings ceiling to benefit people in the near future, the bill proposes to allow dropping out 1 additional year of low monthly earnings for each 7 years of coverage in addition to the 5 years now allowed to be eliminated. If this is not done, no one could reach the full maximum benefit payments until 1997. If we do allow this new dropout, one who has been covered since 1936 could reach the maximum in 1961.

HOSPITALS AND NURSING HOMES

Mr. President, turning to the proposal to add to our present program against hospital expenses, let me first say that my bill makes people eligible for benefits under this provision if they are eligible for old-age insurance, whether or not they have yet applied for it. Certainly it would be undesirable to compel aged persons to stop working in order to be covered against hospital expenses, if they feel that continued work will be socially constructive and advantageous to them.

The hospital-insurance program would entitle those eligible to up to 60 days of hospital care, with subsequent nursing home care if necessary, up to a combined total of 120 days in any year. Benefits included are hospital services, drugs, appliances, and care ordinarily furnished to patients in semiprivate accommodations. Persons certified by a physician as needing the care could choose any hospital that admits them and that had contracted with the Secretary of Health, Education, and Welfare to furnish the services. Tuberculosis and mental hospitals are not covered, and hospital care received under workmen's compensation statutes would not be reimbursed by this insurance.

If a physician directed that nursing-home care was needed for a condition that had required hospitalization, this would also be covered. Nursing-home service would include skilled nursing care, related medical and personal services, and accompanying bed and board provided by a licensed nursing home operated in connection with a hospital or in which a medical doctor directs the care.

Positive prohibition of any direction of hospital activities is specified in the act.

If effective and economical administration of hospital insurance can be achieved through private, nonprofit insurance organizations, the Secretary is authorized to contract with them to provide it.

Hospital insurance payments under the bill would begin the 12th month after the bill is enacted. It is estimated that 12 to 13 million persons would be eligible for coverage.

Mr. President, I have outlined the provisions of the amendments I am suggesting in this bill to the old-age, survivors, and disability insurance program. The bill also, of course, includes changes in the Internal Revenue Code to include the wage and payroll tax increases that will finance the program.

The provisions of this bill are modest—deliberately limited in scope to facilitate enactment of this much-needed measure in 1958. They deal with social insurance only. I have had a bill for improvements in public assistance pending in the Senate for several months. Other bills I have introduced or cosponsored would develop our welfare programs further.

Mr. President, the distinguished former Director of the Division of Research and Statistics of the Social Security Administration, Prof. Wilbur J. Cohen, now of the School of Social Work at the University of Michigan, Ann Arbor, Mich., recently testified before the House Committee on Government Operations on Federal-State programs and policies in health, education and welfare. Nowhere have I seen a more cogent and complete analysis of this whole subject.

Since many of Professor Cohen's suggestions in regard to social insurance are in agreement with the provisions of my bill, I ask unanimous consent that the text of his remarks be printed at this point in the RECORD.

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

FEDERAL-STATE PROGRAMS AND POLICIES IN HEALTH, EDUCATION, AND WELFARE

(A statement presented to the Intergovernmental Relations Subcommittee of the Committee on Government Operations, House of Representatives, by Wilbur J. Cohen, February 25, 1958, Washington, D. C.)

My name is Wilbur J. Cohen. I am professor of public welfare administration, School of Social Work, University of Michigan, Ann Arbor, Mich.

To qualify myself, I should say I was a member of the staff of the President's Committee on Economic Security (1934–35) which drew up the social security program. I was assistant to the Chairman of the Social Security Board (1936–46), and the technical adviser to the three successive Commissioners of Social Security (1946–53). I resigned as Director of the Division of Research and Statistics of the Social Security Administration in 1956 to take up my present position. In my present work, I teach the courses dealing with social security and public welfare which include the programs of unemployment insurance, child welfare, vocational rehabilitation, public assistance, and related medical care provisions.

As a result of my 22 years of work in the social security program, and my present teaching and research responsibilities, I have had the opportunity to study the workings of our Federal-State cooperative programs relating to social welfare. As chairman of the

Michigan Public Health Study Commission, I have just completed 15 months of study of our State and local health programs in Michigan in comparison with other States. I have also served for several years on the welfare policy committee of the American Public Welfare Association where I have participated with State, local, and Federal public welfare officials in the appraisal of such programs.

ADVANTAGES OF THE FEDERAL-STATE COOPERATIVE PROGRAM RELATING TO SOCIAL WELFARE

From my experience, I would like to say that I am strongly in favor of making the maximum use of all the great potentialities which exist in the Federal-State cooperative grant-in-aid mechanism. I believe it is a great social invention which has demonstrated its usefulness but which has not yet been used to its maximum potentialities.

The Federal-State cooperative grant-in-aid system of health, education and welfare which we have developed over many years in this country enables us to achieve essential national objectives with decentralized administrative responsibility and with wide latitude for adjustment of many details to special circumstances. I urge we strengthen and broaden this system—rather than weaken or dismantle it as has been suggested in some quarters. Moreover, I have some specific suggestions for the improvement of our existing Federal grant programs for health, education, public assistance, child welfare, and unemployment insurance in order to meet pressing social needs.

I believe that Federal grants to the States have not weakened the States but have strengthened the States and preserved the Federal-State system in this country. I do not believe we can meet the rapidly changing and expanding social and economic needs of our Nation without building upon the Federal-State system. It is not difficult for a high-school sophomore to catalog various minor criticisms and defects of the Federal-State system, just as it is possible to do with the institutions of marriage, the family or democracy. But it is much more important to keep the large picture in mind and to recognize that the Federal-State system enables us to seek and find ways to accomplish broad and important national objectives for the conservation of our human and natural resources with decentralized administrative responsibility and wide latitude for adjustment of specific policies to varying needs and changing circumstances.

The President's budget for 1959 includes various proposals to reduce Federal aid for public assistance beginning in 1960, to reduce the Federal matching in the urban renewal program and to eliminate Federal aid for vocational education and the water-pollution program as a first step in returning functions to the States. There certainly will be much controversy over any such proposals.

But, after all debate is over, I hope—and I believe—that Congress will not enact proposals to weaken our Federal-State system but, recognizing the great areas of need which still exist, will improve and expand the Federal-State programs for meeting health, education, and welfare services. We may even see some additional Federal financial aid to the States as a result of the revelation that the United States is not only not the leader in missiles but is also not the leader in education or science.

Meyer Kestnbaum, the President's adviser on Federal-State relations, has compressed the complex issues involved in this question into an understandable statement. In testifying before this Subcommittee on Government Operations in the House, he stated: "People find they can do better coming to Washington than they can going to their State governments for help. They find they get a better hearing from their Congressman, a more sympathetic understanding, a better attitude and a broader outlook." This may be a shock to many people, but its essential truth may serve a useful purpose if it goads State and local legislators in competing with their Federal counterparts in attempting to meet human needs more promptly and more effectively.

Equalization of the fiscal capacities of the States is an important but not the sole objective of Federal grant policy. In any case, overriding national interests may necessitate the use of Federal grants-in-aid to stimulate improvement in the quality of service, to raise standards, and to effectuate a coordinated and nationwide program which places the conservation of human rights as a central factor in social policy.

Those of us who see the 6 million people on public assistance—the thousands more who are disqualified by residence and other restrictions—the absence of general assistance in many communities—the thousands needing rehabilitation who cannot get it—and the struggle of countless others to pay mounting medical and hospital bills or the heavy costs of psychiatric care for an adult or child—know there are still areas in which our Federal-State system of health, education, and welfare can be strengthened.

GENERAL OBJECTIVES AND ALTERNATIVES

Our Founding Fathers had the great vision of a free and progressive nation designed to promote human welfare with a clear distinction between the responsibilities of the National Government and those of the States. They could not, and did not, clearly see the impact of the forces of industrialization, urbanization, and accelerated technological and scientific advances. But, somewhere along the way, in the Congress, and among the chosen representatives of the people, there developed a new and hybrid arrangement—the Federal grant-in-aid—which was the response to the social, economic, and political needs of a growing continental nation.

Faced with complex and vast problems, our various Congresses and the executive branch, under various administrations, have been confronted with the dilemma: To meet a specific problem, shall we establish an outright national program or leave the entire matter to the States? In some instances, Congress has chosen to deal with the problem on a national basis, such as with respect to old-age insurance. Here, because of the problem of the mobility of the population over a lifetime and the difficulty of financing and investing the necessary funds, a State by State approach was never seriously considered and, in my opinion, Congress quite properly decided on the national approach of a single Federal tax and benefit program irrespective of State lines.

With respect to the problem of providing assistance to needy individuals between the ages of 18 to 65 (who are not blind or disabled), Congress has decided that this matter should be left to the States and/or localities. This has been the way it has been for over 350 years. While I doubt that Congress will continue this policy for another 350 years, the present policy is clear and was last affirmed in 1950 when the Committee on Ways and Means rejected the proposal to include general assistance in the framework of the other public assistance programs.

A third type of program—the Federal grant-in-aid—is used for a number of different types of social welfare programs. This device is particularly well suited to programs where a great deal of discretion is involved or is desirable or necessary, or where there are striking differences of opinion, judgment, or beliefs in different parts of this vast continent. This discretionary and judgmental variation can be maintained by use of the States, but the capricious and arbitrary possibilities and potential abuses can be minimized by Federal standards such as the adherence to written rules and regulations, statewide standards of operation, and the selection of staff on a merit personnel basis. Thus, the Federal-State system enables us to have the best of both a national and a State approach and to minimize the elements tending toward a single arbitrary standard of the former and a capricious hodgepodge of inequities in the latter.

Of course, history, judgment, and balancing of conflicting considerations, all must be taken into account in determining the appropriate financial and administrative roles of Federal, State, and local governments in the welfare field. There are many who feel that it would be best if all social insurance programs (OASDI, unemployment insurance, workmen's accident compensation, and cash sickness benefit laws) were administered by the Federal Government on the same general contributory, wage-related principles as in our social security system. Certainly, such a program would be more equitable in that persons in similar circumstances would be treated similarly throughout the Nation, administrative costs would be less, and a smaller volume of reserves would be necessary for one system than is needed for 48 different systems.

But it is equally clear that there are other considerations which have entered into the policy decisions which have resulted in our unemployment insurance system being on a Federal-State basis while workmen's compensation and cash sickness laws are exclusively on a State basis. A careful review of these programs will show that the reasons for this differential treatment are in large part due to historical forces and the pragmatic American approach which does not tend to make similar programs fit into a single philosophic or political approach.

VALUES AND DEFECTS OF THE PRESENT FEDERAL-STATE SYSTEM

As I have pointed out, the Federal-State approach has many strengths and values. It has enabled us to seek and promote human values which could not be achieved by either sovereignty alone. It has kept us from overcentralization on the one hand and abdication of social responsibilities on the other.

We can and should be proud of the fact that our country, our economic and social system, our Congress and our political parties hold that social goals and human values are important. For too long, we have depreciated the great contribution our political and economic institutions have made to human objectives. Anyone who has traveled abroad soon realizes that we are guilty of advertising ourselves solely as the great producers of bigger and better automobiles with more chrome, more machines, radios, TV's, and materialistic possessions. We have failed to advertise the great contribution our system has made to the promotion of family life, increase in educational opportunities, the reduction in poverty and substandard economic conditions, the improvement in housing, the virtual elimination of child labor, almshouses, and unsafe working conditions, the improvement in health conditions, and the reduction in maternal and infant mortality.

Our Federal-State welfare programs have helped us achieve these results. We should say so proudly and openly. Communism boasts that it is interested in the welfare of people but capitalism is only interested in profits and imperialism. We can demonstrate that our system is really performing in promoting human welfare.

In my opinion, we should, therefore, seek to make our Federal grant-in-aid system more effective in meeting human need. The existing programs have the following defects:

(1) Some provisions in some Federal-State programs do not help low-income States as much as they could. Some existing Federal aid programs do not provide sufficient funds to assist the low-income States to meet reasonably minimum standards. The "equalization" principle incorporated in the

school lunch, Hill-Burton hospital construction, and vocational rehabilitation laws during the period 1946-54 are sound. They attempt to allocate Federal funds in accordance with State fiscal abilities as measured by State per capita income in relation to national per capita income.

But the largest single Federal grant-in-aid—that for public assistance—does not use the equalization principle. While the formula incorporated in the law for public assistance does indirectly help the low-income States, it does not do so adequately, directly, or appropriately. While it now appears impossible to introduce an entirely new equalization formula as a complete substitute for the present formula, I suggest we modernize the existing conditions by adding an equalization formula onto the present one.

I would retain the present 80 percent of the first $30 in public assistance so that no State would lose money and, instead of the present 50-50 matching on the next $30, I would have the Federal share go over 50 percent for those States with per capita incomes below the national average. An appropriate limit of 66⅔ percent, 75 percent, or 80 percent to the State with the lowest per capita income would be necessary.

(2) Some provisions in some Federal-State programs act as a drag on States which wish to have high standards. The most glaring example of this is the Federal provision relating to State unemployment insurance. Because of the lack of minimum benefit standards, some States cannot move as fast or as far as they would like because of the fear of interstate competition. Although the whole basis of Federal action in levying a Federal unemployment tax in the Social Security Act of 1935 was to encourage States to enact State unemployment insurance laws by removing the threat of interstate competition, the Congress did not follow out this idea completely to really help the States maintain a desirable level of protection. If minimum benefit standards were included in the Federal law, States could have the protection they need to do a better job.

In public assistance, the $60 maximum on Federal matching also can act as a bar to improving the level of assistance. Not only should this amount be increased, but it should be put on an average basis to enable the States to care for the unusual cases of need above or below an arbitrary figure.

(3) Some provisions in some programs do not adequately reflect social changes which have occurred in State conditions. The best example of this is in the child-welfare grants. Since 1935, the Federal funds have been primarily limited to use in rural areas. This was because in 1935 such services were practically nonexistent in such areas but were available in many urban areas. Today, there are many unmet child-welfare needs in urban areas growing out of juvenile delinquency, slums, urban renewal, and similar social conditions. The Federal law should be amended to give the States freedom to use the available funds in rural or urban areas, as they see fit, in terms of State needs and priorities.

(4) There are glaring gaps and anomalies in some programs. The most glaring of these are the conditions in the public-assistance programs which (a) provide Federal funds if a man deserts his family but withholds it if he stays with them, and (b) provide Federal funds to a needy man or woman at age 65 but denies it to a needy man or woman at 64 or 63.

The first illustration is not only a gap and anomaly, it is also an antisocial provision. Under the aid to dependent children provision, Federal funds can only be made available to a State where a child is needy and a parent is dead, disabled or absent from the home. If a man stays with his family despite all difficulties, he cannot get aid in many localities because only Federal funds are available. But, if he leaves home—in reality, or by living around the corner—State and Federal aid is available. This puts a premium on desertion. The cure for this is to provide Federal funds for all needy children living in a family home, irrespective of the cause of the need.

The other anomaly is the fact that Federal funds may be used to care for a needy person age 65 or over, but if a person is needy at 63 he may have to starve for 2 years until he becomes eligible for aid. If he is blind or permanently or totally disabled, he may receive aid, but if he is just plain ordinarily needy at 63 he is out of luck, in many places, until age 65.

What is the rationale of saying Federal dollars are O. K. to use for needy people at age 65 and for some needy persons under 65 but not for any other needy persons?

(5) Some programs do not provide sufficient emphasis or funds for adequate administration, services or trained staff. One of the great contributions of the Federal grant-in-aid programs has been the establishment and maintenance of personnel standards. We should be very frank and realistic to admit that local and State services in health and welfare in the early decades of this century have not been up to the highest standards. Salaries in many places were low, personnel were not selected on an objective merit basis, qualifications have been low, and political considerations have ofttimes entered into policy and personnel.

A major factor in stimulating Federal grants-in-aid for many social programs has been the niggardly manner, in the past, in which localities and States have provided funds for administrative and service costs. Somehow or other, the idea has seemed to permeate many people that it is possible to administer services and programs with low-paid, untrained, and very little staff. The Federal grant-in-aid programs have raised standards, but it is essential that adequate funds be provided for administration, services, training, and research.

FUTURE NEEDS AND POLICY

Total expenditures, public and private, for health, education, and welfare in the United States will probably exceed $60 billion for the fiscal year 1957.[1] This is equivalent to about 14 percent of the gross national product of $430 billion. This is an impressive and significant measure of the importance which the United States places upon human values.

Various attempts have been made to estimate the needed level of our health, education, and welfare services for the present and the future.[2] In order to fill existing needs and to meet the explosive population growth ahead, a substantial increase in health, education, and welfare expenditures will be required. Some of the needed funds will come from private consumer sources and others from public sources. My own studies indicate that needed annual expenditures (public and private) by 1965 (at present prices) may be in the neighborhood of $80 billion to $90 billion. This would require an increase of $20 billion to $30 billion annually above the level of existing expenditures. With a $575 billion gross national product in 1965, such expenditures would amount to 14 to 16 percent of gross national product—a realistic and practical level—perhaps even on the low side.

Assuming that this is an attainable objective, from an economic point of view, the major policy question is, How can we proceed to develop the necessary fiscal policies and modifications of existing arrangements which might make it possible to reach this objective in an evolutionary manner consistent with other national goals and values?

COMPETITIVE EXPENDITURES

In discussing the growth and gaps in expenditures for health, education, and welfare, and ways and means of increasing expenditures for these purposes, the inevitable question always arises as to why there is a problem raising funds for these programs when expenditures for alcoholic beverages, tobacco, cosmetic and beauty services, jewelry, gadgets, and recreation are growing so fast and taking such a big portion of the consumer's dollar.

The American family spends more of its income for recreation than for medical care, and still more for alcoholic beverages and tobacco. Private automobile purchase and maintenance costs much more than the total cost of education in the United States.

Fiscal policy, governmental policy, social policy—all have a part to play in encouraging, discouraging, or stabilizing ways in which the Nation spends its resources.

A broad view is needed to chart the goals for the future so as to achieve socially desirable objectives with a minimum of controls on how the individual can spend its income.

In the past, we have shared our increased productivity between an increased material standard of living and more leisure—or more accurately, shorter hours of work. Some compromise will no doubt be worked out in the pragmatic manner in which we have solved most of our big economic questions in industrial relations. We shall have shorter hours and more leisure—probably not as fast as some labor organizations want. We shall have a higher national income, and more health, education, and welfare services, but perhaps not as much as we might have if we did not reduce our hours of work.

Can we meet the $80 billion or $90 billion objective—which I mentioned earlier, or some other objective—without reducing expenditures for other purposes? Must we curtail the possible reduction in hours of work? Must we find a way to decrease national defense expenditures to obtain an increase in social expenditures? Must we, by taxation, interest rates, or credit policy divert potential increases in some kinds of consumer expenditures to other more social necessary kinds?

Perhaps we will find some blending of all these various methods. In any case, it is important that we make every reasonable effort to stimulate private and public expenditures for socially desirable objectives as part of our effort to assure continued economic growth.

GENERAL TRENDS AND PROBLEMS

In evaluating possible future lines of action, we should first take note of several broad forces, trends, or problems which become apparent from studies of past and present expenditures for health, education, and welfare services.

The major factors, as I see them, are as follows:

1. There is a recognized underconsumption and underproduction of services in each of these three broad areas.

2. There is a recognized shortage of skilled manpower and womanpower in each of these three areas.

3. There is a growing demand-push for these services which has resulted in an increase in such expenditures, and this demand-push most likely will be a major

[1] For definitions and classifications of these expenditures see J. Frederic Dewhurst & Associates, America's Needs and Resources: A New Survey, the 20th Century Fund, 1955, chs. 10, 12, and 14; and Ida C. Merriam, Social Welfare in the United States, 1934–54, Social Security Bulletin, October 1955, Social Welfare Expenditures in the United States, 1955–56, ibid., October 1957.

[2] See, for instance, Dewhurst, op. cit., pp. 343–345, 412–413, 624, and 467–468.

factor in further increasing expenditures in the future.

4. A large share of the needed additional expenditures will have to go for salaries, thus also contributing to wage-push influences on certain sectors of economy where there is competition for such services.

5. Rapid and uneven population increases among the States, and the mobility of population across State lines, make it necessary for the Federal Government to take an important financial role in equalizing opportunities in health, education, and welfare services throughout the United States.

6. The States would have a very difficult time meeting their health, education, and welfare responsibilities without financial aid from the Federal Government and without the coordinating, planning, stimulative research, and leadership functions of the Federal Government.

7. There is ample room for expansion of private programs and expenditures in health, education, and welfare.

8. To achieve the needed level of health, education, and welfare services consistent with the national interest, the supply and demand in competitive market places must be supplemented with the impetus coming from national goals, priorities, and incentives. Tax and budget policies must be consciously oriented to meet national social needs.

BROAD POLICY QUESTIONS

In attempting to meet the fiscal problems presented by needed expenditure growth in health, education, and welfare, certain institutional problems must be considered.

In primary and secondary education, the basic problem is that the major financial source is real-estate taxation. This inhibits the growth of needed expenditures and raises the basic question of more progressive and expansible tax sources. How can this be achieved?

In higher education, the question arises whether we can depend upon the increased funds necessary to come largely from the families and from business. If feasible, is it desirable in the national interest?

In health, expenditures have increased sharply in recent years. Both the share from public funds and from insurance have increased. Health expenditures appear to be rising more rapidly than education. The use of the insurance principle seems to make increased expenditures for the future more likely. The Federal Government's expenditures for health have also increased and are likely to continue to increase. The major question is, Shall the increased expenditures needed for the future come largely from consumer sources (i. e., out-of-pocket), through insurance, or from general revenue sources? Can the high-cost, low-income risks be covered by private insurance, or is some public stimulus necessary? Can we depend upon the individual practice of medicine to provide medical care at a cost the American people are willing to pay or will it be necessary and desirable to stimulate the growth of the group practice of medicine?

In welfare, the major issues revolve around the degree to which payroll taxes can be increased for needed improvements in social insurance programs, the extent to which additional expenditures should be financed by the Federal and State Governments for assistance and related welfare services, and the extent to which private sources can take a larger share of the increased expenditures needed through increased employment of the aged and handicapped, increased sale of private insurance and annuities, and the more widespread distribution of other forms of savings.

A general question which pertains to all three programs is How can the great variation in services, incomes, and fiscal resources among the States be reduced so that the national interest can be advanced consistent with our interdependent economy and Federal-State governmental structure? In my opinion, we cannot hope to minimize or reduce Federal or State expenditures for public assistance unless we make further important improvements in our social insurance programs.

The following elements are suggested for such a program:

1. Increasing the benefit level immediately about 10 percent by modification of the benefit formula. Benefits would be increased for the 11 million beneficiaries as well as for persons coming on the rolls in the future. Benefits should be increased another 10 percent within the next 2 to 4 years.

2. Increasing the maximum taxable wage base from $4,200 annually to at least $6,000.

3. Providing for hospitalization and visiting nursing insurance coverage for OASDI beneficiaries.

4. Providing for the payment of rehabilitation costs from the insurance system.

5. Financing the additional costs by increased payroll contributions of one-half of 1 percent on the employees, an equal amount on the employers, and three-quarters of 1 percent on the self-employed.

Such a program would be financially and actuarially sound and would aid, in the long run, in minimizing the need for additional Federal, State, and local expenditures.

With a growing and aging population and the demand for more and better medical services, expenditures for medical care will continue to increase. Assuming an annual average increase in national income in the future slightly in excess of $10 billion annually, and medical expenditures of about 4 percent of national income, the estimated average increase in medical costs is approximately one-half billion dollars annually. It will not be many years, at the present rate, until medical expenditures exceed $25 billion annually.

Insuring the costs of medical care has tended to increase expenditures for two reasons: (1) by eliminating the financial barrier to medical care, and (2) by adding the overhead costs of providing the voluntary insurance protection. As voluntary insurance coverage continues to increase, these two factors will continue to operate unless there are economic or social changes in the provision of medical care which are not now visible.

Twenty-five years ago, the use of the insurance method was a controversial issue in medical care. This is no longer true. Today, the medical profession and the public wholeheartedly accept the insurance principle. Every effort is being made to extend it on a voluntary basis and to expand it to cover a larger proportion of people and a larger proportion of medical costs. Nevertheless, a substantial proportion of low-income persons and high-cost services are still excluded from insurance coverage. It is doubtful whether voluntary arrangements can or should cover these areas completely.

Congress has recognized that the cost of providing medical care to the 6 million needy public assistance recipients is a public responsibility. The social-security amendments of 1956 increased Federal financial aid for this group. Federal expenditures under this program will increase as the States make medical services more generally available to the needy. Further improvements are needed in the present Federal provision.

The 1956 medical assistance amendment was adopted with bipartisan support in Congress. The original Hill-Burton Act, and the 1954 amendments to it, received bipartisan support. Federal appropriations for medical research have been increased. These are important milestones which recognize the growing Federal interest in more adequate health care and the possibilities of nonpartisan cooperation in health legislation. Further consideration should be given to broadening the provisions of the Hill-Burton Act, expanding the provisions of the Health Research Facilities Act of 1956 to provide Federal grants for the construction of medical school facilities, the establishment of loans for hospital construction, and the organization of group practice clinics, increases in existing grants to the States for maternal and child health and crippled children's services, expanding existing public health grants to strengthen local health units, and helping to finance more adequate school health services in cooperation with educational authorities.

CONCLUSION

In my opinion, Federal grants-in-aid to States for a wide range of social welfare activities will be necessary and desirable as long as there are such substantial differences in fiscal resources among the States.

In 1956, the State with the highest per capita income (Delaware) was nearly three times that of the lowest (Mississippi). Fifteen States had per capita incomes equal to or higher than the national average while 23 States were at or below the national average. Nine States were between 30 to 50 percent below the national average (North Dakota, South Dakota, Kentucky, Tennessee, North Carolina, Alabama, South Carolina, Arkansas, and Mississippi).

These inequalities are the basic justification for Federal aid. Despite what some people may say about the desirability of diminishing the Federal Government's role in financing social needs, as long as the financial inequalities exist among the States there will be pressures for Federal aid.

There are various classifications of Federal grants-in-aid to the States. Some grants are paid out of specially earmarked funds, such as those for unemployment insurance, and highways; others are repayable loans or shared revenues. If we accept the classification used by the Social Security Administration, total Federal grants to States and localities in the fiscal year 1956 were $3.4 billion, or 1.1 percent of personal income for the United States. If we divide the States into 3 groups, the grants amounted to 0.8 percent for the high-income States; 1.4 percent for the middle-income group; and 2.2 percent for the low-income group. In summary, the programs have an important equalization effect, although more equalization would be desirable in some programs.

Our Federal grant-in-aid program has some inadequacies and defects which should be remedied. On the whole, the system is sound in its general structure. To meet the needs of a growing country, a dynamic economy, and the developing social needs of a great Nation, we shall have to increase the amount of Federal aid, expand the various types of programs, and strengthen the equalization component in the system.

Federal aid has demonstrated its value. It has helped to make America great and strong. It has helped us improve human welfare. We should not be ashamed of the extent to which we have used the mechanism of Federal aid. We should be proud of our creative genius which has enabled us to make it a workable feature of our American way of life. We can make it an even more effective instrument if we perfect and enlarge it.

Mr. HUMPHREY. Mr. President, in my opinion the changes I have suggested today should be enacted this year. I believe they are necessary to meet two of the major deficiencies in our welfare program. I believe they are realistic in that they are modest efforts to handle these problems within our present established social-security system. I believe they are financially sound in that

they will be financed by the earning power of those who stand to benefit. I trust my colleagues will join in this effort to meet the continuing challenge of meaningful social security.

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

The bill (S. 3646) to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the cost of hospital and nursing-home service for persons eligible for old-age and survivors insurance benefits, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

REORGANIZATION OF DEPARTMENT OF DEFENSE

Mr. SALTONSTALL. Mr. President, on behalf of myself, and Senators THYE, COOPER, BARRETT, COTTON, and BUSH, I introduce for appropriate reference the President's bill providing for reorganization of the Defense Department. We are all familiar with what the President and the Secretary of Defense have said in recent weeks about the importance of streamlining various aspects of our defense establishment. I am sure from all of the comment which I have heard and read that even those who disagree with some of the particulars of the President's proposals agree with his opinion that the time has come to strengthen our defense establishment through reorganization. I am in sympathy with the President's objectives. I think most Americans are in sympathy with his objectives. I hope that we here in the Congress will work them out in a form which will promote our Nation's security and, at the same time, be consistent with the constitutional responsibilities of the Congress and the Executive. In this effort, it seems to me, we simply cannot afford to fail.

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

Mr. SALTONSTALL. I yield.

Mr. THYE. Mr. President, I am privileged to join as a cosponsor of the bill. I made a brief statement during the morning hour which was in full support of the President's proposed reorganization plan. I am delighted to know that the senior Senator from Massachusetts has introduced the bill.

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

Mr. SALTONSTALL. I yield.

Mr. COOPER. The Senator from Massachusetts knows that about 2 months ago I introduced a bill dealing with the reorganization of the Department of Defense. I am glad to know that the ranking minority member of the Committee on Armed Services is introducing the bill which implements the President's recommendations. I have discussed the matter with the Senator from Massachusetts because of my interest in the subject. I am happy to join with him as a cosponsor of the bill.

Mr. SALTONSTALL. I introduce the bill as the ranking minority member of the Committee on Armed Services. I shall be delighted to have any Senator, on either side of the aisle, join as a cosponsor, if he or she wishes to do so.

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

The bill (S. 3649) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, introduced by Mr. SALTONSTALL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Armed Services.

ACQUISITION OF SITES AND CONSTRUCTION OF CERTAIN BUILDINGS FOR IMMIGRATION AND NATURALIZATION SERVICE

Mr. HRUSKA. Mr. President, I introduce, for appropriate reference, a bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes. I ask unanimous consent that a statement, prepared by me, relating to the bill, be printed in the RECORD.

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

The bill (S. 3653) to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes, introduced by Mr. HRUSKA, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement, presented by Mr. HRUSKA, is as follows:

STATEMENT BY SENATOR HRUSKA

The bill which I introduce today, to provide for the acquisition of sites and construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes, is designed to meet a situation which has been described to me as follows:

Section 103 of the Immigration and Nationality Act (66 Stat. 173, 174; 8 U. S. C. 1103) imposes upon the Attorney General responsibility for the administration and enforcement of that act and, with some exceptions, of all other laws relating to the immigration and naturalization of aliens. The Attorney General, as authorized by the act, performs these functions through the Immigration and Naturalization Service.

In order to discharge this responsibility, and in the interest of efficient administration, the Immigration and Naturalization Service must maintain a continuous process of recruiting and of building a diversified staff trained in the various phases of the work delegated to the Service.

Most officer personnel in the Service are selected from the ranks of the border patrol and later fill positions in other branches of the Service. This requires initial training of approximately 400 officers annually in the border patrol schools. Officers who have had experience in the service and who have demonstrated capacity and willingness to assume greater responsibility, are offered training courses in the Advanced Officers Training School. More than 200 career officers receive this training each year in courses of 6 weeks designed to increase officer knowledge and competence develop capacity for independent judgment, and qualify them for positions of greater responsibility. The course provides officers with instruction on inspection and naturalization, investigation, enforcement, law, and general administration. Although not presently in operation a refresher course for employees in the various areas of immigration and naturalization work is also considered essential to the maintenance of an efficient service. For example, naturalization examiners require periodic refresher courses to bring them up to date on changes in regulations, procedures, and precedents in order to insure uniformity throughout the service and to improve the quality of the records presented to the naturalization courts.

For a number of years the Border Patrol Training School has been located in hastily constructed, temporary type, one-story frame buildings located at Fort Bliss, Tex. These buildings were built some 15 years ago and became available for the training school only because they had been abandoned by the Army as no longer economically usable. In order to use them at all minimum repairs were required, but it is clear that their use must be considered temporary.

The Advanced Officers Training School is presently housed in the Old Post Office Building here in the District of Columbia in accommodations far from satisfactory and wholly inadequate.

It is hoped that through the enactment of the accompanying draft legislation an immigration and naturalization training school and adjunct facilities, including living quarters for officers, will be made possible. In such a school all of the training programs can be centralized with commensurate benefit to the service.

AMENDMENT OF CIVIL AERONAUTICS ACT OF 1938, RELATING TO ELIMINATION OF HEARING IN CERTAIN CASES

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize elimination of a hearing in certain cases under section 408. I ask unanimous consent that a statement of the purpose and need for the proposed legislation, prepared by the Civil Aeronautics Board, may be printed in the RECORD.

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

The bill (S. 3659) to amend the Civil Aeronautics Act of 1938, as amended, so as to authorize elimination of a hearing in certain cases under section 408, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. MAGNUSON is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION—A BILL "TO AMEND THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED, SO AS TO AUTHORIZE ELIMINATION OF A HEARING IN CERTAIN CASES UNDER SECTION 408"

Under section 408 (b), the Board may not grant its approval of any of the acts enumerated in section 408 (a) without first conducting a hearing upon an application presented to the Board. The purpose of the proposed amendment is to relieve the Board and the parties to an application submitted under section 408 (b) from the necessity of going through a hearing in those cases where the Board determines that a hearing is not necessary in the public interest and

no person disclosing a substantial interest requests a hearing.

Many of the acts which require Board approval under section 408 (b), such as a proposed merger of airlines or the acquisition of control of an airline, are transactions which substantially affect the public interest, and of course relief from the mandatory hearing requirement is not being sought in respect of them. However, experience has shown that in many other cases a hearing serves no useful purpose. These are cases involving relatively simple transactions which by reason of their limited nature (1) cannot conceivably affect the control of a direct air carrier or result in creating a monopoly, restraining competition, or jeopardizing another air carrier not a party to the transaction; (2) do not involve an objection by any interested party; and (3) where a hearing would provide no further significant information concerning the transactions.

Examples of such transactions are purchases and leases of a limited number of aircraft (often only one aircraft and seldom more than three) where it appears that the transaction will prove beneficial to both parties and the public and where no person not a party to the transaction is concerned with it. Another example is a transaction directly affecting only a small air-freight forwarder, where the impact of the transaction on the public interest can only be considered de minimus. In cases such as these where a hearing serves no useful purpose and no interested person requests a hearing, it is believed that Congress would desire that the Board have authority to act on the matter without a hearing. Congress has granted authority similar to that being here requested to the Interstate Commerce Commission (sec. 5 of the Interstate Commerce Act, as amended by the act of August 2, 1959) and to the Federal Communications Commission (sec. 221 of the Communications Act of 1934, as amended by the act of August 2, 1956).

In the absence of authority in section 408 (b) to dispense with a hearing, the Board has on various occasions followed the procedure of exempting the parties to an application from the requirements of section 408 pursuant to the exemption authority contained in section 416 (b) of the act. However, this procedure can be followed only in cases where the Board finds that the enforcement of section 408 would be an undue burden on an air-carrier applicant "by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier * * * and is not in the public interest." In cases where the applicant or one of the applicants for approval of a transaction under section 408 is not an air carrier, then the Board cannot grant such applicant an exemption for the reason that section 416 (b) gives the Board exemption authority only with respect to air carriers. In such cases the Board has had no choice other than to hold hearings, even in cases where it was apparent that such hearings would serve no useful purpose so far as enabling the Board to protect the public interest is concerned.

It is estimated that enactment of the proposed amendment would enable the Board to eliminate as many as 10 hearings each year which are now required to be conducted at considerable expense in terms of time, effort, and money expended by the Board's staff and by the applicants.

GRADUATED SCALE OF PENSION PAYMENTS TO VETERANS

Mr. ALLOTT. Mr. President, I introduce for appropriate reference a bill to provide for a less rigid formula governing the amount of annual income which certain veterans may receive without being deprived of the payment of their pensions. The purpose of the bill is to provide a graduated scale of pension payments to veterans earning more than the applicable income limitation, instead of cutting off benefits when income is more than the absurdly low figure used for a cutoff line. I believe this will result in correcting a serious inequity; that it will encourage the veterans who want to become self-supporting rather than penalizing them for their efforts; and that it will also substantially reduce Federal expenditures.

The present law applying to veterans of World Wars I and II and the Korean conflict who suffer a non-service-connected disability does not allow payment to any unmarried person whose annual income exceeds $1,400 or to any married person or person with minor children whose annual income exceeds $2,700. The present rate of payment is $66.15 per month, with the following exceptions. Those who have been considered permanently and totally disabled for a continuous period of 10 years, or are so disabled and reach age 65, receive $78.75 a month. A veteran who is helpless or blind, or so nearly helpless or blind that he requires the regular attendance of another person receives $135.45.

In order to understand how inequitably the present "all or nothing" system operates, let us take the case of a single veteran who receives $750 annually in pension funds and has an outside income of $1,300, a total of $2,050. If he should increase his outside income to $1,450—a mere $150 more—he loses his entire pension, and his total annual income is reduced to $1,450, which is $600 less than if he had earned only $1,300.

Under this bill, his pension would be reduced by the amount of the excess of his outside income over the $1,400 limitation, in this case, a reduction of $50. His net expendable income would remain at $2,050. This would allow the veteran to increase his earning power without penalty, to go on building up his income beyond the amount his pension brought him until he reached the level at which he would be entirely self-supporting. As long as he was drawing a pension, he could not improve his net income over the level of the cutoff figure plus the pension; but at least it would not be reduced, as is the case under the present law.

In terms of personal motivation, it seems to me that a strong argument can be made for allowing him to keep some of the outside income earned above the limitation without jeopardizing his pension. The law should perhaps allow him to keep a certain percentage of the excess—20, 30, or 50 percent—without any reduction in income. This might require a bookkeeping system so complex as to prohibit this approach, but at the very least we can eliminate the penalty now written into the law.

The reasoning behind the present provision limiting so severely the amount of outside income seems to be to set up a double check on the veteran's disability. Apparently the veterans with these non-service-connected disabilities are supposed to be virtually helpless, the idea being that if they can earn more than the rock-bottom amount used as a cutoff line, they should get off the pension rolls. The pension is then only a guaranty against starvation.

This idea seems to me unrealistic. Frequently persons who are declared disabled under the requirements of the law are able, or later become able, to develop another line of endeavor and again to become capable of self-support. Federal, State, and local Governments are spending a great deal of money on rehabilitation programs to make this possible. In the process, however, it is not likely that a person will become self-supporting overnight. A number of years may be required until he improves his ability or efficiency to a point that would provide an income greater than what he could realize under the present pension, plus allowable outside income. With this in mind, a great number of veterans are probably discouraged from attempting to develop other means of self-support, fearing that such additional income will exceed the cut-off figure, although they still might make less than the maximum amount allowable. It does not seem to me that we should so penalize self-reliance and initiative. To do so is to put an artificial barrier in front of our veterans and to impede the progress our rehabilitation programs could otherwise make.

This problem was first brought to my attention by a paraplegic veteran in my State. I was also pleased to see that the President's Commission on Veterans Pensions recommended a substantial change in the existing laws, in its report to the President in 1956. The Commission also pointed out the advantages of a graduated scale of pension payments. These recommendations are being given intensive review and study in the executive branch of the Government, and the President will later transmit to the Congress a message outlining his views. I cannot, of course, predict what his proposals will be. In the meantime, I am introducing this bill, which seems to me to meet the problem and to serve in the long run the best interests of both the veteran and the taxpayer. If we can thus maintain the present aggregate of self-help, plus pension, and at the same time can encourage self-reliance and can reduce expenditures from the Treasury, who will be heard to complain?

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

The bill (S. 3660) to provide for a less frigid formula governing the amount of annual income which certain veterans may receive without being deprived of the payment of their pensions, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Finance.

REGISTRATION, REPORTING, AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—AMENDMENTS

Mr. KNOWLAND. Mr. President, today the Committee on Labor and Public

Welfare reported the bill (S. 2888) to provide for the registration, recording, and disclosure of employee welfare and pension fund plans.

I ask unanimous consent that I may submit, and that they may be printed, and lie on the table, a series of amendments which cover a worker's bill of rights, including amendments for the democratic control of labor organizations, the regulation of labor organizations for the purpose of insuring democratic control by the membership, and amendments providing for the recall of officers, for an initiative and referendum on internal affairs of labor unions, for collective-bargaining agreements for excessive term or provisions waiving the right to strike, for protection of union members, for the registration of employee-welfare plans, and certain other amendments which deal with trusteeships over local union affairs and monopolistic allocation of territory among labor organizations. I ask that all the amendments be printed and lie on the table.

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

TRANSFER OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES—AMENDMENTS

Mr. LANGER submitted amendments, intended to be proposed by him, to the bill (S. 3506) to authorize the transfer of naval vessels to friendly foreign countries, which were referred to the Committee on Armed Services and ordered to be printed.

FREE IMPORTATION OF ARTICLES FOR EXHIBITION AT KENTUCKY STATE FAIR, LOUISVILLE, KY.—AMENDMENTS

Mr. HUMPHREY. Mr. President, on April 1, 1958, I introduced S. 3584, a bill to permit articles imported from foreign countries for the purpose of exhibition at the Minnesota Centennial Festival of Nations to be admitted without payment of tariff. On April 14, Congressman McCARTHY introduced H. R. 11889 in the House of Representatives.

Mr. President, since the Minnesota Centennial Festival of Nations will be held in May 1958, next month, at St. Paul, Minn., it is urgent that the Congress act speedily on this legislation. It is entirely routine, since it is established Congressional policy to allow the importation free of duty of articles to be exhibited at international fairs or exhibitions. S. 3584 has already received a favorable report from the United States Tariff Commission.

H. R. 11019, Order No. 1462, is already pending on the Senate Calendar. This bill constitutes similar permissive legislation for the free importation of exhibition items at the Kentucky State Fair to be held at Louisville, Ky.

After consulting with the distinguished chairman of the Finance Committee, I have decided that it would expedite action on the substance of S. 3584 if I were to reintroduce it as an amendment to H. R. 11019. I have received assurances also from Congressman McCARTHY, who introduced the companion measure to my bill, and the House Ways and Means Committee that this procedure is agreeable to them.

Consequently, Mr. President, on behalf of myself, and my colleague, the senior Senator from Minnesota [Mr. THYE], I submit amendments intended to be proposed by us, jointly, to House bill 11019, and I hope that action in the Senate on that bill will be scheduled as soon as possible.

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

NATIONAL WILDERNESS PRESERVATION SYSTEM—INDEFINITE POSTPONEMENT OF BILL

Mr. NEUBERGER. Mr. President, I ask unanimous consent that Senate bill 3619 be indefinitely postponed. I shall briefly explain the reason for my request. The bill was in the nature of a report and was to have been referred to the Committee on Interior and Insular Affairs, but was mistakenly given a bill number by the clerk. It has been suggested by the Parliamentarian that in order to eliminate the confusion, the bill No. S. 3619 be indefinitely postponed, because the number was assigned mistakenly.

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

BEACH EROSION CONTROL OF SHORE OF STATE OF NEW YORK—ADDITIONAL COSPONSOR OF BILL

Mr. IVES. Mr. President, I ask unanimous consent that the name of my colleague, the junior Senator from New York [Mr. JAVITS] be added as a cosponsor of the bill (S. 3629) to authorize certain beach erosion control of the shore of the State of New York from Fire Island Inlet to Jones Inlet, introduced by me on April 16, 1958.

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. KNOWLAND:

Address on labor and labor policies and programs, delivered by him to the CIO-COPE convention at Fresno, Calif., on April 19, 1958.

By Mr. MARTIN of Pennsylvania:

Address delivered by him before 49th annual meeting of Pennsylvania Manufacturers Association, Philadelphia, Pa., February 25, 1958.

By Mr. JENNER:

Address delivered by Senator GOLDWATER at the annual awards dinner of the Junior Chamber of Commerce of Indianapolis, Ind., on April 16, 1958.

NOTICE OF PUBLIC HEARINGS BY HOUSING SUBCOMMITTEE OF COMMITTEE ON BANKING AND CURRENCY

Mr. SPARKMAN. Mr. President, the Subcommittee on Housing of the Committee on Banking and Currency plans to begin public hearings at 10 a. m. on May 12, 1958, in room 301, Senate Office Building. Bills to be considered are S. 2791, S. 2865, S. 2872, S. 2992, S. 3064, S. 3213, S. 3281, Senate Joint Resolution 153, S. 3351, S. 3398, S. 3399, S. 3484, S. 3548, and other bills which are referred to the subcommittee prior to the hearings.

All persons who wish to appear and testify are requested to notify Mr. Jack Carter, staff director of the Housing Subcommittee, room 15-A, Senate Office Building, telephone CApitol 4-3121, extension 6348.

I should like to add this note of explanation. It may be recalled it was announced some time ago that those hearings were to commence on April 15. Due to a situation which developed in the Banking and Currency Committee and the pressure of its business, it was found necessary to postpone the hearings in order that consideration might be given to a depressed-areas bill, a bill providing capital banks for small business, and other bills. We regret the delay, but it was unavoidable.

AGRICULTURAL LEGISLATION—LETTER FROM THE SECRETARY OF AGRICULTURE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter, together with a statement as to some additional farm facts, which I have received from the Secretary of Agriculture, Ezra Benson.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, April 15, 1958.

Hon. WILLIAM F. KNOWLAND,
United States Senate.

DEAR BILL: As background for the current considerations of agricultural legislation I am sure you will be interested in the following facts.

The March 15 index of prices received by farmers was 263 percent of the 1910–14 average, an increase of 11 points (4 percent) over a month earlier. Nearly all commodities joined in the rise but most important were the continued higher prices for meat animals. Higher prices for potatoes, fruits, and eggs also contributed substantially to the increase. The March index was 11 percent above a year earlier and was equal to or higher than any month since January of 1953.

With prices received by farmers running substantially higher than a year ago, it now seems likely that a substantial gain in farm income will occur this year. Cash receipts in the first quarter of 1958 totaled close to 7 percent more than in the same quarter of 1957. Part of this increase reflects delayed marketings last fall and the accumulations of crop inventories at the end of last year. The Department's preliminary estimate of realized net income in the first quarter of

1958 is about $13 billion compared with $11.7 billion in the same quarter of 1957.

In connection with the index of prices received it should be noted that the present index of 263 compares very favorably with the levels that existed for the period for which my predecessor last determined levels of price support. You will recall that prior to leaving office the previous Secretary of Agriculture established the price-support levels for most 1953 crops. For most of the others price supports were mandatory at 90 percent of parity. Thus the prices received by farmers through June of 1954 were affected by the price-support levels established by the previous Secretary of Agriculture. The index of prices received in the period January 1953 through June 1954 follows:

1953:	
January 15	267
February 15	263
March 15	263
April 15	260
May 15	263
June 15	257
July 15	258
August 15	255
September 15	256
October 15	249
November 15	249
December 15	255
1954:	
January 15	258
February 15	258
March 15	255
April 15	257
May 15	255
June 15	247

These figures reflect a steady downtrend. It should be recalled that prices had been falling steadily from February 1951 when they reached the peak of 313 during the Korean war. The price drop between February 1951 and June 1954 (a period for which the previous Secretary of Agriculture established most price support levels) was 66 points. These trends in prices received by farmers show that the price-support policies set by my predecessor could not be undone during the first 18 months of this administration and farm prices went down.

As the President pointed out in his veto message (S. J. Res. 162) of March 31, "Fears were expressed by some that farm prices might collapse when high rigid price supports were abandoned. These fears did not materialize. Instead, farm prices rose. This month the index of prices received by farmers is 9 percent above the level that prevailed in June of 1955 when high rigid price supports were last generally in effect. The parity ratio now stands at 87, up 6 points from a year ago."

The figures show that as the policies of this administration could be made effective, farm prices have recovered. During the last 18 months, the price policies advocated by this administration have had limited application and farm prices have gone up. Today we are enjoying substantially higher prices. This is gratifying.

Sales at retail food stores are showing substantial increases over a year earlier (8 percent in February). While retail food prices are up about 5 percent; prices received by farmers in mid-March were 11 percent higher than a year earlier.

Our technicians advise me that to date the demand for agricultural products has not been significantly affected by the current business recession. The favorable figures shown above makes extremely questionable the statement made by some that the recession is "farm fed and farm led."

It is gratifying to report these improvements in the agricultural situation to you.

Sincerely yours,

EZRA.

NINETEEN HUNDRED AND FIFTY-EIGHT FARM FACTS

Income per person on farms last year was highest on record—up 2 percent over 1951, the previous high year.

Farm assets are an all-time high—$188 billion as of January 1, 1958.

Farmers have less than $11 in debts for each $100 of assets. In 1940, the ratio was $19 for each $100.

Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high. Only one in three farms has a mortgage.

The postwar downtrend in prices which started in 1951 has been stopped. Prices received by farmers in February were 8 percent above a year ago and 11 percent above 2 years ago.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same percentage as 30 years ago.

The level of living on farms is highest in history.

Farm exports in fiscal 1957 set a new record of $4.7 billion—68 percent higher than in fiscal 1953.

The surplus production of American farms is being made available for hungry people at home and abroad.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped about one-sixth in the past year and a half.

The inventory value of livestock on farms for January 1, 1958, was $14.2 billion—higher by $3 billion than a year ago.

The spiraling inflation of the war years has been almost halted. During the period from 1939 to 1952, the index of prices paid by farmers, including interest, taxes and wage rates, increased more than 100 percent. From January 1953, when this administration took office, to January 1958, this index rose only 6 percent.

EMBATTLED PRESIDENT

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the body of the RECORD following these comments an editorial from the Washington Evening Star of Friday, April 18, 1958, entitled "Embattled President."

The editorial discusses the President's speech before the American Society of Newspaper Editors—a very vigorous and fine speech, in which he strongly advocated the reorganization of the Defense Department in accordance with the bill which he sent to Congress last week.

I take this opportunity also of assuring the Senate of my continued support of the principles of that bill. I hope that the bill, in very much the form in which it came to Congress from the President, will be reported by the Armed Services Committee, and approved by the Senate.

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

EMBATTLED PRESIDENT

The President's speech to the American Society of Newspaper Editors leaves no doubt that he intends to fight, and fight hard, for his defense reorganization plan.

Taking "safety with solvency" as his theme, Mr. Eisenhower hammered away at some of the more extravagant criticisms of his program. It is "nonsense," he said, to charge that he is trying to set up a Prussian-type general staff He scoffed at complaints that the Secretary of Defense, under the reorganization plan, would become a czar. This, said Mr. Eisenhower, "is not so." And he described as equally "far-fetched" the contention that approval of his plan would violate the responsibilities of Congress.

For Mr. Eisenhower, these are fighting words. And he needs to fight. The measures recommended by the President, we believe, are sound, and it may well be that their adoption is essential to the security of the United States. But the President is facing formidable opposition—and anyone who doubts this should read the speech made in the House on Wednesday by Chairman CARL VINSON of the Armed Services Committee.

It was Mr. VINSON who raised the specter of an American version of the German general staff. It was Mr. VINSON who saw the Secretary of Defense as a potential "man on horseback." It was Mr. VINSON who reminded his colleagues that Senator Mike Mansfield had had a vision of Congress surrendering its prerogatives to a Pentagon "czar." And perhaps more importantly, at least from the political point of view, it was Mr. VINSON who skillfully distilled from the President's plan a threat to naval aviation, to the Marine Corps, to the National Guard and to the States.

There is something about Mr. VINSON's speech which reminds one of the line from Lincoln's second annual message—that "the dogmas of the quiet past are inadequate to the stormy present." Nevertheless, Mr. VINSON is a sincere man. With him, his dogmas come close to being articles of faith, and there is little prospect that he will change his mind. Furthermore, it is worth noting that those Members of the House who listened to his remarks, although only about 50 in number, gave him a standing ovation when he finished.

In short, the President has embarked on a rugged campaign. He fired a telling shot in his speech to the ASNE. But one shot is not going to win this battle of the Pentagon. The President will have to keep plugging away until the people are persuaded that he is right and that his opponents are wrong. Assuming that this can be done, only Mr. Eisenhower can do it.

BOLDNESS AND CONFIDENCE

Mr. BUSH. Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point in my remarks an editorial from the Washington Post and Times Herald of Monday, April 21, 1958, entitled "Boldness and Confidence." The editorial deals to some extent with the speech made by the distinguished Senate majority leader at the dinner of the Nation's editors Saturday night, and the editorial makes some very critical observations of that statement, which I share.

In all these bold new programs one very important matter is being overlooked, namely, a bill providing for aid to education in the form of additional classrooms. It is a great puzzle and a great disappointment to me that the Democratic leadership continues to ignore this basic and very important issue, and fails to put it in the same category of importance with bills providing for the construction of sewers, water systems, and projects of that kind.

I ask unanimous consent that the editorial may be printed in the RECORD at this point.

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

BOLDNESS AND CONFIDENCE

How can the United States recreate a climate that nurtures ideas? Senate Majority

Leader LYNDON JOHNSON in his talk to the Nation's editors Saturday night attempted to review some of the failings responsible for the country's economic predicament at home and the erosion of its prestige abroad. We have concerned ourselves, he said, with building walls about our Nation which have taken away our stimulus to expansion and have stifled much of our tradition of free inquiry and full discussion.

Much of Senator JOHNSON's indictment is familiar. It is all too true that the economy is not now expanding, that "we seem to react only where the Communists act," that uncommitted nations view the American case with hesitation and suspicion, that "we stand before the world with little present military capacity except the ability to fight a war of human suicide."

Unfortunately, the diagnosis of what is wrong is easier to furnish than the cure. Mr. JOHNSON's prescription is a new infusion of boldness and confidence. We need to believe again, he asserts, in the strength of our ideals so that we are not fearful of their imminent subversion and destruction. Agreed. But how is the process to be started?

It must be remembered, anent some of his criticisms, that Mr. JOHNSON himself led the campaign last year to slash the appropriation of the United States Information Agency, and that he was by no means an arden supporter of the foreign economic-aid program. If he has modified his views on these points, fine; but he also has some responsibility in the situation he deplores.

The Senate Democratic leader has shown a commendable restraint and absence of strong partisanship in dealing with recent issues. He has been especially responsive to the challenges of defense and space control, and he has encouraged a number of thoughtful speeches by Senate Democrats in such areas as education, housing, and foreign policy. His belief in the need for more attention to public works and unmet social needs is constructive.

But surely everyone—including Treasury Secretary Anderson, who spoke on a similar confidence theme on Friday—would like to hear America's cash registers ring again. Unhappily, Mr JOHNSON offered no particular remedies. If he meant his speech to be a political call to action, then it needed specifics; if he meant it to be an impartial philosophical stimulus, then it needed inspiring ideas. On neither count was it moving.

The problems the country is coping with are big and complex. Many of the present policies appear tired and static. But there has been no rush, from Mr. JOHNSON or anyone else, to offer new and better programs or ideas—and the door remains open.

REORGANIZATION OF THE DEFENSE DEPARTMENT

Mr. SYMINGTON. Mr. President, I note with regret that some prominent members of both parties are constantly attacking the President's Defense Reorganization bill, sent to the Congress less than a week ago.

In his message accompanying the bill, the President said he was anxious to attain three objectives:

He believes that—

The safety and solvency of our Nation require prompt revision of certain aspects of the present defense establishment to bring it into accord with the necessities of our time.

He observed that—

Onrushing technological advances in weapons and other devices of war demand that our defense organization have a posture ready to react unerringly and instantly to sudden attack.

Is there anybody who would disagree with that?

He then said:

The unprecedented costs of maintaining in peacetime a massive defense establishment demand the utmost economy and efficiency in all of its operations.

Is there anybody who would disagree with that?

Based on some of the criticism, one wonders whether some of the critics have actually read the proposed bill.

In these difficult times, is there anyone who would disagree that our goal should be maximum defense at minimum cost?

Mr. CLARK and Mr. COOPER addressed the Chair.

Mr. SYMINGTON. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I should like to commend the Senator from Missouri for the statement he has just made with respect to the defense reorganization plan of the President. With him, I intend to support the plan in its major outline. I think it is time we stopped sniping away with obsolete phrases, such as "czars," and "Prussian systems with chiefs of staff," and got back to the basic reasoning, which is to give this country the defense it needs—the best defense in the world at the least possible cost. That, I believe, the President's plan will do.

Mr. SYMINGTON. I thank the very able Senator from Pennsylvania, and look forward to talking more with him on the floor about this vitally important matter in which he is so interested. I yield now to the distinguished Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, the Senator from Missouri is to be commended for counseling the Senate and the Congress not to attack or condemn the plan offered by the President of the United States for the reorganization of the Defense Department before hearings have been held. Some have even suggested that the bill will not be reported by the committees and this before hearings have been held.

I know the Senator from Missouri has had long experience in the Defense Department and on the Armed Services Committee and is particularly qualified upon this subject.

Too much is involved in the bill for the security of the Nation to say the bill will not be reported and will not emerge from the committee. I commend my friend, the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I am very grateful to the distinguished Senator from Kentucky, who has great experience in the field in question.

Mr. THYE. Mr. President, President Eisenhower has sent to Congress proposals embodying his recommendations for the reorganization of the Department of Defense. This is a subject which already has received wide publicity and which will be debated shortly in the Congress. I do not at this time intend to give an extended speech on my views toward the President's proposals. However, I do want to record myself as being in favor of the President's plan for reorganization.

To date, no one has disputed the need for such reorganization. This is a subject which we have dealt with in times past. During the 80th Congress, the Armed Services Unification Act was passed. I believe that I speak the feelings of many of my colleagues when I say that many of the hopes which the unification carried with it have not been realized.

When we speak in terms of the Department of Defense, we are speaking in terms of a department which requires a present-day budget of over $40 billion. We are speaking about our Nation's defense and security—our ability to repulse aggression and to fight a war. We are also speaking in terms of the lives of the men who serve our Nation in the Army, Navy, Air Force, and Marines. It is a subject of great importance to this Nation and all hoping to remain a free people.

We have moved into an age of space exploration and missile warfare. Man has advanced from the horse-drawn caisson wagon and cavalry mobility in the Armed Forces to motor vehicles and the airplane—all in the past 40 years. The next decade will see man travel in rockets into outer space and, yes, to distant planets. With the rapid advance in technology must come a corresponding advance in administrative and command procedures. The President of the United States has devoted a lifetime to the defense and security of our Nation. He is one of the foremost students and practitioners of military strategy and administration. The people of the United States and the world look to him for leadership, and within the pages of his proposals he has displayed the type of leadership which inspires confidence and thoughtful analysis of the problem areas within the Department of Defense.

As one who serves on the Appropriations Committee, I have had the opportunity to observe the work being carried on by the many dedicated men within the Department of Defense. They recognize the need for changes not only in the methods of waging war and building our defenses but also the need for administrative improvement.

There are certain criteria which any proposal must meet. We must adjust our system so that we reach a maximum of efficiency, eliminate wherever possible any waste of effort and money, and establish a system of command which will avoid a loss in time for the carrying out of orders and will bring about a unified effort on the part of our Armed Forces.

This the President has attempted to accomplish in his proposals. I agree with the President when he states that we are more interested in hitting the target than in which branch of the service accomplishes the task. I have studied the proposals over the weekend.

I cannot find within the President's proposal anything that would do harm to our defenses. The Joint Chiefs of Staff is retained. The President does not propose an all-powerful Prussian-type command. His proposal would not destroy the identity of the Army, Navy, Air Force, or Marines. It would not take away from the Congress its rightful

duty of appropriating defense funds according to need.

However, the President's proposals will streamline and make more efficient the lines of command which are necessary in this day of modern warfare. These proposals will serve to improve the efficiency of our Department of Defense and its activities. I intend to make further remarks concerning the President's proposals at a later date, but feel it necessary to announce at this time my support of his recommendations.

Mr. President——

The VICE PRESIDENT. The Senator from Minnesota.

FARM-RETAIL SPREAD IN CHOICE BEEF

Mr. THYE. Mr. President, there appeared in the American Cattle Producer magazine of April 1958, a little informative statement relative to the farm-retail spread in choice beef, which relates to the question of beef prices.

I have examined the record given, and I find that in 1947 the retail price per pound was 61.8 cents; farm-retail spread was 17.6 cents; the net farm value was 44.2 cents; and the producer's share was 72 percent.

Mr. President, as we follow the figures through the years we see what has happened. There are given the facts as to why the consumer pays such high prices for beef, while the farmer is not the one wholly responsible for the cost of beef.

In 1957, the retail price per pound was 70.6 cents; the farm-retail spread was 28.2 cents; the net farm value was 42.4 cents; but the producer's share was only 60 percent. That is the reason why beef costs the consumer much, though the farmer has not derived the benefit which some would believe.

Mr. President, I ask unanimous consent that the table be printed in the RECORD at this point.

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

Farm-retail spread in choice beef

Year	Retail price per pound	Farm-retail spread	Net farm value [1]	Producer's share
	Cents	*Cents*	*Cents*	*Percent*
1947	61.8	17.6	44.2	72
1948	75.3	22.3	53.0	70
1949	68.4	20.2	48.2	70
1950	75.4	21.3	54.1	72
1951	88.2	22.4	65.8	75
1952	86.6	24.1	62.5	72
1953	69.1	25.3	43.8	63
1954	68.5	24.3	44.2	65
1955	67.5	25.3	42.2	63
1956	66.0	26.0	40.0	61
1957	70.6	28.2	42.4	60

[1] Farm value of live animal of weight and grade necessary to produce 1 pound of meat products at retail, minus computed value of byproducts. Standard factors are 2.16 pounds of choice grade beef, steer, or heifer.

FETE IS DECLINED BY ARMY OFFICERS

Mr. PROXMIRE. Mr. President, last Thursday night an incident occurred which should hearten millions of American citizens who have become disillusioned by the successful efforts of lobbyist and special-interest groups to secure Government favors and advantages by wining, dining, and to use a blunt, rough, accurate word, bribing public officials.

The New York Times Friday, April 18, reported that: "When defense contractors and industrial interests associated with them attempted to organize tables" to entertain Army officers at the Waldorf-Astoria, "they met with stony declinations from the Army officers they invited." The Army officers said that the Army's policy, transmitted orally, arose from Congressional investigations disclosing that business concerns had entertained Government officials and had bestowed gifts. The officers said that they were told that they must accept no gifts, courtesies, or favors from defense contractors or other business executives, not even luncheons or dinners.

Whenever it becomes public knowledge that public officials have demeaned their position by yielding to lobbyists, it is an occasion for widespread public criticism of those officials. Here we have a case of a Government department that is initiating a rigorous and proper moral code in behalf of the public interest. The United States Army deserves great credit for taking this action. It is a splendid example. I hope that other agencies will follow this excellent advance in the interest of good, clean, honest, responsible government.

Mr. President, I ask that the article reporting this incident from the New York Times of April 18 be included 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:

OFFICERS REJECT ARMY BANQUET—WALDORF EVENT CANCELED ON REBUFF TO BUSINESSMEN

(By Will Lissner)

The cancellation of a public dinner that had been scheduled at the Waldorf-Astoria Hotel disclosed yesterday the lengths to which the Army had gone to keep its officers from fraternizing with defense contractors.

The dinner that was canceled was to have been known as the great Army banquet, arranged by the New York chapter of the Association of the United States Army. It was to have been held on May 1 in association with Loyalty Day observances.

Col. James V. Demarest, program chairman of the chapter, announced the cancellation, explaining that it had been made necessary by lack of cooperation.

Members of the arrangements committee amplified the explanation. They noted that it was the custom at industry dinners for a business executive to organize a table, inviting associates in his company and customers to join him in a convivial evening.

When defense contractors and industrial interests associated with them attempted to organize tables for the Army dinner, however, they met with stony declinations from the Army officers they invited, the arrangers said. Then they bowed out.

Officers concerned told the committeemen that the Army's policy, transmitted orally, arose from Congressional investigations disclosing that business concerns had entertained Government officials and had bestowed gifts.

The officers said they were told that they must accept no gifts, courtesies or favors from defense contractors or other business executives, not even lunches or dinners.

In one Army organization, the committeemen said, the officers were told they might go to the dinner if they paid for their tickets and if they avoided the appearance of being business guests. The officers decided it was better not to go.

Colonel Demarest and his associates complained to the Department of the Army. Its officials denied there was any official order interfering with the association's activities and said the only order existing directed officers to cooperate with the association, the committeemen said.

The Association of the United States Army is a nonprofit educational institution that publishes the Army Combat Forces Journal. Composed of past and present members of the Army, it acts as a private group to promote the interests of all elements of the Army.

LEARNING POLITICS AT THE CAMPUS ROOTS

Mr. PROXMIRE. Mr. President, Prof. Ralph K. Huitt, of the University of Wisconsin, has written an article that appeared in the Sunday, April 20, issue of the New York Times entitled "Learning Politics at the Campus Roots."

This article sets forth the splendid work that is being done throughout this country on college campuses by the Citizenship Clearing House in stimulating the interest of our college students in politics.

Professor Huitt is not only qualified to write on this subject, but also he has had remarkable success at the University of Wisconsin in organizing mock conventions that have been a smashing success, as well as stimulating tremendous interest in national political activities. Professor Huitt is known on the Wisconsin campus as a truly great teacher and a man who understands practical politics from having worked with an outstanding Congressman, the Honorable JACK BROOKS, of Texas, as a member of his staff here in Washington, and also that eminent political master, Senator LYNDON JOHNSON, as one of his staff members.

Incidentally, Professor Huitt is currently working as a member of my own staff here in Washington.

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:

LEARNING POLITICS AT THE CAMPUS ROOTS

(By Ralph K. Huitt)

In mid-October 1956, a party leader addressed a large audience of students at a northeastern university. He held up an "I Like Ike" button and was greeted with loud cheers.

"Who wants Ike for President?" he asked.

More applause, and most hands went up.

"Who wants Whittier for Governor?"

Again enthusiastic cheers, with most hands up.

"Who'll work for them in this campaign?"

Cheers and laughter, but no hands.

The failure to respond, however, was not quite total. After the meeting one boy came up to the party leader and asked: "How much do you pay an hour?"

Similar appeals probably got the same response many times that year. But this story has an anticlimax: the next day, without lifting a finger, the party leader had

14 students assigned to him—for practical political work as part of their regular training in political science.

This was not an isolated incident in 1956, and much more student politicking can be expected during the Congressional campaigns this year. The close cooperation of professor and precinct captain is common on college campuses and in the political arena today.

For example, during the week before Easter, in the Nation's Capital, students studying politicians were almost as numerous at the politicians themselves. At Georgetown University, 150 students from 16 colleges cross-examined Congressmen and party leaders. Competing with them for the available supply of politicians was a group from Amherst College in town for a week, plus students from many colleges attending the springtime Washington Semester on politics at American University. Not to be outdone by such students, 2 young professors toiled as interns at the national headquarters of the 2 parties.

To support this program of political education the Falk Foundation of Pittsburgh has, since 1952, granted more than $1,300,000 to 15 colleges, 2 national organizations, and an educational radio station with the wonderful call letters WQED. One national organization, the Citizenship Clearing House, was given $975,000 by the Ford Foundation to carry on its work through 22 State and regional affiliates and 300 cooperating colleges. And the Eagleton Foundation is sponsoring a comprehensive program in practical politics on the campus of Rutgers University.

Why should so much energy and money be spent to get college students involved in politics?

For the serious student of political science the answer is easy: practical politics gives realism to his training. For other students, the best reason was stated by Theodore Roosevelt when his family and friends assailed his decision to go into politics. T. R. replied that if, as they said, men like himself shunned politics and left it to saloonkeepers and horsecar conductors "it meant merely that the people I knew did not belong to the governing class, and that the other people did—and that I intended to be a member of the governing class."

An opportunity to belong to the governing class is, in some degree, the birthright of every citizen in a democratic society. And a democracy must rely for leadership on an aristocracy of responsibility capable of carrying heavy burdens of citizenship and willing to obligate themselves to do so.

Americans generally do not think highly of politics or politicians. As many as 68 percent of a national sample have told Dr. Gallup's pollsters that they would not like to see a son go into politics. The reason most often given was that politics is too crooked, corrupt, rotten.

Students entering college share the attitudes of their parents. A midwestern university professor regularly asks his beginning government students to write down their first thoughts when he mentions the word "politics." A few of them, he says, attempt definitions, but most responses are brief and bitter: "Corruption, graft, dirt."

To provide better knowledge of the subject and opportunities for first-hand political experience, a number of colleges, among them Pomona in California, and Ohio Wesleyan, have established institutes of practical politics on their campuses. It was to encourage this development over the Nation that the late Arthur T. Vanderbilt, then law dean at New York University, organized the Citizenship Clearing House in 1947.

How can students be taught practical politics?

One way is to put them to work with politicians. During the 1956 campaign, for instance, 311 students from 4 Massachusetts campuses worked with candidates or party organizations in 15 cities and towns. In Maine, 40 students were assigned as secretaries to conventions of both parties. In Colorado, 4 students worked, 2 with each party, throughout the campaign. Such student activity will be doubled or tripled in this year's campaigns.

They learn the hard way—even by making mistakes. One student did an otherwise brilliant job of compiling a dossier on an opposition candidate. But somehow he translated his man's 16,000-acre ranch into 160,000 acres. "It became something of a cause celebre," he says.

Another way is to take students to the politicians. A most successful project is American University's Washington semester, which brings together honor students from 80 participating institutions. Along with regular course work, the students do individual research and take a seminar which hears speakers from the Government and visits sessions of Congressional committees and administrative agencies.

Some students get more intensive experience as political interns in the offices of politicians. State legislators have let students share their desks on the Chamber floor. Representative FRED SCHWENGEL, of Iowa, has entertained 20 Iowa students, 2 at a time, for a "Week-in-Washington," and Congressmen HENRY S. REUSS and DONALD E. TEWES, of Wisconsin, have inaugurated the same program.

A less direct, but effective, way to get students excited about politics is to let them play the roles of political leaders. The idea is not new—Oberlin College had its first mock national convention in 1860—but recently it has caught on; more than 200 mock conventions were staged in the last presidential election year of 1956. The mock performance can become very like the real thing.

How do the students react to their lesson in politics? Sometimes it doesn't take: A sophomore finds that "politicians have no principles, they just want to win. Or it partly takes: A girl who admired all the party people she worked with describes a candidate as more the statesman-type than the politician-type.

But most students find their experiences deeply satisfying. One campus leader with straight A's at Wisconsin dropped medicine for law after a week in Milwaukee Representative REUSS' office. At times, the impact may be delayed. A young insurance man in Florida ran for sheriff and smashed a machine entrenched for 20 years. To a former professor he said: "Do you know why I ran for sheriff? It was because of Dean Vanderbilt's book you lent me several years ago."

Although the idea of political participation has spread fast across the Nation's campuses, it has not escaped criticism.

One criticism is that some of the projects are trivial and not related to any genuine educational goal. The public celebration of civic values, Amherst Prof. Earl Latham calls such activities—an example of which is shaking hands with Governor Furcolo to the popping of flash bulbs, after which nothing happens except that you wait a long time for the pictures. Another says, "Calling conferences and recruiting workers is the business of political parties, not political scientists."

Professor Latham surely is right in insisting that every activity be made to serve an educational purpose. But that can be done; political participation at Amherst and Mount Holyoke, directed jointly by Professor Latham and Prof. Victoria Schuck, is integrated with academic courses in politics and government.

There remains the question whether practical experience does change student attitudes toward politics, and whether any such change is lasting. Answers will not be easy to come by, but a start has been made. It seems a safe bet that the wedding of political science and the politician's art will last. As T. H. Huxley said: "The great end of life is not knowledge but action." Politics is too crucial an arena of action not to get college students ready for it.

THE FRENCH-ALGERIAN PROBLEM

Mr. PROXMIRE. Mr. President, less than a year ago the distinguished Senator from Massachusetts [Mr. KENNEDY] took the floor of the Senate to warn that it was high time the United States acted to promote a settlement of the French-Algerian problem. He warned with characteristic understanding that the United States was involved whether we liked it or not and that we could not make the problem go away by burying our head in the sand. He warned that time was not on our side and that each hour of delay would make a final solution more difficult.

The Senator was roundly criticized for interfering in what was supposedly none of our business, and for offending the sensibilities of an ally. Today the Senator would be amply justified, if he were inclined to say "I told you so." Of course he would not so express himself. But the march of events has proved that this able member of the Foreign Relations Committee was possessed of the foresight his critics lacked.

For the situation in Algeria has deteriorated anew. The Government of France, struggling for a solution on its own, has fallen for the 25th time. The drain of the Algerian dispute on the French economy continues to thwart the economic growth of that country. Well over half of France's military strength is dissipated in North Africa. The Algerian war drains at least a billion dollars a year out of France while her own desires for economic and social betterment are put aside indefinitely. Thus one of the bulwarks of the NATO alliance is weakened from within and without.

We can no longer pretend this is none of our business. We are involved. A Tunisian village was bombed by French forces, and President Bourguiba was hard put to explain his friendship for the United States considering that just 10 days before the bombing the United States had extended a loan to France. Our military assistance to France is there for all to see, including the North Africans whose legitimate Nationalist aspirations we are bound to support. Our small-arms shipment to Tunisia has been made a political issue on both sides.

Indeed there is some evidence now that our own State Department is gradually coming around to the point of view expressed by Senator KENNEDY. It is gratifying to see an awakening among our foreign policy administrators.

But every day we allow to slip by without advancing a positive and creative approach to the Algerian crisis, the more difficult becomes our eventual unquestioned task. Each instance of violence and incrimination deepens hatreds and stiffens resistance to compromise.

It is time to look again at the very constructive proposal the Senator made

last July. He pointed out that a policy of French abandonment of Algeria was neither feasible nor just. He noted that a new campaign of military suppression was unconscionable. And he proposed that the United States place its influence behind efforts, either through NATO or the good offices of the Prime Minister of Tunisia and the Sultan of Morocco, to achieve a solution recognizing the independent personality of Algeria and establishing the basis for a settlement interdependent with France and the neighboring nations. He suggested that inaction would breed an extreme solution and that what was needed was something like a federation relationship with a timetable of independence, a compromise recognizing the legitimate claims of both sides. I should like to quote his words at that time:

> Our efforts in no other endeavor are more important in terms of once again seizing the initiative in foreign affairs, demonstrating our adherence to the principles of national independence and winning the respect of those long suspicious of our negative and vacillating record on colonial issues.

Mr. President, those words are even more impelling in light of the past year's events. I urge the Senate and the State Department and the President of the United States to give new and serious thought to the farsighted and compelling statement of the Senator from Massachusetts.

Mr. President, I ask unanimous consent that the article by Senator KENNEDY, appearing in the Boston Sunday Globe of March 28, on the Algerian crisis, be inserted 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:

KENNEDY URGES MEDITERRANEAN PACT AS ROAD TO PEACE—WARNS HOUR IS LATE FOR WEST IN AFRICA

(When Senator JOHN F. KENNEDY, (Democrat, Massachusetts, introduced a resolution in the Senate last July calling for an "international effort to derive for Algeria the basis for an orderly achievement of independence," he was roundly criticized both by French leaders and Secretary of State Dulles. Today, with the Algerian crisis worsened, Senator KENNEDY again criticizes "let-drift" Western policies and gives his views on how the situation can be solved.)

(By Senator JOHN F. KENNEDY)

WASHINGTON, March 29.—The hour is late in north Africa. But it is not yet too late to salvage the situation.

The problem of Algeria is one of international concern—a problem no longer ignored by those who protested my speech last summer on this issue as interference in a problem of no concern to us.

It was evident then as now that there is no single formula that can cut through the whole complex of political, economic, and emotional interests in north Africa. But it is even clearer now that a policy of "let-drift" is filled with dangers for all the West.

The costs of the Algerian war must be faced both by France and its partners in the Atlantic Alliance.

There are close to 550,000 soldiers in Algeria, over one-half of France's military units. There are more than two French soldiers to every adult male in the French population there.

There has been an almost complete disintegration of French divisions in NATO, further strengthening the unconscious unilateral disarmament of the West in Europe. The modernization of the French Army and its jet buildup have been stretched out by 3 years in order to fight a "colonial" type war by generally outmoded methods.

Apart from the military costs, it is impossible to evade any longer the direct economic connection between the situation in north Africa and France's internal finances, which recently required assistance from the United States, the International Monetary Fund, and the European Payments Union.

TERRIFIC BURDEN

The Algerian war imposes a special burden of at least $1 billion a year.

It is withdrawing about 2 percent of France's total labor force—and a much larger percentage of its most skilled workers—during a period when the labor market has been tight.

The growing trade gap in France has been markedly widened by the need to import fuels, helicopters, vehicles, and steel for military uses. A very large segment of France's budget deficit in the past year stemmed from the Algerian war, and this year will be no different.

The North African crisis is placing in jeopardy many of the most constructive impulses in French policy. Progress toward the common market and Euratom, which holds much high promise for the future of all Europe, is strained.

But the strain also is felt in NATO and the U. N.—in our own relations with Tunisia and Morocco—in our prestige throughout the Middle East and the uncommitted world.

It contributed to a deterioration of French-American relations last November over a very small United States-Tunisian arms agreement.

As this last incident illustrated, it has created a bitter, stifling climate within France—silencing many voices of reason that would otherwise seek to prepare public opinion for the inevitable outcome.

The "good offices" team of the United States and Great Britain could perform a historic mission on behalf of the whole NATO alliance. The breach between France and Tunisia cannot be fully healed unless there is a parallel effort to close the chasm in Algeria. There is a chance that quiet negotiation and mediation can lay the foundation for a wider settlement.

The United States cannot untie the knot; it cannot make the fundamental decision in North Africa, or usurp French functions, or substitute its will for France's.

But it has every right—and obligation—to help create conditions in which the vicious stalemate can be broken.

Neutrality is mere pretense, especially in a conflict where American arms and credits are both visible instruments of French policy.

POSSIBLE SOLUTIONS

What possible solutions are there in north Africa?

1. First, France could adopt a policy of abandonment as in Indo-China in 1954.

This is hardly desirable, since the large French population in Algeria could not be repatriated quickly, easily, or justly. A sudden rupture would also be very dangerous for the internal stability of France—and for the valid French economic interests in Algeria.

The base for a fully independent Algerian state now is a frail one—the key to the continued interdependence of France and North Africa is economic—particularly the Sahara, which could be exploited cooperatively to mutual benefit, with French participation.

But, unfortunately, abandonment is the most likely, if not inevitable, policy, unless the French are able to reverse the current deeply rooted trend of events.

2. A second policy for France might be the military reconquest of all northwest Africa.

This is favored by some military officers and parts of the French press, and, indeed, a military invasion of Tunisia and Morocco and an intensified war in Algeria might result in a temporary victory for France.

But it could be accomplished only at the cost of destroying NATO, inflaming all the uncommitted world, and foreclosing all possibility of any African government with Western associations and outlook.

Leaving aside the moral implications of such a policy, it reflects a basic misunderstanding of the meaning of the forces moving through North Africa.

These cannot be arrested by the sword alone. Algerian nationalism has its cruelly sharp edges, to be sure. But it is more than a small terrorist junta, and it is more than an extension of some foreign army or government, be it Tunisian, Egyptian, or Russian.

Through false illusions, the French have continuously underestimated the staying power and reserve strength, visible and invisible, of the nationalist forces.

TOO LATE FOR PARTITION

3. A third policy might be partition along national lines in Algeria.

This might have been a logically conceivable solution, but concessions were made too sparingly and too late within the organic laws of 1947 and 1957. Time has run out for such a solution.

It would not provide the basis for a viable Algerian state; it would be extremely difficult to negotiate with justice, and it would only create new disputes for the future.

4. Fourth and finally, the most recent alternative to emerge, in outline form, at least, is the concept of a Mediterranean pact.

Several meanings have been attached to such a pact. It would be pure escapism if either we or the French should view it in narrow military terms—and if we try to use it as a means of bandaging only secondary wounds without treating the major infection of the Algerian war.

But it could, on the other hand, prove of real value—if it provides a wider framework for a North African settlement, and for the cooperative development of the Sahara—and if it is used as a latchkey to open the doors to a North African federation. A federation which includes an Algeria offered a realistic timetable for self-determination.

It is this course that represents the best chance for peace in North Africa for the defense of legitimate interests, for an economy and general political outlook interdependent with the West, and for the channeling of nationalist forces sweeping Africa into constructive outlets.

Both King Mohammed in Morocco and Prime Minister Habib Bourguiba in Tunisia have renounced all offers of Soviet assistance and even neutralism in order to try to cement a partnership with the West.

They have both sought to mediate a settlement in Algeria, and to hold in check the forces of anarchy and irreconcilability in Algeria as well as within their own nations.

There is still a chance to make the Mediterranean not a moat but a bridge between Europe and North Africa.

But, as I told the Senate last July: "It is time that we came to grips with the real issues than confront us in Algeria—the issues that become more and more difficult of solution, as a bitter war seemingly without end destroys, one by one, the ever fewer bridgeheads of reasonable settlement that remain."

WHY ARE WE NOT BUILDING THE WORLD'S BIGGEST BEVATRON?

Mr. PROXMIRE. Mr. President, Mr. D. H. Radler, the editor of the Purdue Research Foundation, has written an

extremely significant article in the current issue of the Reporter magazine entitled "Why We Aren't Building the World's Biggest Bevatron."

Mr. President, world leadership, economic and political, as well as military, may very well lie with the nation that establishes its supremacy in the field of nuclear physics. We are engaged today in a neck and neck race with the Soviet Union in this field in which the development of the A-bomb, the H-bomb, and the fantastic energy possibilities that already have been made possible.

In the judgment of many outstanding scientists the Russians may well be forging ahead of us now, not because their scientists are more gifted, not because their educational system is superior, but simply because their physicists may have better equipment in the near future than we have for nuclear research.

Mr. President, this article points out that some of the great physicists of this country gathered together in an organization sponsored by 15 of America's outstanding universities, have agreed that we can build an atom smasher which can give us decisive superiority over the Soviet Union in the area of pure nuclear research.

Mr. President, for a period of months I have been in close correspondence with these physicists through the top officials in their organization, Midwestern Universities Research Association. They have assured me many weeks ago that they are ready to go if only the Atomic Energy Commission would give its approval.

Mr. President, D. H. Radler discusses expertly the issues involved in the controversy between these great physicists and the Atomic Energy Commission in the article in the Reporter.

I ask unanimous consent that this article be included 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:

WHY WE AREN'T BUILDING THE WORLD'S BIGGEST BEVATRON

(By D. H. Radler)

A small group of physicists from several midwestern universities got together back in 1953 to discuss what they regarded as the pressing need for a high-energy atomic accelerator in their part of the country. Such an accelerator, known to laymen as an atom smasher, is essential for advanced basic research in nuclear physics—the same sort of pure science that has led, among other things, to the development of the atomic bomb, new sources of power from atomic reactors, and the use of radioactive isotopes in medical treatment and diagnosis.

The midwestern physicists were disturbed about the possibility that the United States was lagging behind, even then, in the race for basic knowledge of the atomic nucleus—what it's made up of and how it's held together.

The midwestern scientists were more immediately disturbed by the fact that the most promising students and faculty research men were gravitating to the coasts, where the necessary equipment for research in high-energy physics already existed. Why, they asked, couldn't we pool our resources and build our own machine? One idea led to another, and soon the group was talking about a radically new atomic slingshot that had never before been imagined, much less planned. If the machine could be built, the United States would have the world's most powerful atom smasher, capable of producing knowledge completely beyond the capacity of any existing machine—or even any on the drawing boards.

MURA IS BORN

The physicists explained their idea to their various presidents, obtained pledges of support ($10,000 from each of eight schools), and then went to Washington to get more funds. The National Science Foundation and the Office of Naval Research eagerly awarded small grants, but both declared that the Atomic Energy Commission was the only agency that combined an interest in nuclear physics with a really large budget. Iowa, Michigan, Purdue, and Illinois built working models that proved the soundness of the group's ideas. Then they tackled the Atomic Energy Commission.

A meeting was held in Chicago, with the physicists, business managers, and presidents of each university attending, and with AEC representatives present. Agreement was reached that the machine should be built, that it should be operated by the universities rather than by the Government, and that it should be supported by the AEC. AEC spokesmen said that it was inconceivable that Russia be allowed to capture the lead in high-energy physics.

The midwestern physicists formed a corporation known as Midwestern Universities Research Association (MURA), with a board drawn from the presidents, business managers, and physicists of each member institution. On February 18, 1956, the AEC gave MURA the green light (and a check for nearly half a million dollars) with this announcement:

"It is hoped that the midwestern university scientists will develop a machine that will be the finest and most powerful in the world * * * and will aid in maintaining United States leadership in nuclear and high-energy physics."

Coupled with this announcement, however, was another: that Argonne National Laboratory, the AEC installation in Lemont, Ill., south of Chicago, was authorized to proceed with a smaller accelerator of conventional design. Argonne's scientists resented the lesser role—and said so.

Meanwhile, university research men flocked to MURA—some of them scientists who would not work even temporarily on a Government or industrial job, but who liked the challenge MURA faced and appreciated the unique atmosphere of freedom MURA provided. Understandably, Argonne's people resented this, too.

COLLISION NEAR THE SPEED OF LIGHT

Soon MURA had 15 member institutions (Chicago, Indiana, Illinois, Iowa, Iowa State, Kansas, Michigan, Michigan State, Minnesota, Northwestern, Notre Dame, Ohio State, Purdue, Washington University of St. Louis, and Wisconsin) and a staff of 51, including 21 theoretical and experimental physicists, most of them professors on leave from the member institutions.

Plans were developed for a machine that could build up intense beams of atomic particles (protons), accelerate them nearly to the speed of light (186,000 miles a second), and then smash them together head-on. This was "syncroclash," a principle that had seemed impossible of achievement until MURA showed the way. Synchroclash means smashing moving particles together—and before you can do that, you must provide a lot of particles. Ordinary atom smashers don't; their beams are made up of occasional particles spit out in bursts. MURA's designers devised ways to create intense beams like the gush of water from a fire hose; they invented new methods of souping up particles, new "spiral sector" magnets to hold the whirling nuclear bullets in line, new "bucket lift" techniques of adding more and more particles until a veritable blast of nuclei is built up.

The machine they designed was in the shape of a figure 8, consisting of two atomic race tracks side by side, each one spinning its atomic bullets faster and faster and then, at the crucial moment, crashing them into one another where the two circles of the 8 intersect. (Recently MURA's physicists have improved even on this scheme, coming up with a unique design for accelerating two separate beams in opposite directions within a single ring. Working-model studies, just completed, prove that this plan is also feasible and could provide a high-energy synchroclash accelerator easier to build and simpler to operate than the figure 8 design.)

The energy of the collision is reckoned in billions of volts, or bevs. Our largest existing machine is the bevatron at Berkeley, Calif, rated at 6.2 bev. It is already outclassed by the Russians' 10-bev machine, currently the world's biggest (although a 25-bev machine is being built at Brookhaven National Laboratory). But MURA's colossus would dwarf all these devices, and would be 10 times more powerful than the 50-bev monster the Russians are now talking about building.

The principal explanation for the MURA machine's great power lies in the fact that while all other accelerators sling their atomic bullets at a stationary target, MURA's machine will slam two moving beams together. A stationary target recoils when struck, thereby soaking up energy that could otherwise go into smashing atoms. (Thus, the Berkeley bevatron is rated at 6.2 bev, but its nuclear reactions only provide 2 bev because of recoil loss. MURA's intersecting 15-bev machines, on the other hand, would provide collisions possible only in a single machine of 540-bev capacity.)

THE SITE PROBLEM

After studying MURA's plans, the AEC granted another $1,250,000 for 1956–57 and the research continued. Soon MURA's scientists were visualizing their brainchild in great detail. They knew, for instance, that it would concentrate hundreds of thousands of tons of weight in an area not much larger than a couple of football fields. Did any of the member institutions have ground solid enough to support such a burden? Each member was asked to submit data on its own area.

At this juncture, the AEC faced the pressure of Argonne scientists, who were still unhappy over their minor role in accelerator development in comparison with that of MURA. (They were working on a 12.5-bev machine, small indeed alongside MURA's 540-bev giant.) The AEC asked MURA to consider Argonne as a site for the MURA machine.

An outside firm of geophysicists was called in to study the soil at each member institution and also the soil at Argonne. The firm's recommendation was that the machine be built at Madison, Wis., where bedrock lies just 6 feet under the ground. Second choice was Minneapolis; third, Lafayette, Ind. The membership met and voted. They chose Madison, primarily because of the geophysical recommendation. MURA established its headquarters there, moving into what had been an automobile agency's garage.

Though cramped for space and somewhat short of funds, MURA's scientists built two working models that demonstrated the complete feasibility of their scheme; they estimated that the full-scale accelerator would cost about $70 million.

Late in 1956, I flew up to Madison and met Dr. Donald W. Kerst, the inventor of the bevatron, on leave from the University of Illinois to serve as MURA's technical director. "This is the first instance I've seen of such cooperation among scientists and administrators and business officials," he told me.

"What's more, now we have theoretical physicists—men who have avoided 'hardware' in the past—making immense contributions to the art of particle acceleration. Before MURA, accelerator design was crawling along in experimental stages."

SHRINKING PAINS

I returned from Madison imbued with some of MURA's fervor. On March 10, 1957, I wrote to an official there, asking for some further information, and received a reply that read, in part, like this:

"The latest information available to us would indicate that continuation will only be through integration with the Argonne Laboratory. This move is unacceptable to key scientific personnel and will probably mean the end of what I feel is a very realistic and scientifically necessary project. [The staff is unwilling] to be absorbed and entwined in the administrative redtape of a Government laboratory * * *."

Not long afterwards, the AEC told MURA that it would not consider supporting site acquisition and development at Madison in the budget for fiscal year 1958. Would MURA submit a minimum budget, omitting those items? MURA did, presenting a request for less than half its original $3 million-plus proposal. The AEC trimmed this to $1,100,000—less support than it had provided the year before—despite the success of MURA's two working models.

On July 1, 1957, MURA's quarterly report to the AEC declared:

"* * * the financial support and interest of the Commission in the MURA program as expressed in the budgetary limitations for fiscal year 1958 (a reduction of 25 percent from fiscal year 1957 and 50 percent in the amount requested in fiscal year 1958) and the lack of expressed interest for continuing support in future years has been the cause of great discouragement and concern. * * * In fact, this restrictive action on the part of the Commission could be responsible for the collapse of the entire MURA effort and organization."

When this statement failed to elicit any response from AEC, MURA Technical Director Kerst, despairing of substantial AEC backing, decided to resign. First he rushed the completion of the second working model, saw it operate successfully, and then, on August 31, quit his MURA job and his Illinois University professorship for an industrial position. Shortly afterwards, MURA Director P. Gerald Kruger also stepped down, after arguing with the AEC to no avail. (Dr. Kruger built the world's second cyclotron.) Midwestern universities started to lose physicists who were not directly connected with MURA but who had been hopeful that the Midwest would soon have a high-energy-physics facility.

Most of MURA's scientists hung on, hoping for a break. Professor Ragnar Rollefson, chairman of the University of Wisconsin physics department, who had just returned from a year's work as chief scientist for the Army, took on MURA's top administrative job.

THE AEC STANDS PAT

With the launching of the sputniks and the embarrassing initial failure of the overpublicized Vanguard, MURA thought it had come into its own. The climate of opinion had changed and the change would surely be reflected in government research policy. As far as the National Science Foundation was concerned, it was. On December 15, 1957, NSF awarded a grant of $160,000 to MURA. NSF's director, Dr. Alan T. Waterman, declared, "The spectacular contributions the MURA studies are making to modern nuclear science fully justify their support."

The AEC did not follow NSF's lead. The very next day, in fact, the Commission announced that Argonne National Laboratory was favored as the site for the MURA machine. An AEC spokesman defended the choice on the basis of the nearness of existing facilities. (MURA's machine is so radically new that it cannot draw upon existing facilities.) He said that the MURA design was not proved out. (Only a month before, the latest model worked perfectly on the very first try, in the presence of AEC Commissioner Willard Libby.) The AEC spokesman did not comment on the superior soil characteristics at Madison, much better than those at Argonne. And he did not reply to a charge that the project had been all but stifled by lack of Government funds.

Last January 2, I interviewed Dr. Libby. He told me that the AEC still preferred Argonne as the site of the MURA machine despite the preference of MURA scientists for Madison (and academic freedom) and despite the superior soil characteristics at Madison. His reason: "We don't want to build a whole new lab. Argonne has supporting facilities that don't exist at Madison. I looked at the site there, and it's nothing but a cornfield. * * *

"We deplore the argument about real estate," he went on. "We think it's premature. The big thing is cost; we're going to have a hard enough time getting the money as it is. We must have some basis for cost estimates; it's a lot of hardware, a lot of money."

Dr. Libby described the progress of the MURA group as pleasing and went on to say that "no group in the world could do a better job of accelerator design. They still have their assignment," he concluded, "and we want to support them. Only we prefer Argonne as a site, and we need an updated proposal so that we have a basis for cost estimates. Then we can go ahead."

Dr. Libby stressed particularly the fact that the AEC had not yet received a specific budget request based upon MURA's latest design. This is quite true; but it scarcely explains the AEC's tightfisted attitude toward MURA throughout the past 2 years, despite the eminent success of the figure 8 model and the high hopes for the newer single-ring design. Even after MURA's detailed proposal for a comprehensive 7-year building program had been submitted in the spring of 1956—and the design had been proved experimentally—the AEC provided only yearly dribbles of support. And heavy slashes in MURA's proposed budget for fiscal 1958, when part of that request was for funds to work up a complete and detailed estimate for the entire project, looked like less than enthusiastic support.

SOME EXPERT OPINION

After my interview with Commissioner Libby, I talked with MURA President H. Richard Crane, professor of physics at the University of Michigan, and with Purdue University President Fred L. Hovde, who is a MURA director, chairman of the Army Scientific Advisory Panel, and a member of the Defense Science Board, and was United States rocket chief during the Second World War.

Dr. Crane told me: "Argonne seems to have its hands full with the 12.5-bev machine it was told to build back in 1956, at the same time that we got the go-ahead on our accelerator. As a matter of fact, Argonne never made a proposal that our machine be built there; they don't have the personnel, for one thing. The only way it could be done would be for MURA people to build it on Argonne property.

"At the same time, it's well known that Argonne has been cramped for space for years. Their current budget request asks for funds to buy land and justifies the request on the basis of cramped conditions.

"What's more, Argonne is primarily a reactor development site, not an accelerator installation. This means that even if MURA built its machine at Argonne, new workshops would be needed, as well as more cafeteria space, guest houses, and so on. It wouldn't save very much money, in other words, to build at Argonne instead of at Madison.

"We're going ahead up at Madison with about a million dollars for next year. But the machine must be built as soon as possible."

And here is Dr. Hovde's statement: "Beating Russia to the punch by constructing this machine would give America a lead in the type of pure physics research that led to the discovery of the atomic bomb and atomic energy.

"Ever since the selection of Madison as the site, we've been plagued by needless delays, and we can't afford them.

"The truth is, it would cost about as much in engineering to shore up the machine at Argonne as it would cost to build the supporting facilities AEC is talking about at Madison. Cost isn't really a factor."

On January 14, MURA's board of directors met in Chicago. From the physicists they heard the good news that the figure 8 design had been improved upon and that a single-ring system was feasible. This meant a simpler, more easily built machine. From the administrative officers, on the other hand, they heard the discouraging news that the AEC still wanted the machine to be built at Argonne.

The board decided to prepare a new budget request (now roughly estimated at $60 million over a 5-year period to complete the machine by 1963 as originally planned) and to submit it not only to AEC but also to the National Science Foundation and the Department of Defense. Any 1 of these 3 agencies could be authorized to have the MURA machine built by an act of Congress providing the necessary funds. The new budget is being prepared with the hope that Congress will act where the AEC did not, thereby enabling America to maintain its somewhat shaky grasp on first place in nuclear-physics research.

THE BUDGET AND THE FUTURE

But MURA may not find the going any easier when the Joint Congressional Committee on Atomic Energy reviews its plight and the Nation's high-energy-physics program this spring. To begin with, President Eisenhower's new budget includes no money to cover the construction costs of the MURA machine, despite the fact that the President transmitted to Congress the NSF report describing high-energy physics as a field basic to the development of atomic weapons, to industrial power from the atom, and to all other uses of atomic energy—and warning that America might lose its lead in this field.

Secondly, the Joint Committee itself may be falling prey to the budget-mindedness of the administration. According to one member of the committee, here are the prevailing sentiments of the committee majority:

"The MURA machine will have to be built at Argonne, since the committee cannot see its way clear to endorsing two large nuclear laboratories in the Midwest." This attitude seems to be based almost entirely on budgetary conservatism, particularly in view of the fact that MURA would be an entirely different type of laboratory from Argonne. Furthermore, the National Science Foundation, the Federal policymaking agency for science, declares: "High-energy physics, like any other branch of science, will benefit from diversified support."

Many Joint Committee members believe that the MURA machine is not yet ready to be built. For this reason the committee will probably tend to second the AEC's stalling. Yet MURA's directors were told at their January 1958 meeting: "We are now in a position to design with considerable confidence and in detail an accelerator of the two-way (figure 8) variety. The spiral tangent-ring (single-ring) type is not quite so

far advanced * * * (and) * * * will require a greater expenditure of time and effort than we have yet been able to apply to it."

Several members of the Joint Committee feel that if the Government is to support a multi-million-dollar enterprise, it must also control it to a considerable degree. But the National Science Foundation report stresses that an enlightened Federal science policy must actually avoid certain kinds of control over Government-supported projects, leaving it up to the scientists themselves to decide how their goals can best be reached.

The Government should not, according to the NSF report, provide unlimited funds to any project: the responsible agencies must determine that a project is feasible and promising and that the budget is realistic; but thereafter, within the limits of a specific grant, the scientists should be left free to operate as they think best.

The scientists who have worked on the MURA project are convinced that they could put this sort of freedom to good use.

SECRECY IN GOVERNMENT

Mr. PROXMIRE. Mr. President, the right of the people to govern themselves depends for its effectiveness on the right of the people to know the facts. Judgment must be based on information. Where information is withheld, judgment is clouded.

That is why the clearing away of any obstruction to the free flow of information is a cause for rejoicing. I want to call attention today to two bits of good news in the continuing struggle to keep public information public.

One was the passing in the other House of H. R. 2767 on last Wednesday. This bill, introduced by the gentleman from California, Representative Moss, would limit the authority of Federal officers and agencies to withhold information and limit the availability of records. The bill abolishes the longstanding abuse of the so-called housekeeping provision adopted by the first Congress in 1789 which simply authorized the heads of departments to prescribe regulations for the custody and distribution of the records and papers of their agencies. This provision has been interpreted by some department and agency heads to give them the power to hold back from the public and its representatives information and records which should be freely available.

I congratulate the gentleman from California, Representative Moss, the Members of the House of Representatives who passed his bill, and the good citizens—especially the representatives of the press—who have struck this blow for the freedom of information. I hope that before long we shall have an opportunity in this body to vote for S. 921, the bill introduced by the distinguished senior Senator from Missouri [Mr. HENNINGS] which will accomplish the same purpose. I favor the bill very strongly.

The other piece of good news is the compilation made by the Congressional Quarterly which shows that a smaller percentage of the meetings of Congressional committees have been secret so far in 1958 than was the case in recent years. Where 41 percent were secret in 1954, only 33 percent have been closed to the public so far this year. I am of the opinion that the percentage should be smaller than that, but certainly real progress is being made.

The House Ways and Means Committee particularly is deserving of praise, it seems to me, for the really remarkable decline in executive sessions. In 1957, the Ways and Means Committee closed 88 percent of its meetings to the public. So far this year only 5 percent of its meetings have been secret.

Mr. President, I ask unanimous consent that the Congressional Quarterly story, which appeared in the Washington Post and Times Herald on April 18, be printed in the RECORD at this point in my remarks.

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

SECRET HILL HEARINGS SHOW SLIGHT DECLINE

Congressional committee meetings have been closed to the public one-third of the time so far this year.

Congressional Quarterly statistics show that the Senate closed 135 of its 490 committee meetings and the House 280 of its 765 meetings in the first 3 months of 1958. Joint committees of the Senate and House closed 27 of 68 meetings to the public.

All told, this works out to Congress closing 1 in every 3 of its committee meetings. This 33-percent secrecy ratio is down from the Congressional committee secrecy scores in previous years.

In 1953, Congressional Quarterly figures show Congress closed 35 percent of its meetings to the public and press; in 1954, it closed 41 percent of them; in 1955 and 1956 it closed 36 percent; and in 1957, 34 percent.

Herbert Brucker, chairman of the American Society of Newspaper Editors' Freedom of Information Committee, said Tuesday that the Quarterly's figures indicated "there is a growing awareness on the part of members of the Congressional committees that secrecy in Government is not a good practice."

After praising the work of Senator THOMAS C. HENNINGS, Jr., Democrat, Missouri, and Representative JOHN E. MOSS, Democrat, California, who head subcommittees investigating secrecy in the executive branch, Brucker said "it would be a fine thing" if Congress turned its gaze inwardly and eliminated its own secrecy practices.

Some committee chairmen, like CLARENCE CANNON, Democrat, Missouri, of the all-important House Appropriations Committee, feel more work can be done in private than in public. For one thing, they say, it reduces the grandstanding by publicity-conscious witnesses and lawmakers. But others, like the American Society of Newspaper Editors, contend the only place to conduct public business is in public.

House Appropriations was the most secretive of all Congressional committees, barring the public and press from all its sessions during the first quarter of 1958.

Of the committees holding 10 or more meetings, House Ways and Means registered the biggest decrease in secrecy for the first quarter of 1958. It closed only 3 of its 57 meetings to the public for a secrecy ratio of 5 percent. This compares with a secrecy score of 88 percent for the whole of 1957 when the committee closed 63 of 68 meetings.

ADDRESS BY SENATOR JOHNSON OF TEXAS BEFORE AMERICAN SOCIETY OF NEWSPAPER EDITORS

Mr. PROXMIRE. Mr. President, the Senate majority leader, the distinguished Senator from Texas [Mr. JOHNSON] made a great address Saturday night at a meeting of the American Society of Newspaper Editors.

It was the kind of address which the American people should be hearing from their leaders. The majority leader not only expressed emphatic confidence in our American system, but, what is more important, he pointed out that even this great system of ours will not operate successfully unless our Government provides vigorous and aggressive leadership and action to put our unemployed to work to provide our Nation with military security, to lead the world in the conquest of outer space, and to win a world which is peaceful and free.

Mr. President, I ask unanimous consent that this great address by the Senator from Texas be printed in the RECORD at this point following my remarks.

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

TEXT OF SENATOR JOHNSON'S SPEECH AT EDITORS' DINNER

Mr. Chairman, distinguished guests, fellow Americans, I am grateful for the opportunity to be your guest. I was pleased to yield to the persuasive eloquence of Chairman Seltzer and Senator LAUSCHE.

I speak tonight as an individual, concerned not with the relative and changing positions of parties and persons but with the relative and changing positions of our country in the world today.

This we all know: Whatever America's position in the world now may be, it is not the same position we presumed it to be when last your society met here in Washington.

For 6 consecutive months, the Government of this Nation—in both the executive and legislative branches—has been fully absorbed with forced reappraisals of the American position and policy.

WON'T SIT IT OUT

In this brave period, grave challenges have been presented against areas in which we have long presumed a special American preeminence—challenges against our technology and science, against our system of public education, against the successful workings of our free country.

I, for one, am unable to sit quiet and say this is no concern of mine. It is my concern and your concern and the concern of all who call themselves Americans. Personally, I don't intend to sit it out.

We have lived by the faith that only free men could produce as we have produced, invent as we have invented, educate as we have educated, and manage as we have managed a private economy producing abundance for all.

Now we see nations which tolerate no freedom demonstrating a capacity for production and invention and education of which we never believed them capable.

ECONOMIC ILLS CITED

We have waited for internal economic trials to bring the totalitarians to disaster. So far, we have waited in vain—though in the long reach of time these strains will indeed occur.

For the present, however, it is our own economy that is in trouble. It is not our system that is at fault. It is simply that we have not made full and effective use of the powerful instruments which that system affords us.

Too many things have gone too far wrong for me, as an American, to accept the proposition that I must not react vigorously. I believe that vigor is precisely what the moment requiries.

It is profoundly significant that our economy has faltered at the precise moment that the Soviets have revealed a technological capacity very nearly equal to our own. It is relevant that this technological achievement should appear just as we are awakening to the fact that the Iron Curtain countries are exceding us in efforts to marshal both human and material resources for the advance of their ugly society.

The totalitarians have attached supreme value to expansion, to growth, to advancement. We seem to have elevated to first rank a new repressive value on the status quo, on holding the line, on living with what we have.

The totalitarians have displayed a grim appetite for learning what others know; for adopting and adapting knowledge and techniques from others; for pioneering aggressively in the realm of invention. We have relaxed in growing contentment with the extent of our own knowledge and our own capacity.

We have concerned ourselves with the building of walls about our Nation which keep out many thoughts and many talents of other lands. We have put a shackle on our own pioneering.

What does all this mean?

MEANINGS EVIDENT

I have been here in the Congress for two decades—21 years last week. Through these years, I have served continuously on those committees of the House and Senate actively concerned with our Nation's security and strength. In this perspective, I see these meanings evident.

The United States has withdrawn into a narrow and narrowing world of our own choosing. Whatever we have lost, we lost not by what others took from us but by what we took from ourselves.

We alone, by our own hand, took away from our economic system the stimulus to its growth and expansion. We alone, by our own hand, held back the drive toward preeminence in outer space.

We alone, by our own hand, shut off the free exchange of information with friendly nations. We alone, by our own hand, stifled much of the American tradition of free inquiry and full discussion.

I sorely fear there awaits for us a fearful harvest of disillusion in our position of world leadership if we prolong our present course.

Nations we have regarded as strong are becoming weak.

Nations we have regarded as friends are becoming hostile.

Before the court of uncommitted nations, our case for their support is received with reservation and hesitation and even suspicion.

SEE SEEDS OF DISASTER

In the bid for peaceful trade and commerce, we who have so long prided ourselves on our skills at competition face the threat of being outcompeted and undersold.

These are seeds of disaster.

We hold ourselves forth sincerely as a nation dedicated solely to peace and to the prevention of war. Yet we stand before the world with little present military capability except the ability to fight a war of human suicide.

We have matched the threat of mass slaughter with the answer of an equal threat of mass slaughter.

We seem to react only where the Communists act.

Where there is no evidence of aggressive Communist interest in key areas of the world, we give no evidence of American interest at all.

While the world hungers for food, we allow our farms to decline.

While the world yearns for manufactured goods, we allow our own capacity to fall idle—and default the market to the Soviet bloc.

This is a supreme irony—in both our internal and external affairs. In world affairs, as in domestic affairs, there is no erosion of our physical and material strength.

The free nations have 66 percent of the world's population and 74 percent of its area. The free nations produce 76 percent of the world's steel and 83 percent of its aluminum. The free nations control 64 percent of the world's coal and 88 percent of its oil reserves. The free nations have 82 percent of the world's electric power and 97 percent of its merchant fleet.

WHAT IS MISSING?

On this base, every advantage is ours for a greater productivity and a greater prosperity than the Soviet bloc could hope to match.

What is missing? What is lacking?

Begin that answer by looking at our domestic example.

We have assumed that policies adopted in the 1930's and 1940's rendered our own economy depressionproof. Yet now—twice within 5 years—we have seen our economy slide into recession.

The depressionproofing policies of the past are only so good and so valid as their execution. Such policies presuppose an alert, vigorous, determined effort to apply them. The best of policies are valueless when they are left unused.

We saw a great depression brought on 30 years ago by a decline in farm income; yet we have allowed farm income to decline once more. We saw business expansion retract and crumble under the weight of burdensome money costs; yet we have deliberately sought to reimpose that burden. We saw the economy flourish under the stimulus of necessary spending for necessary public works; yet we have painstakingly deleted such works from our national program for too long.

ASKS BRIDLE ON RECESSION

I do not question that our Government has an obligation to harness runaway inflation. But I do say that there is an equal obligation to keep a bridle on recession before it runs away.

I, for one, want to hear America's cash registers ring again.

I want to see America's workingmen cashing private enterprise paychecks, not relief checks.

I want to know that America's businessmen are going to the bank to borrow productive capital and not to renew and extend old loans.

I believe that is the way you feel, too.

Let me say one thing more in this regard.

There are those who assume that this recession is sure to end of its own accord. That assumption—like so many we are now reappraising—is plausible, but nothing is more plausible than what we prefer to believe. There is an appealing plausibility to the hope that times will be better come November.

I believe that times can be better—sooner than that. But assumptions are no substitute for actions and plausibility is not policy.

I don't believe America's families and businessmen and laborers want to see the doctor standing at the bedside of the economy giving odds on whether the patient can make it through the night without medicine.

POLICY CURE SOUGHT

In the field of foreign affairs, as in the field of our domestic economy, we see America compromising the potential of its strength.

We began with policies dedicated to winning other peoples to the side of freedom and, once they were won, we grumbled that their alliance was too heavy a burden.

For sympathy, we have substituted suspicion. For courage, we have substituted complaints.

What is wrong? What is the answer?

Let me answer first that it is idle to criticize any one group, any one individual, or any one party. What matters, far more than criticism, is cure.

The answer, as I see it, lies not in a single magic proposal or even in a list of proposals. It lies in a change of our whole national attitude and approach, on every level—from Washington out to the street where you live.

Think back over the challenges which have befallen us these past few months.

There has been, in no instance, any lack of capacity, any absence of resources, any serious shortage of talents and skills responsible for the inferiority of the American position.

What has been missing is the indispensable trait of character for free men who would remain free—I refer to the trait of boldness and confidence.

CONFIDENT TALK ASSAILED

Technical competence in the field of economics, in the field of science, in the field of military administration, in the field of diplomacy—technical competence alone is not enough.

If our Nation's founders had been more competent at calculating the odds against the success of their fight for freedom, that fight might never have been made.

We need to restore—in all our national policy—the great exuberance and confidence of a growing, ambitious, and determined nation. We need to believe again in the strength of our ideals so that we are not fearful of their imminent subversion and destruction.

We have created a climate in which the new and bold ideas of democracy no longer flourish as they should flourish.

After what has come upon us in the 6 months just past, I believe all Americans—of all views and persuasions—would share with me the conviction that the time has come for us to put an end to this climate.

The time has come for us to allay our fears, our suspicions, our worries and stand upright in a posture of confidence that is more typically American. We need confident action; not just confident talk.

EDITORS' HELP ASKED

This spirit is more important than all that we can do here in Washington in any field or by any means. The spirit itself deserves our attention ahead of programs and proposals. That is why I emphasize it so tonight.

The firing of this spirit—out across the land—is your specific opportunity and your continuing responsibility.

You can, to use Justice Holmes' great phrase, create "men with fire in their bellies."

Washington, though, is not without its own measure of immediate responsibility. Washington, too, must set an example and show the way, show what can be done, rather than prove that what can be done should not be done quite yet.

There is a growing conflict as to whether the actions that can be taken are to be permitted—or whether they are to be discouraged, frustrated, and, if necessary, thwarted.

At its core, the question is stark and simple:

Which matters most—which political party holds Washington or what philosophy is held by the peoples of the world?

Today too great a value is attached in this city to the matter of who gets credit for actions which strengthen America. Too little value is accorded the price we all shall pay if that strength is not built.

I say America has victories to win that far transcend the fate of partisans at the ballot box.

I care, of course, who wins in such elections, but I care more why the victory is won—I care, as you care, that the victors be worthy of their trust.

We have, in America, the material resources, the human resources, the spiritual resources to do whatsoever we will.

Let us drop our fears of the economy growing too large, too prosperous, and concern ourselves with invigorating its growth to the ultimate of our capacities.

Let us drop our worries that this Nation cannot afford its own security. Let us move away from the bargain counter, and buy for ourselves the best flexible defense that can be fashioned.

Let us move with courage and confidence and zest into the frontiers of outer space. Let us search out new galaxies of human thought. Let us go before the world and invite nations, large and small, to join with us in this greatest of mankind's adventures.

Let us do these things together, as Americans, unconcerned about the credit and unafraid of blame for sincere efforts, sincerely made.

This, I believe, is what America now so sorely needs from all its people.

This, I believe, is what its people are capable of giving America.

Mr. PROXMIRE. Mr. President, the rousing confidence expressed by the distinguished majority leader of the Senate has been supported in an unusual and brilliant report by the Rockefeller Brothers Fund. This report by eminent businessmen and economists point in exactly the right direction, that is, toward vigorous, deliberate action by our Government to enact legislation that will insure the growth of our economy, that will permit us to double our provision for human welfare and education.

This report constitutes a vitally important landmark in the economic understanding of this country. It means that a group of men who have been eminently successful in big business, some of who are prominently identified with the Republican Party, have realized the moral rightness of the New Deal and the imperative necessity of a Government which will use our taxation, as well as our spending program, to insure a stable, prosperous, and especially an expanding economy.

Mr. President, I ask unanimous consent that a summary of the recommendations of this report by the Rockefeller Fund be printed in the RECORD at this point following my remarks.

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

TEXT OF SUMMARY OF REPORT ON AMERICAN ECONOMY BY ROCKEFELLER BROTHERS FUND

SUMMARY OF THE REPORT

I. The challenge of the future

A great opportunity confronts the American people.

The past performance of our economy has been impressive. Over the 75 years before World War II we doubled our national output about once every 24 years. Since World War II we have been growing at an even faster pace: at an average yearly rate which promises to double our output every 18 years. Even our most recent rate of advance can be bettered.

Economic growth is meaningless if its benefits are not generally shared. Actually a revolutionary upswing in the distribution of income and an extraordinary rise in social services have accompanied our increased productivity. Millions of families have steadily shifted from lower to higher brackets.

[The second part of the report, The American Economic Heritage, was not included in the summary.]

III. Policies to promote growth

Our Nation is dedicated to economic growth. It is also dedicated to full employment. Each of these goals is a means to the other. In an economy where the labor force grows, capital accumulates and technology advances, growth is necessary for the maintenance of full employment.

The way in which our free and private system works is importantly affected by public policy, which must indeed preserve it, create conditions for its success and generate a climate of confidence.

A. Economic Stability

An economy of growth is an economy of change and adjustment. The declines, as well as the expansions, are part of the necessary adjustment to the process of growth. When the declines in major sectors of the economy coincide in time, economic activity as a whole recedes.

Recession contains within it the danger—not the necessity, but the danger—of a cumulative downward spiral. If wages and profits decline and future prospects darken, individuals and businesses will cut their purchases, which will curtail production, employment, wages, and profits.

In the long-term perspective we face another grave danger to growth—inflation.

Antirecession and anti-inflation policies must be seen as two sides of the same coin. Firm and effective action in either direction cannot be marshaled unless there is confidence that action in the opposite direction will be equally prompt and bold.

1. The current recession: In combating the recession, we must not overlook or disregard the basic strength of the American economy. Conditions today are structurally different and sounder than they were in the 1920's. But we must not be complacent. We should make the present setback the occasion for a step forward toward our overall objective of stable growth.

(a) Private measures to increase employment:

The American businessman has today an unparalleled opportunity and challenge. In spite of the increase in unemployment, consumer incomes for the Nation as a whole are still high and accumulated savings are higher than ever. Consumers have shown their willingness to buy when offered attractive values. Funds for investment are available at lower cost than a year or two ago.

Some businessmen are now demonstrating that by introducing new products, by selling aggressively, and giving better values, they can expand their volume, increase profits, and provide more employment. There is an opportunity for many more to profit by these examples. Businessmen should not wait passively for Government action.

(b) Federal tax reduction to create employment:

Of the antirecession measures available to the Federal Government, tax reduction can be effective in the shortest time.

This panel believes that a tax cut would help overcome the current recession and expand employment. The precise amount should be determined by the administration and Congress in the light of the best information available when the tax cut is made.

We urge that the following principles be followed and implemented in the tax cut:

A tax reduction program should affect all taxpayers and stimulate individual and corporate enterprise, with the objective of creating more jobs.

The reduction in tax rates should benefit individuals throughout the income scale, without favoring any special interests or eliminating any large group from the rolls.

The tax reduction should have no time limit. It should be regarded as a first step in a permanent tax policy which regularly lowers taxes during recessions and restores them to necessary levels once full employment is regained. When an increase in taxes is required it should be consistent with the long-term goals of tax reform.

In addition, business firms should be allowed to depreciate at a more rapid rate capital improvements begun in a reasonably short period, say within the next 12 months.

(c) Accelerating public works: The long lead-time between the planning and execution of public works calls attention to the importance of creating a permanent shelf of projected public works.

To combat the current recession we recommend that the Government continue its efforts to accelerate public works under way. Only useful projects that can be quickly started—say within 3 months—and completed within a reasonable period—say another 12 to 18 months—should be initiated as part of the immediate antirecession program.

(d) Monetary policy: We urge the Federal Reserve System to move to increase the supply of money and credit as long as the economy is declining.

(e) Unemployment compensation: Experience in the current recession underlines the need for emergency action. We agree that temporary Federal supplements to unemployment compensation under State systems are necessary.

(f) Top-level policy guidance: Effective antirecession policy requires decisive, continuous action reflecting a balancing of conflicting considerations and choice among alternative instruments. The same is true of anti-inflation policy and is more than doubly true of the real problem, which is to avoid both recession and inflation.

We believe that consideration should be given to broadening the representation of the informal group which has been meeting during the current recession with the President to include the Cabinet officers concerned especially with foreign affairs and the human aspects of our economy. The implications of stability are broader than fiscal and monetary considerations and should benefit from the counsel of those who have direct responsibility for such interests. There is need, we think, for an informal advisory committee, to meet at the call of the President and under his direct leadership, at such intervals as may be necessary to consider and advise on stabilization policy, either antirecession or anti-inflationary as appropriate.

The effectiveness of this program will depend on prompt action in the application of the proposed remedies. Delay may make necessary the application of massive measures later on. A piecemeal approach will deprive otherwise sound policies of their full impact.

2. Long-term antirecession policies:

(a) Improving the unemployment compensation system:

We recommend the following permanent improvements:

1. Extension of the insurance system to include the 12 million employees not now covered.

2. The increase of insurance benefits to cushion more adequately the loss of wages during unemployment.

3. The lengthening of the maximum duration of the benefits to something like 39 weeks.

(b) A shelf of public works plans:

In no aspect of antirecession policy do short-term and long-term considerations more critically affect each other than in the construction of public works. It is essential that needed public improvements be planned and stockpiled, in advance, with high priorities on such clear public needs as urban redevelopment, schools, hospitals, and highways. Stockpiled public works plans should also include provisions for acceleration and deceleration as the economic situation may require.

In summary we recommend:

1. A long-range and continuing study of the public investment needed over the next decade, together with the development of specific plans for public works that can suitably be fitted into a countercyclical program.

2. Enabling legislation should involve a provision for two-way flexibility, so that public works can be speeded up to combat recession and slowed down if inflation threatens.

(c) Economic statistics: We need better information on projected capital expenditures, on inventories, on construction work, and on consumer spending intentions. An additional $5 million to $10 million a year for such Government statistics would yield high returns in the form of more reliable economic intelligence.

3. Anti-inflation policies: The Government should use its powers when they are needed to curb inflation with no less vigor than when they are applied to counter recession. The general outlines of a program for the restraint of inflation are clear:

(a) When the economy is at a full-employment level the Federal budget should have a surplus of receipts over expenditures.

(b) The adoption of two-way flexibility in public works programs recommended above will enable these expenditures to be used countercyclically.

(c) The Federal Reserve should use its general controls to keep the supply of money and credit from rising too rapidly.

(d) Business and labor must exercise restraint, the former in its pricing policies, the latter in its wage demands.

(e) The explicit recognition of general price stability as an objective would contribute to better balance in public policy.

(f) Tax-policy reforms should take into account the use of taxes in combating inflation as well as recession.

(g) Industry and labor should continue to seek out new production and construction methods to reduce costs and increase productivity as a positive approach against inflation.

B. The Encouragement of Growth

1. Government responsibility for a climate of growth:

Government policy and action influence the economic climate in a host of indirect ways quite apart from its direct purchases of goods and services and its fiscal operations. The Government's tax structures can encourage or blight incentives. The same is true of its regulations governing domestic and foreign trade, its patent laws, its legislative and administrative dealings with business, agriculture, and labor, its stockpiling programs, surpluses, and procurement policies.

The matter of Government attitude is scarcely less important than the letter of its laws. Government should provide a climate in which private incentives flourish.

2. Strengthen competition and remove rigidities that impede growth:

The natural adaptation of a free economy is not always quick or complete. There is a tendency to seek protection against pressure for change. When this resistance takes deep-rooted forms, or when it acquires legislative sanction, rigidities impede and distort the overall advance.

Tariff is an example of a policy aimed at protecting industries against the forces of change. Tariffs were originally intended to help new American industries take root. At present, they often impede rather than encourage a higher national product and lower consumer costs.

This does not mean the wholesale reduction or elimination of tariffs. But there is a need for a tariff policy which moves steadily toward our goal of lower trade barriers, coupled with provisions to help redirect the resources and efforts of industries and workers seriously affected.

We strongly recommend the continuance of reciprocal-trade policy, administered so as to promote gradual and selective tariff reductions.

A second group of rigidities that impede economic growth are those caused by the formation of monopolies or collusive practices. Government must be alert at all times to maintain and strengthen competition. This remains the purpose of our antitrust laws. In the enforcement of the antitrust laws a balanced flexibility must be attained.

A third area in which a greater degree of flexibility is needed relates to the remaining instances of resistance to modernization and efficiency in production. Rules that require more labor than is needed for given jobs, the retention of outmoded equipment or processes or any restrictions that interfere with the goal of expanding production with due regard to the welfare of workers are inconsistent with our national growth.

3. Tax reform to promote incentives for growth:

As presently constituted, our tax system presents a series of important impediments to growth.

Systematic tax reform, at Federal, State, and local levels is long overdue. The prospect of a substantial future increase in overall Government expenditures in the years ahead makes this an even more urgent requirement.

Therefore, we recommend that a careful and thorough study be undertaken of our entire tax system—Federal, State, and local. This could be done by setting up a tax commission which might be under private auspices, along the lines of the recently announced Monetary and Credit Commission, to devote major attention to the following:

(a) The problem of capital accumulation:

As our tax structure has developed it has steadily become more difficult for those who start without capital to accumulate it. This is especially true of those who are dependent on salaries or those who elect to do business as sole proprietors or partners.

Experience strongly suggests that the Nation would be better served by an income tax with somewhat lower rates that would apply more equally among persons with the same income. With personal incomes in excess of $340 billion we now levy rates starting at 20 percent and rising to as high as 91 percent in order to collect $37 billion.

(b) Income-tax averaging:

All taxpayers, individual and corporate, experience variations in income. Some, however, by the nature of their occupation are more subject to such variations. This is true of creative artists and many professional people. Small business, too, is vulnerable to sharp variations in earnings.

Greater equity and more incentive would be achieved by a system which permitted the averaging of income over a period of years.

(c) Depreciation allowances:

The sooner a capital outlay can be recovered, the greater will be the willingness to invest in depreciable property and the greater will be the opportunity to secure funds for such investments.

More liberal depreciation allowances, properly safeguarded to prevent abuse when depreciated property is sold, would be an important reform.

(d) Moderation of corporate income taxes:

The high corporate tax rate tends to distort and inhibit the vital contribution which business through the use and investment of its capital must make to our natural growth. Some moderation of the general corporate rate is long overdue.

4. Public expenditures to promote growth:

Public expenditures in support of growth are a traditional and an essential part of our economy. Far from being a hindrance to progress, they provide the environment within which our economy moves forward. As the final section of this report sets forth, estimates indicate an increase of almost 50 percent in Government purchases of goods and services by 1967.

The very magnitude of prospective claims for publicly directed expenditures imposes upon us the obligation to exercise wise and vigilant discipline. Unwarranted public demands on Government must be checked. Notable among these are numerous subsidies which have no place in a growing and prosperous economy; for example, the stockpile programs, and pensions to some veterans for non-service-connected disabilities. And the agriculture program should be redirected along the lines discussed later to bring supply and demand into better balance.

5. Government monetary and fiscal policies contributing to growth:

The lost ground incident to a serious decline may take years to make good. Even the current relatively moderate recession has cut gross national output by an annual rate of $25 billion, from the $450 billion level that we might by now have achieved on a steady growth trend to the $425 billion actual rate of the first quarter of 1958.

A tax cut that importantly influences a prompt recovery that might not otherwise take place would be a good bargain for the economy as a whole, and for the fiscal position of the Federal Government as well.

Quite apart from their specialized use as stabilization instruments, sound monetary and fiscal policies play a continuing role in supporting a growth economy.

6. The encouragement of small business: There is evidence that smaller and medium-sized businesses, and particularly manufacturing firms, have difficulty in obtaining financing for expansion of their operations. The need is primarily for long-term equity or loan funds.

(a) Financing mechanisms and managerial counsel: One promising approach is the establishment of regional investment trusts—that is, "capital banks"—that can expertly appraise the prospects of firms seeking funds for expansion, and make long-term investments in them and advise them on management policies. The funds for the investment trust would be mainly provided by private investors. This approach requires governmental sponsorship and participation, preferably by the Federal Reserve System, in providing part of the initial funds for the investment trusts.

(b) The special impact of taxes on small business: We recommend the following tax reforms to give relief to small business:

(1) Extend the accelerated depreciation provisions enacted in 1954 to include business purchases of up to $50,000 of used assets in any 1 year.

(2) Increase the period over which business losses may be carried from 2 to 5 years.

(3) Permit estates consisting largely of investments in small businesses to pay estate taxes over a period of 10 years.

(4) Serious consideration should be given to the introduction of more averaging into the income-tax system.

7. The role of responsible trade unionism: Honest, responsible trade unionism can give encouragement to growth by securing the full and willing cooperation of labor and management in the task of expanding national output. Cooperation by industry and Government with responsible labor leadership should serve to stimulate the full contribution labor can make to growth.

8. Natural resources: The drain on our traditional supplies of raw materials is prodigious. In 1900 our production of all raw materials exceeded our consumption by 15 percent. By 1950 our consumption exceeded our production by 9 percent. By 1975 our consumption will exceed our production by 20 percent.

New technologies, more efficient extraction processes, new uses may open up new worlds. But the theoretically possible is not yet within our grasp. We must face the fact that our supplies are not inexhaustible.

One resource which we must actively conserve is water. Already demand is outrunning our supply in some areas, thus placing a limit on growth. By 1975 we will more than double the current rate of water consumption.

Typically, water problems are regional problems, and often can best be dealt with by specifically designed public agencies. In addition, a degree of national policy formation and coordination, possibly centralized in one Federal agency, is essential.

9. An expanding world economy: An expanding volume of trade can make a most significant contribution to our general economic growth.

Our growing dependence on raw material imports highlights the importance to the future growth of our country of an expanding world economy. In the long run, the economic growth of the world will be best served if each country develops those resources which it can produce most economically. Where foreign oil and other mineral deposits can be discovered and developed more cheaply than those in the United States, both we and the rest of the world stand to benefit by their use.

At the same time, we can through our international trade and investment make an expanding contribution to the development of the world economy. Our imports provide dollars to other nations and these dollars can be used to purchase from us the machinery and equipment needed to support economic development.

Here are three basic guides to national policy in this area:

(a) The Nation should not permit the pace, direction, or nature of its scientific effort to be limited either by possible military applications, important as they are, or by the fortuitous availability of shorter run economic incentives to developmental activity by private industry.

(b) Restraints on the free flow of basic scientific information should be resisted.

(c) The Government should foster scientific activity by any one of numerous devices, including grants, tax incentives and long-term loans. In some cases, the Government itself should generously support the needed scientific development; for example, atomic energy, space exploration, meteorology, oceanography, agriculture, and health.

IV. Problem areas in a growth economy

A. Agriculture

A minority of the farms in this country—2.1 million—now produce 91 percent of the output of food and fiber and could produce more, while the majority, comprising 2.7 million farms, produce only 9 percent.

The present operation of American agriculture is not efficient for the farmer, for the consumer, nor for the taxpayer. By trying to keep 100 percent of our farmers producing, we are acquiring large surpluses, while many of our farmers make a substandard living, and the income of the remainder is less than it should be.

The price support program does little for the poorest farmers. It is estimated that the 2.7 million farms which sold less than $2,500 of product each averaged only $109 in benefits from price supports in the fiscal year 1956–57. At the same time, the 1.3 million farms that sold $5,000 or more of product received an average of $1,993, with many individual support payments running into tens of thousands of dollars.

The proper approach to a farm policy involves encouragement and assistance for those farmers who wish to do so, to shift to nonfarm occupations. The hard core of the transfer problem is limited to about 1.2 million farm units.

In summary, we propose:

1. A constructive farm-adjustment program including:

a. A program of encouragement and assistance to those farmers who wish to transfer to nonfarm occupations. Assistance should include technical and vocational training, counseling, and help in finding employment.

b. Fostering of industrial development in rural areas to enable those who prefer rural life to attain better incomes.

c. Lease or purchase through voluntary sales of uneconomic farmlands to curtail production. In order to be fully effective, this would require that entire farm units be taken out of production. Congress should clearly define the details of lease of purchase, including the use to which the lands would be put and the manner in which they would be administered.

2. Continuation and expansion of farm-credit programs, soil and water conservation, self-financing crop insurance, and agricultural research.

3. The gradual withdrawal of price supports as surpluses are reduced and balance in production and demand is achieved.

B. Transportation

Both long- and short-term transportation difficulties could impair our economic health. Large segments of the industry are in financial trouble. Corrective measures long overdue must be taken if we are to prevent transportation from becoming an impediment to economic growth. Federal regulation has been divided among three separately administered agencies, the Interstate Commerce Commission, the Civil Aeronautics Board, and the Maritime Commission. Nowhere in the executive branch of the Government is centered responsibility for formulation of overall transportation policy.

We recommend, therefore, the creation of a single focal point within the Federal Government, a Department of Transportation, with broad powers to develop an overall transportation policy designed to serve the best interests of the public.

We would also recommend as an immediate step more comprehensive and reliable data as to the productivity of various types of transportation with particular reference to the costs and advantages of each. In addition, such a study should determine, in the light of population growth, probable future needs, including those of defense.

C. The Metropolitan Problem

The metropolitan problem has been called the major domestic problem of our times. Today the blight of slums is spreading through our metropolitan areas, and particularly in the centers of our cities, at a rate far in excess of our program to remedy it. The problem is intensified by the fact that many racial minorities are confined to blighted areas.

The investment required to make our cities attractive and healthy places in which to live has been estimated as running into the hundreds of billion dollars.

The Federal Government has assumed important leadership: but far more needs to be done. It is also clear that the initiative for coping with urban growth, including urban blight, rests with the localities themselves, and with individuals.

A number of policies involving every level of Government are essential:

1. Increased governmental assistance to assemble plots of land for redevelopment, and for the sale or lease of land to responsible private developers at a price or rental which makes private investment feasible.

2. Housing provided where needed for individuals displaced by urban renewal projects.

3. Adequate sanitation, housing and zoning regulations established and rigorously enforced. Where closure is needed, relocation must also be arranged for.

4. New methods to encourage the flow of private investment into the field of urban renewal.

5. Nonprofit, cooperative housing can help provide housing for families in the lower and middle income brackets.

New governmental arrangements and accommodations must be developed to deal with this problem of urban growth. The metropolitan sprawl does not stop at city, county, or even State boundaries. It is generally intergovernmental, often interstate, sometimes international. Experience suggests that cooperation among existing governmental units, under existing authority, can often go far to meet these problems, and that this, rather than the creation of new layers of government, may be the most effective means of coping with metropolitan growth.

V. Economic growth and human welfare

A. Gains From Economic Growth

1. Direct benefits of economic growth:

The realization of the growth potentials we have found in our economy should double real wages in the next 30 years. This will make possible a tremendous advance in human welfare.

An increasing portion of earnings is being utilized for benefit plans rather than for increases in take-home pay. These plans, which are either initiated by management or labor, or developed in collective bargaining, should be encouraged.

2. Indirect benefits of economic growth:

(a) Private institutions: Private philanthropy expends from contributions alone (exclusive of endowments) at least $6.7 billion annually.

Charitable contributions by individuals have risen to unprecedented levels. In addition, a fairly recent development in private philanthropy is the increase in corporate giving for education and for general welfare purposes. We should give every impetus to accelerating the upward trend of corporate giving in the next decade.

(b) Public institutions: In many areas of human welfare government action is clearly necessary, as a complement to private action. Through the use of tax revenues and its legislative powers, government can assure that a portion of our increased national product goes to achieve those human welfare purposes which would not otherwise be adequately served.

B. Education

To provide education for an increasing number of school-age children, for more average years per student, and to obtain enough teachers of sufficient quality to make this huge investment of student-years worthwhile, will probably require doubling by 1967 the $13 billion spent for education in 1957.

C. Economic Security: Social Insurance

Today the total cost of government social insurance plans is over $15 billion. That cost is estimated to rise to $25 billion or $26 billion by 1967.

A number of improvements of the present social insurance structure are needed, and most States need to fill the gap of temporary disability income benefits.

1. Old-age, survivors and disability insurance: We recommend as a goal the reduction by successive steps in the present minimum age of eligibility for income benefits for extended total disability. We recommend further study of means of adjusting the present retirement age to encourage continued employment after age 65.

The wage base and the benefit structure of the OASDI system must be reviewed periodically with a view toward keeping benefit

levels up to date in relation to prices and wages.

2. Unemployment insurance: A second vitally important part of our social insurance structure—unemployment insurance—should be greatly strengthened by the extension of coverage, increase in benefits, and lengthening of their duration. Minimum Federal standards should be enacted to encourage this improvement. At the same time, State administration of the program should be strengthened by obtaining more skilled personnel, providing more specialized services, and establishing more cooperative and effective relationships with industry. Particular help should be given to middle-aged and older persons having difficulty finding jobs.

3. Workmen's compensation: Even though the long-range importance of workmen's compensation may decline with improved disability and sickness insurance programs, we recommend State legislative action to improve coverage and benefits. At the same time medical care and particularly rehabilitation should be given far greater emphasis as essential elements of workmen's compensation.

4. Temporary disability: We recommend that all States adopt temporary disability insurance systems.

5. Private plans: Ways need to be found of extending private plans to smaller firms. Also continuing efforts and study should be devoted to enabling workers to carry some rights in private plans with them when changing jobs.

D. Health and Medical Care

1. Medical research: We recommend continued expansion of our medical research programs as rapidly as the supply of scientific talent will permit. We recommend that public health authorities and private medical groups join in a study analyzing the extent of the time lag between the acquisition of new medical knowledge and its practical availability to the general public.

2. Medical manpower: Existing medical schools are having serious financial difficulties. If private fund raising efforts and indirect Government aids prove inadequate, we would recommend consideration of a Federal-State program of assistance to the operational budgets of the medical schools.

Federal and State loan and scholarship programs are a means of overcoming the high cost of medical education. Similar measures to encourage the training of more professional and practical nurses should be continued and expanded.

3. Medical facilities: We recommend the use of a portion of available hospital construction funds for developing radically new types of medical facilities, such as hospitals permitting maximum self-help, and community care centers offering diagnostic services and extensive outpatient treatment and homemaker services.

4. Paying the costs of medical care: One approach to this problem is group medical practice, affiliated with a common hospital, and with essentially all costs prepaid by the subscribers through family health insurance premiums. We believe that this group practice prepayment approach could be advantageously adopted by more communities.

We urge as a major objective of prepayment plans over the next decade the coverage of doctor's and nursing care outside the hospital.

More people should be covered by the newer catastrophic illness plans.

For the present needy aged and for the medically indigent who cannot afford to pay for protection even under basic health prepayment plans, financing from general tax revenues—Federal, State, or local, or a combination of the three—seems essential.

E. Low-Income Groups

We believe that the coverage of the minimum wage laws should gradually be broadened, and that continuing study be given to the proper level of minimum wages. Adequate minimum wage standards for all workers must be our ultimate goal.

A large segment of our population is outside the mainstream of the economic growth of the Nation as a whole. For the employable, there are sometimes specific impediments to movement into better paying jobs, such as discrimination in employment against minority groups. Other impediments are the costs of geographical movement to better jobs and lack of education of vocational training to meet the needs of our technologically advancing economy. The economic status of many low-income families can be raised through programs focused specifically on their individual problems.

Where all else fails, public assistance must continue to serve as ultimate economic backstop.

F. Other Human Welfare Programs

Crucial to any expansion of welfare programs to aid victims of noneconomic social distress are individualized social services, the training of more social workers and counselors. We recommend that private organizations, States, and the Federal Government take steps to expand opportunities for social work education.

Special mention should be made of the question of racial discrimination and tensions, particularly in urban areas, which create barriers to the fuller self-development of individuals in minority groups.

G. Spiritual and Cultural Values

As our economy moves toward higher levels of income, the basic wants and needs of individuals—food, clothing, shelter, economic security, and health—become increasingly satisfied. As a consequence, we have more income and leisure to attain intellectual and cultural objectives.

This report has dealt largely with the material and physical well-being of our citizens. But these gains will have only partial meaning unless they are accompanied by the fullest possible realization by the individual of his spiritual, intellectual and cultural capacities.

Our democratic faith is a faith in the whole human being. We are concerned for the individual's life and health, his security and comfort; but even more we must be concerned for the fulfillment of his highest aspirations.

VI. The key of importance of growth

To govern, it has been said, is to choose.

We propose to try to strike a balance between our demands and our ability to meet them. This involves making a set of projections of possible demands and production in the period ahead.

A. Projections of Gross National Product

Before setting forth projections of what our gross national product could be in 1967 it may be useful to review past trends in our total production. From its earliest beginnings our economy has exhibited a strong growth trend. This does not mean that national output has proceeded in its upward path in a regular unwavering line. There have been ups and downs in activity associated with the swings of business cycles. But these variations have taken place around a trend of vigorous growth—after each period of contraction the economy moved ahead to set new records.

As was pointed out earlier, our growth trend in the long period from 1870 to 1930 worked out to 3 percent per annum. In the past decade we have been following a 4 percent per annum upward trend. This record of growth lends confidence to the view that, if we act effectively and purposefully, we may reasonably expect a continuation of a growth rate of 3 to 4 percent per year over the next decade and beyond. In fact, a growth rate of 5 percent is possible if we realize fully our impressive opportunities for economic expansion. If the problems of growth are formidable, we have also found the impetus of our economy enormous.

Accordingly, we propose to examine the implications of three alternative projections of our growth over the next 10 years.

Gross national product

[Billions of 1957 dollars]

	1957	1967
At 3 percent rate of 1870-1930	$434	$583
At 4 percent rate of the past decade	434	642
At an accelerated rate of 5 percent	434	707

It should be noted that the difference between the 3 percent and the 5 percent rate is $124 billion by 1967, or a range of one-fifth. As we shall see, this extra margin of growth can spell the difference between a static level of consumption with a minimum expansion of needed Government services for a growing population on the one hand, and a fuller realization of our national aspirations on the other.

To see how our rising national output can be used, it is necessary to make a set of projections of the various demands on our economy.

B. Projections of Government Programs

We turn first to Government programs, not because we believe they necessarily take first priority, but because we wish to assess the general impact on the economy of the various governmental programs that have been discussed by this and the other panels.

Projections of Federal, State, and local government expenditures

[Billions of 1957 dollars]

	1957 actual	The range of estimates for 1967	
		Low	High
National Security	46.0	60.0	70.0
Defense Department	39.0	49.8	55.9
Military aid	2.3	3.0	4.5
Economic aid	1.7	2.7	3.7
Atomic energy [1]	2.1	3.0	3.9
Other	.9	1.5	2.0
Education (including school construction)	13.0	24.0	30.0
Welfare	20.0	38.5	45.0
Social insurance and public assistance	15.5	31.0	36.0
Health (including hospital construction)	4.5	7.5	9.0
Public works (except schools and hospitals)	9.5	20.5	27.0
Roads [2]	4.8	10.5	12.0
Water supply and disposal	1.3	2.7	3.5
Urban renewal	.7	4.0	7.0
Other	2.7	3.3	4.5
Other	25.5	27.9	31.0
Agriculture	4.7	2.0	2.0
Veterans	4.9	4.9	4.9
Administration and operation	15.9	21.0	24.1
Total Government cash expenditures	114.0	170.9	203.0

[1] Includes expenditures by the Atomic Energy Commission on civilian projects.

[2] $10.5 billion estimate for 1967 is based on current legislation.

C. Private Investment and Consumption

In recent years of high employment gross private investment—for business plant and equipment expenditures, for housing and other private construction, and for inventories—has stayed consistently close to 15 percent of the gross national product. This offers a fairly reliable indication of the proportion of the national output that must be

invested in order to maintain recent rates of growth. We have projected a moderate increase in the ratio of private investment to GNP on the assumption that private investment in urban renewal may rise from its present $3.5 billion a year to $12 to $13 billion in 1967.

Private consumption expenditures have increased along a general trend that has yielded an average annual growth of about 2 percent in per capita consumption.

D. Striking Trial Balances

Now that we have set forth various projections of possible trends in both production and demands, the next step is to cast up what might be termed a set of trial balances for our economy. Consider first what would be involved if we set the projections of low estimate demands against growth rates in production of 3 percent and 4 percent:

[Money in billions of 1957 dollars]

	1957	1967 gross national product at—	
		3 percent growth rate	4 percent growth rate
Gross national product	$434	$583	$642
Less low estimates for Government purchases of goods and services	$86	$127	$127
Less gross private investment to support growth	$67	$100	$112
Leaves available for consumption	$281	$356	$403
Annual growth rate of per capita consumption (percent)	------	0.8	2.1

At the present 4 percent growth in GNP our present tax system would yield just about enough revenue to cover the projected minimum expenditures, but there would be a substantial deficit with the 3 percent growth in GNP. At best, a decision to adopt the low estimates for Government programs would imply a decision to forgo general and permanent tax reduction, though this would not rule out reform of the tax structure.

E. The Key Importance of Growth

The first basic conclusion that emerges from our analysis is the very great importance of maintaining a high rate of growth. A 4 percent rate of growth would enable us to meet all the low estimate demands for Government expenditures outlined in this report, cover the capital investment requirements, and give a growth in the annual rate of consumer expenditures equal to the recent past.

A second conclusion is that even with the 4-percent rate of growth, our capacity would be far below our desirable objectives—which is to say, below our aspirations. Let us cast up an alternative trial balance using what we have projected as high estimate demands in place of the low estimate needs:

[Money in billions of 1957 dollars]

	1957	1967 gross national product at—	
		4 percent growth rate	5 percent growth rate
Gross national product	$434	$642	$707
Less high estimates for Government purchases of goods and services	$86	$153	$153
Less gross private investment to support growth	$67	$112	$123
Leaves available for consumption	$281	$377	$413
Annual growth rate of per capita consumption (percent)	------	1.4	2.8

This projected trial balance, while necessarily composed of even rougher estimates than those in low estimate demands, illustrates the fact that our aspirations will exceed our capacities even if we match the relatively rapid growth rate of the past decade. This is as it should be in a free economy, where the ultimate purpose of production is to provide maximum opportunity for individual development. The simple fact is that the American people want a higher level of living, as is evidenced by their willingness to work hard to get it. Our aspirations will challenge our ability to produce goods and services as far ahead as anyone can see.

These projections also emphasize the fact that the high and rising level of defense expenditures is a major factor in holding back our progress on other more constructive fronts. We can afford the defense programs essential for survival. In doing so, however, unless we achieve a 5-percent growth rate, we shall have to hold back otherwise desirable expenditures in the Government field and keep the growth of private expenditures below a level commensurate with our aspirations.

America has a notable record of responding to challenges and making the most of opportunities. With our growing population, our extraordinary record of rising productivity, the inherent dynamism in our free enterprise economy, there is every reason to face the future with full confidence that we shall measure up to the challenges that lie ahead.

THE ROCKEFELLER PANEL

Following are the members of the Rockefeller Brothers Fund panel that prepared the report on the economy:

Thomas B. McCabe, president, Scott Paper Co., and former Chairman, Board of Governors of the Federal Reserve System; chairman.

Arthur F. Burns, president, The National Bureau of Economic Research and professor of economics, Columbia University.

William F. Butler, vice president, economic research department, the Chase Manhattan Bank.

Lowell T. Coggeshall, dean of the division of biological sciences, University of Chicago; former special assistant for health and medical affairs, Department of Health, Education, and Welfare; president, Association of American Medical Colleges, and president, American Cancer Society.

J. Norman Efferson, professor of agricultural economics, and dean, College of Agriculture, Louisiana State University.

Lester B. Granger, executive director, National Urban League, Inc.

Devereaux C. Josephs, chairman, New York Life Insurance Company.

Dexter M. Keezer, vice president, McGraw-Hill Publishing Co. and director of economics department.

Franklin A. Lindsay, consultant, McKinsey & Co., Inc.

Joseph A. Livingston, financial editor, the Philadelphia Bulletin; former economist, Business Week, and War Production Board.

Stacy May, economist.

Roswell B. Perkins, Debevoise, Plimpton & McLean; former Assistant Secretary, Department of Health, Education, and Welfare.

Anna M. Rosenberg, public and industrial relations consultant; former Assistant Secretary of Defense for Manpower and Personnel.

Eugene Rostow, dean, Yale University Law School.

J. Cameron Thomson, chairman of the board, Northwest Bancorporation.

Frazar B. Wilde, president, Connecticut General Life Insurance Co.

Bayles A. Manning, associate professor of law, Yale University, secretary.

Mr. PROXMIRE. Mr. President, also supporting the viewpoint expressed by the distinguished majority leader and by the Rockefeller Brothers fund was an excellent article entitled "Economy To Pick Up Steam," written by the famous author of the Kiplinger Letters, W. M. Kiplinger, and published in this morning's Washington Post, in which he points out that we can indeed expect to have an expanding economy. I ask unanimous consent to have the article printed in the RECORD at this point as a part of my remarks.

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

ECONOMY TO PICK UP STEAM—RECORD BOOM SEEN IN 5 YEARS, TRILLION-DOLLAR GNP BY 1980'S

(This is the first of 12 articles by the writer of the famous Kiplinger letters for businessmen. He is credited with having called the turn on every major boom or recession since the early 1920's. He tells what you can do now about preparing for what lies ahead.)

(By W. M. Kiplinger)

There's a record boom ahead. Within 5 years you'll see the start of our biggest boom ever. By 1962 or 1963 the economy will really begin to pick up steam.

Why then? Population is one big reason. Millions more people wanting things and producing things and having the money with which to buy things. Our present population of 173 million will grow to 177 million by 1960, to 190 million by 1965, to 210 million by 1970, to 250 million by 1980.

Business investment per job is still increasing. Takes about $12,500 now (was about $10,000 after World War II). That much land and buildings and machinery and money per job, so that much investment is needed to create every new job.

Where will the money come from to make the new boom?

First, from individual savings, the billions being piled up in pension funds, insurance companies, savings and loans, banks—all of which is to be invested.

Second, from business savings, earnings retained by businesses, to be plowed back in for growth and expansion.

Third, from Government, if necessary. Money managers will see to it that there are sufficient funds to finance the normal needs of business, and also to allow some extra room for reasonable growth in the future.

Government policy is wedded to full employment. Government doesn't produce anything itself, but its policy, embraced by both political parties, is jobs for everybody.

But basically, it's business that will do the job. Business is planning for the boom, making firm plans. Big companies are drafting plans for factories and machines that they intend to build to produce the houses, appliances, automobiles, baby goods, home furnishings, many other things.

New products will come in a flood. Research is now well advanced on hundreds and even thousands of new products. Many things will come along to whet people's appetites.

Installment buying, already a well-accepted practice, will continue to grow and spread. Consumer credit of all kinds will be a basic mechanism for selling in the new mass market.

Add upgrading of income groups, result of prosperity. Trend of recent years will continue, fewer really poor, more middle and upper-middle incomes, also more really rich. This will mean new markets for everything that goes into homes, new markets within the borders of the United States.

Add foreign demand, clamor for American goods abroad. Worldwide desire for higher standards of living will grow, will provide market for American goods, techniques, capital.

There will be some pauses. The economy will run fast for a while, then pause a while to catch breath, then start running faster all over again.

All the pauses cannot be foreseen now—the timing and the depth. But any letdowns will be only temporary and certainly nothing like the great depression of the thirties.

By the early sixties, the beginning of a fast rise, as the first babies from the World War II birth boom begin to grow up, reach the age when most young couples get married, start their families, buy new houses and autos, and all of the other things that go with family life.

How much boom? Estimates can't be precise this far ahead, of course. But the big businesses that are planning for the future do put numbers down as a sort of guide for their actions.

Next 5 years, up about 2½ percent each year on the average. That means a 2½-percent rise in total goods and services produced, what the experts call the gross national product.

In the sixties, up 3 percent a year, starting in 1961 or 1963. The economy will be bigger, the push behind it stronger, so it will begin to expand at a faster and faster rate.

In the seventies, up about 4 percent a year, again, average. Some years up faster, some not as fast.

By the early eighties, an economy twice as big as now—GNP over 1,000 billions a year against 435 billions last year. (That's in today's dollars. Inflation will merely add more.)

That's a trillion dollars a year in the eighties. Your children will be a part of the trillion-dollar economy.

There will be almost an 80-percent increase in the 20- to 30-year-olds in less than 25 years. And that is not guesswork, or very little so, for practically all of the future twenties to thirties have already been born in the birth waves of the past.

This also means millions more babies coming along, after 1960, when the present youngsters grow up, get married, start raising families of their own. Fact is that young men marry on the average at age 23, young women at age 20.

So 4 million babies a year now, 5 million a year in the sixties, and by the seventies 6 million babies each year to grow up, get married, have children of their own in 20 to 30 years and start still another birth wave.

SOUTH DAKOTA UNIVERSITY EXPANDS

Mr. MUNDT. Mr. President, a dedicatory ceremony was held at the University of South Dakota last Saturday, April 19, which has, I feel, special significance for my home State. This dedication was in connection with the new school of business building at the University of South Dakota, in Vermillion, S. Dak.

The matter of opening a new university building, in itself, may or may not be especially noteworthy, but, I am sure, there is considerable importance attached to this building in the special impact it is going to have on the future and welfare of South Dakota.

In a recent letter to me, Dean R. F. Patterson, of the school of business at the university, wrote the following:

Our school is now the largest of the professional schools at the university and is 1 of the 93 accredited schools of business in the country. We are graduating over a hundred men and women each year, and I am proud to say we are retaining a third of these in South Dakota. As industry develops in the State, we will retain more.

Each year we have from 60 to 100 firms from South Dakota and all over the United States come here to interview our seniors for employment. One of the reasons they come is that we have just as many able young men and women as the larger schools of the country have. But more than this, industry likes the kind of young people we have who come from the farms, ranches, and towns of South Dakota.

These young people don't have any grandiose ideas of their importance and we don't give them any. While they are in our school, we try to give them sound fundamental principles of economics, accounting, and business administration and to develop in them a sympathetic appreciation for the opportunities in private business. A part of the philosophy of our school is based on the fundamental principle that business and industry are looking for men who are fundamentally honest, of average intelligence or better, and who are willing to work.

Mr. President, I think this is a most commendable statement. It is one which business and industry ought to read carefully.

I say this because, for some time, South Dakota, under the forthright leadership of Gov. Joe Foss, has been endeavoring to interest business and industry in relocating in South Dakota. We have pointed out many of our great natural advantages, and our many economic advantages. A number of industries have located within our borders.

However, I believe that we can now stress one more mighty asset that we have to offer—and that is a trained, specialized group of young people, who are skilled in business administration and who stand ready to man these new industries.

These young graduates, as Dean Patterson points out, are not afraid to work.

These trained administrators from our university do not believe that "the world owes them a living." They are ready to do a good job and, what is equally important, they are capable of doing a good job.

I congratulate the University of South Dakota on this expanded educational activity which has been under the competent leadership of Dean Patterson for many years. This school of business will turn out high-caliber graduates who will assist South Dakota in the future, as in the present, to be the opportunity bright spot of America.

MR. RAUH AND MR. REUTHER'S UAW

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement prepared by me in connection with the recent appearance of Walter Reuther, of the UAW, before the Senate Select Committee on Improper Activities in the Labor or Management Field, and some of the strange behavior engaged in by his counsel, Mr. Joseph L. Rauh, Jr.

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

Just prior to our Easter recess, Mutual's nationally recognized news commentator, Fulton Lewis, Jr., made two statements on developments growing out of the so-called Kohler-UAW hearings which deserve to be brought to the attention of the Congress and the country because of the significant potential of the facts involved.

The shocking statements attributed to Joseph L. Rauh, Jr., former chairman of the Americans for Democratic Action, and presently chief counsel for Walter Reuther and his United Auto Workers before our Senate committee were carried by the United Press and reported by Fulton Lewis, Jr. Speaking before a small, prejudiced audience at a meeting under the auspices of the Washington Chapter of the Americans for Democratic Action, Joseph L. Rauh, Jr., chose that occasion, and a day immediately following the conclusion of the first phases of our committee study of the activities of the United Auto Workers, to make an attack on the members of the Senate Committee to Investigate Improper Activities in the Labor Management Field. The following is the news story clipped from the United Press ticker tape of the morning of April 2:

"Joseph L. Rauh, attorney for the United Auto Workers, used such terms as 'nasty,' 'sneaky,' and 'hit-and-run artists' to describe three Republican members of the Senate Rackets Committee last night.

"Rauh, former chairman of the Americans for Democratic Action, said that the three—Senators BARRY GOLDWATER, Arizona; CARL CURTIS, Nebraska; and KARL E. MUNDT, South Dakota—were antilabor 'dwarfs from the last century.'

"He also said the committee's investigation of the UAW strike against the Kohler Co.—an inquiry the three Republicans insisted upon—was 'the most disgusting performance I have ever seen.' And he said he did not except the late Senator Joseph R. McCarthy, Republican, Wisconsin, investigations of Communist activities.

"He charged that the four Democratic members of the committee—including Chairman JOHN L. MCCLELLAN, of Arkansas—'completely abdicated their responsibility' and permitted the three Republicans to run the Kohler investigation and make 'every decision.'

"Rauh made his attack on the committee in a name-calling speech to the Washington chapter of the ADA.

"He called CURTIS 'a nasty little man' and a 'Mickey Mouse trying to act like (the late Senator Robert A.) Bob Taft,' Republican, of Ohio.

"Mundt, he said, is a 'crybaby' who is 'sneaky,' and GOLDWATER is 'a hit-and-run artist.' "

Based on that news story which attacked Chairman JOHN MCCLELLAN, of Arkansas, Senator CARL CURTIS, of Nebraska, and Senator BARRY GOLDWATER, of Arizona, while at the same time indirectly attacking all four Democratic members of the committee, Fulton Lewis, Jr., had this to say in his evening broadcast of April 2:

"The Americans for Democratic Action—the extreme left-wing ADA—held a big session in Washington last night to hear a speech by Joseph L. Rauh, Jr., its former national chairman, and chief counsel for Mr. Walter Reuther and his United Auto Workers Union in the current labor rackets investigation, and he made some rather unkind characterizations of the Republican members of that committee. He said that Senator KARL MUNDT, of South Dakota, is a cry-baby who is sneaky. He said that Senator CARL CURTIS, of Nebraska, is a 'nasty little man' and a 'Mickey Mouse, trying to act like Bob Taft.' He said Senator BARRY GOLDWATER is a 'hit-and-run' artist. Grouping them together, he called them antilabor dwarfs from the last century, and that the Kohler hearings were the 'most disgusting performance I have ever witnessed and that includes the investigations by the late Senator Joe McCarthy.'

"Inasmuch as Mr. Joe Rauh is so adept at name calling, I think we might do a little fact telling about Mr. Rauh and his rather lurid past, because there's quite a bit to tell and I don't think it serves any good purpose for this man to be insulting United States Senators and defying a Senate investigating committee, and shouting down the chairman of the committee, without the public knowing just who he is, and what his past connections and operations have been.

"I have quite a book on the gentleman, and we'll go to work on him in very thorough style tomorrow night, or as soon as there is ample time. This takes considerably more than just a few sentences, and I want you should know all about him.

"He may be violently anti-Communist, as he claims, but if so he has had some very, very strange connections in the past, and I think those connections will help you to form your own opinion of him."

True to his promise to go into the matter in greater detail the following evening, I now call attention to the following transcript of the news report by Fulton Lewis, Jr., over Mutual Network, on April 3:

"Now, last night, ladies and gentlemen, I reported to you about Mr. Joseph L. Rauh, Jr., and a name-calling speech which he made before a big Washington rally of the notorious Americans for Democratic Action night before last, with some very nasty personal cracks about three Republican members of the Senate Labor Rackets Investigating Committee—KARL MUNDT of South Dakota, CARL CURTIS of Nebraska, and BARRY GOLDWATER of Arizona.

"Mr. Rauh has been appearing before the committee as counsel for Mr. Walter Reuther and the United Auto Workers, in the hearings on the Kohler strike, and he has been very defiant, very lewd, and very arrogant toward members of the committee, including Chairman JOHN MCCLELLAN of Arkansas.

"In the light of all this, let's do a little factual name calling in the direction of Rauh himself, because this man has quite a record, and I think you're entitled to know what sort of an individual he is.

"On February 17, 1942, the late Edward R. Stettinius, Jr., who was then Lend Lease Administrator for World War II which was then just 2 months old, was en route from National Airport in Washington to LaGuardia Field, New York, by commercial airliner. The seat next to him was vacant and someone had left there a copy of P. M. newspaper, long since defunct; and Mr. Stettinius, by way of passing the time, picked it up and began thumbing through it.

"He found in it a news story, out of Washington, under the signature of Izzy F. Stone, PM's Washington correspondent and one of the most extreme radicals in the writing profession, the headlines of which were: British Tories Seem To Be Aiding France.

"The story went on to relate that the British Government had sent a super-secret memorandum to Washington, asking for permission to reship an important consignment of copper-mining machinery which it had received from the United States under Lend Lease to Franco's government in Spain, where it would be used in the Rio Tinto Copper Mine, thus providing an additional source of copper which was in very short supply and vital to the war effort.

"The article not only gave the purported contents of the secret memorandum, but as Mr. Stettinius read through the story, he recognized long passages that were exactly and accurately lifted from the original memorandum. In coded messages, this is very dangerous, because it gives the enemy a perfect opportunity to break the code. There is no evidence to show which of the various codes this one was in, but I am informed it was a coded message. Other sources say they do not know.

"Mr. Stettinius, upon his arrival in New York, took the necessary steps to contact Mr. J. Edgar Hoover of the Federal Bureau of Investigation, and returned, himself, to Washington at the earliest possible moment. The newspaper also contained an editorial, attacking the proposed reshipment, and stating that while the newspaper would not reveal the source of its information, it was able to vouch for the absolute authenticity of the story, and it demanded that shipment of any kind of materials to Franco for any reason be stopped at all costs.

"Five days later, Mr. Stettinius called Mr. J. Edgar Hoover and said he could drop the investigation because the security division of his own agency—Lend Lease—had conducted its own investigation and had found the guilty party. The individual was Mr. Joseph L. Rauh, Jr., who was then holding a legal job in the Lend Lease agency. Mr. Stettinius called Mr. Rauh on the carpet, confronted him with the facts, and Rauh confessed that he had slipped the document to Izzy Stone, because of his bitter hatred for Franco and the new government which Franco had set up in Spain after defeating the Communists.

"Some years later, Mr Rauh was called before a Federal grand jury here in New York, which was investigating communism, at which time he is reported to have confirmed the story a second time.

"Mr. Rauh was trial attorney for William Remington at the time that notorious character was on trial for perjury, for falsely denying that he was ever a member of the Communist Party—he was murdered, if you remember, while serving time after his conviction, in Lewisburg Penitentiary in Pennsylvania. Actually, Mr. Rauh got through only about half of the trial, because Mr. Rauh was so objectionable, so defiant, and so obnoxious during the first half that Federal Judge Gregory F. Noonan silenced him and refused to allow him to address the bench through the last half.

"Mr. Joseph L. Rauh, Jr., is shown in the record of the Justice Department as a foreign agent, representing the Communist Government of Poland, from April 25th to October 4th, 1946. The dates are important. From April 25th to October 4th, 1946. Mr. Rauh has made a formal explanation of this, which I am happy to quote in full. This is what he says:

" 'I did represent the Polish economic mission in 1946, when our Government's policy was to wean Poland away from the Communists with economic aid. When the policy failed and a phony election clamped Communist control on the people of Poland, the other lawyers and I all resigned.'

"Now, let's look at the facts. Arthur Bliss Lane was the United States Ambassador to Poland at that time, and I personally asked Mr. Lane whether—on April 25th, when Joseph L. Rauh, Jr., went to work for the Polish Government—that Government was Communist. Mr. Lane informed me that there is not the slightest question about the fact, and that as early as January he had so warned the State Department in Washington, and had protested officially against any negotiations with Poland on the $90 million loan it was trying to get from the United States. In fact, Mr. Lane threatened to resign if any such loan went through, and when it finally was granted, Mr. Lane did resign and publicly stated his reasons.

"The first $40 million of the total loan was finally approved by the State Department in June, about the middle of the period of Mr. Rauh's service, and the other $50 million was finally approved in August. Both of them had been turned down by everyone in the State Department, up to the level of the Undersecretary of State, who was then Mr. Dean Acheson. He had the final word on both loans, and on both occasions he overruled all recommendations by his advisers and okayed them.

"I might add that Mr. Acheson's law firm, from which he was on temporary leave of absence, while serving in the State Department, were the other lawyers whom Mr. Rauh mentions. You recall that Mr. Rauh said in the statement I read to you a few minutes ago that after a phony election which clamped Communist control on the people of Poland, he and the other lawyers resigned. The date of his resignation, remember, was October 4th, 1946.

"You need only to pick up the nearest World Almanac, or any history book, to establish the fact that the so-called "phony election" in Poland—the one that finally clamped Russian Communist despotism on the country once and for all, did not take place prior to October 4th, as he claims, but on January 19, 1947.

"One last little item. You remember the case of Paul Hughes, the man who posed as an investigator for the McCarthy committee, and collected some $10,800 for fake documents which he claimed he was getting out of the files of the committee, and which reflected on the integrity of Senator McCarthy and his investigations.

"It was Mr. Rauh who hired this phony investigator, and although he said that the money was for expenses, the United States attorney who tried the Hughes case said that there were no expenses in the Hughes operation, and that in his court testimony Mr. Rauh didn't even make such a pretense.

"That ought to be enough to give you some background on the man who is chief counsel for Walter Reuther in these labor racket hearings and who blows off with the name calling of the Americans for Democratic Action. Nice fellow. Invite him around for dinner the next time he comes to your town."

The foregoing report on the nasty name calling habits of this man, Joseph L. Rauh, Jr., who is recognized in Washington as a rabble rouser and an adept and experienced name caller whose services are for hire, is all the more shocking and surprising because of the protestations and promises made by the President of the UAW, Mr. Walter Reuther, when testifying under oath before our Select Committee to Investigate Improper Practices in the Field of Labor Management on Saturday afternoon, March 29.

On that occasion, Walter Reuther said for the record, and I credited him with sincerity at the time in the belief that he was speaking from the heart and saying what he actually believed, "we weaken the basic structure in the unity of our country in this kind of a period by unnecessary vilification in the public prints and by unnecessary name calling."

As I said in my colloquy with Walter Reuther at the time, I completely agree with that statement by Walter Reuther. I have tried to screen and consider every public statement I have made about Mr. Reuther and his organization as well as other labor leaders and labor groups in order to avoid name calling, reckless charges, and unfounded statements. A little later in his testimony of March 29, Mr. Reuther said, and I quote him again, "when you hurt America, you hurt the cause of human freedom in the world. I plead with you, let us wage our political differences. You advocate what you believe in, and I shall advocate what I believe in. If I can't take your arguments apart and show that my point of view is superior, based upon the facts, then I ought to lose and you ought to win the argument, and the same thing should be true in reverse. I think that this is the great problem of America: Finding a way to demonstrate that democracy is in depth so sufficiently that we can argue the differences without name calling. This is my plea. I

apologize, Senator MUNDT, because I think I was unfair."

To which I responded by saying to Mr. Reuther, "I accept your apology. I think you have set up a good rule but I think it is a rule that has to work both ways.

Mr. Reuther responded as follows: "I quite agree".

I submit that it is futile and fruitless for Mr. Reuther to embrace a rule against reckless charges and indiscriminate name calling for himself while at the same time he engages a legal counsel (in this case, Joseph L. Rauh, Jr.) to go around the country and utilizing the public press to make nasty statements, attacking the integrity and ability of Senators, whom he does not like, and generally engaging in a catcalling contest with himself. If self-restraint is a good rule for Mr. Reuther and Senators to follow, it is certainly an equally good rule for Mr. Reuther to pursue with regard to the statements made by the legal counsel he employs to represent him. So that there will be no misinterpretation of how what Walter Reuther says is at variance with how Walter Reuther acts through his name calling expert here in Washington (Joseph L. Rauh, Jr.), I am inserting at this point in my remarks the entire transcript of the hearings of March 29 insofar as they pertain to the instant subject.

The relevant colloquy began near the end of Mr. Reuther's testimony with this statement by me: "You said a lot of things in this hearing with which I disagree, obviously, but you have said only one thing that I really dislike, and I will call your attention to it. For one reason or another, I have been in this investigating business a long time, and it is hard work.

"Mr. REUTHER. It is nasty business.

"Senator MUNDT. It is nasty business, but somebody has to do it. But I happen to have been in it longer than any other Member of the Senate or House, because I started back with Martin Dies in that committee. It isn't a pleasant business, but I think it can be done properly. You made sort of a shotgun attack a while ago when you said you had never been treated to so much disrespect as had been shown you by the minority members of this committee. That is a kind of blanket charge that earlier you said you didn't believe in. I ask you now to stipulate specifically concerning the Senator from South Dakota what it is that you resent in being interrogated as I have interrogated you.

"Mr. REUTHER. Well, Senator MUNDT, I think I am obligated to say to you just as one person to another, I think when I said that I should have made an exception. I personally think you have treated me a little differently than have Senator GOLDWATER and Senator CURTIS. But maybe I shouldn't even have said it as it relates to them. What has bothered me about this hearing is not that I was the last witness. That really didn't bother me at all. What bothered me was that there was this public campaign about dragging Reuther down here and making him look worse than Hoffa and Beck. These were statements made. People said that when Reuther gets down here he will make Beck smell like a bed of roses. The chairman of this committee will recall that when that statement was made publicly in Milwaukee by a deceased member of this committee, I wrote him about that, and I said I thought that that was improper; that if I am guilty of improper activities, then like every other citizen so responsible, I ought to be brought down here and I ought to be held accountable, but I didn't believe it was fair to make these kind of reckless charges. I tell you, when you say someone, when they are exposed, will make Mr. Beck smell like a bed of roses, you have to be pretty corrupt and pretty bad. It is this kind of thing that has been going on. I can document this thing. I can document this thing that people made their conclusions weeks and weeks and weeks before we came here. That is what I think is unfair. I apologize to you, because I think that personal respect is an important thing in my life. I apologize. I think it was unfair when I said that the three of you did that. I don't think you did. I think you treated me here fairly. I think that there were times when we were going around the bushes together, doing some fancy footwork, but I think you were fair. But I don't think it is fair for a member of a Congressional investigating committee to draw conclusions publicly 6 months before you begin to investigate someone. That is what I think is unfair.

"I love this country and I would do anything in my power to preserve it as it is. But I am worried. I am worried that America will be equal to the challenge in the world of a Communist conspiracy that will stop at nothing. I am worried because we dissipate and we weaken the basic structure in the unity of our country in this kind of a period of unnecessary vilification in the public prints, by unnecessary name calling.

"I don't like to call Senator GOLDWATER names. I feel sad. I feel as though I am not clean when I do it. But you look at the record, just look at the record, and for every time I have said something nasty about Senator GOLDWATER, he has trucked it in by the bale.

"That doesn't justify it. I plead to you, gentlemen, fight your political battles, stand up in the market place of free ideas in America, and fight for what you believe in. But fight for what you believe in and try to sell it on its merits, and not by trying to characterize the other fellow as disloyal, dangerous, un-American.

"This weakens America, and only helps the Communists. If you think my economics are cockeyed, say so. If you think my political philosophy is cockeyed, say so. But prove it is cockeyed based upon its demerits, and not based upon I am more dangerous than the Communists, or I am against the free-enterprise system. This is what is wrong.

"I say to you I have unlimited faith in free men. This is a faith not drawn out of academic discussion. I lay in the cellars in Berlin when the Nazis were shooting people in the streets. I saw the Communists in Russia. I worked there. I know something about what it means to have a knock in the door at night with the secret police to take a woman's husband away, and then have breakfast with her the next morning and she has not even asked what happened to him. I lived this.

"I have faced the gangsters of the Ford Motor Co. I have taken all the abuse because I believe inherently in the world and the dignity of each human individual created by God. When we destroy the basic unity of America because we lack the maturity to discuss our respective points of view on their merits in the free market place of ideas, when we have to hide behind nasty words, when we have to challenge the motive and the loyalty of people in order to try to discredit the things they stand for, we are hurting America.

"And when you hurt America, you hurt the cause of human freedom in the world. I plead with you, let us wage our political differences. You advocate what you believe in, and I shall advocate what I believe in. If I can't take your arguments apart and show that my point of view is superior, based upon the facts, then I ought to lose and you ought to win the argument, and the same thing should be true in reverse.

"I think that this is the great problem of America: Finding a way to demonstrate that democracy is in depth so sufficiently that we can argue the differences without name calling. This is my plea. I apologize, Senator MUNDT, because I think it was unfair.

"Senator MUNDT. I accept your apology. I, like anybody else, have a reputation that I try to sustain, and being on an investigating committee is not easy. Unless you are simply going to throw in the sponge, you are going to have some penetrating questions. That is the purpose of it.

"It would be a farce if we eliminated all questions but just questions seeking information from a fellow that he wants to live. But in the years, I have never had such an attack, over the years, except from Communists, and I discounted that.

"But I accept the statements that you have just made, and I accept your apology. I think you have set up a good rule, but I think it is a rule that has to work both ways.

"Mr. REUTHER. I quite agree.

"Senator MUNDT. I think undoubtedly the Senators, Republican and Democrats, and others in public life, can say something about each other, but I don't think you come into the courts of public opinion with entirely clean hands in this question, because I read of myself being called a labor reactionary, and I don't like to be called a reactionary any more than you like to be called a radical. It is just a smear word. What is the offense? The offense is we are investigating the labor situation. We are asking questions, sometimes based on rumor, sometimes based on evidence, sometimes based on hearsay.

"But how do you get it? By examination, and by sworn testimony, and when you introduce a bill that you think is going to correct a situation such as this, I think the bill should be attacked on its merits, and not the man behind the bill.

"So I plead with you to follow your rule, which I think is a good rule for Senators to follow. I think it is a good rule for all Americans to follow, but it has to be followed on both sides of the controversy.

"Mr. REUTHER. I want a single standard. I think that we ought to both be governed by the single standard of what I call political morality. I ought to challenge your ideas and not you. That is the essential difference.

"Senator MUNDT. I agree."

It is clear from the foregoing that when testifying before our Senate Select Committee, Walter Reuther was both emphatic and expansive in recording himself against name-calling; against reckless unfounded criticisms; and against forensic attacks against individuals which are made in lieu of arguments against the policies or positions espoused by those individuals. I like to credit my fellow men with sincerity, Mr. President, and I am unable to understand and completely unable to appreciate the peculiar paradox presented by Mr. Reuther's protestations of propriety while at the same time his Washington counsel engages in every reckless excess that the UAW president specifically condemns.

I am sending a copy of this presentation to Mr. Reuther with an accompanying letter of transmittal. Perhaps he will have some logical explanation of this paradoxical procedure. If so, I shall read it with interest but if, as I suspect, Mr. Reuther employs the dodge of stating that he is not responsible for the demogoguery and bad manners of his personal counsel, Mr. Rauh, I then suggest that Mr. Reuther either secure a new and more circumspect counsel or instruct his Washington attorney to discontinue practicing precisely the extravagances against which his employer, Mr. Reuther, preaches.

While it is, of course, true that nobody in this town takes Joseph Rauh very seriously and certainly I am not deeply concerned by his studied and shrill adjectives or his po-

litically-inspired attacks, I did think that Senators and those who follow the RECORD, should have the full story so they can join with me in the hope that when Mr. Reuther says and what Mr. Reuther's associates do, will have a closer resemblance to each other.

PAN-AMERICAN DAY

Mr. HUMPHREY. Mr. President, last Monday was Pan-American Day, as well as the 10th anniversary of the founding of the Organization of American States. Such an occasion provides a good opportunity to reassert our genuine appreciation for the existence of a prospering community of nations in the Western Hemisphere. It also is an occasion for realistic appraisal of deficiencies in our own approach to Latin American affairs.

The decisive action of the OAS in maintaining peaceful relations between Honduras and Nicaragua is convincing evidence that in at least one area the fundamental purpose of our regional organization is being served.

The conferences of presidential delegates on the subject of broadening the cooperation between the member nations of OAS, which were concluded during the past year, again testify to the value of cooperative effort to solve mutual problems. Some of the top-priority programs suggested by these conferees have already been initiated—namely, exchange scholarships, direct technical assistance, and use of nuclear energy.

In the general area of Latin American affairs, we have been heartened by the establishment of free governments in Venezuela and Colombia. Given our belief in and commitment to democratic government, we always rejoice in progress toward this goal among our neighbors. On this score, however, the conduct of our own foreign relations has recently been deficient.

We have sometimes interpreted the principle of nonintervention as requiring our support for dictatorial regimes, as well as de facto recognition of them. Now, being a good neighbor does entail that you recognize the right of your neighbor to conduct his affairs in any manner he sees fit. But it does not require that you encourage and complement him if he persists in habits that are distasteful to you and that in your mind are inimical to the well-being of himself and of the whole neighborhood.

On the contrary, if he should decide to reform himself, you should freely show your pleasure and your desire to help him maintain his new resolution. I believe that our Government might have played and still can play a role more consistent with our tradition and interest in the growth of democratic republics in this hemisphere than it has played heretofore.

Even more important is the role of our economic policy in relations with our neighbors to the south. Here our whole approach should be reexamined and reevaluated. Our Latin neighbors have been gripped with fear at the consequences they are beginning to suffer from our own economic decline. Still largely raw materials exporters, they are in a large measure dependent upon our consumption for their own economic well-being. The growing climate of economic nationalism in this country, evidenced by the establishment of voluntary quotas on oil imports and threatened tariff increases or quotas on such materials as lead and zinc, are of crucial concern. The President of Chile has just decided to cancel a planned visit to the United States, apparently in dissatisfaction with United States policy in this connection.

We should seek to build and extend trade relationships with Latin American nations based upon the principle of reciprocity and motivated by the spirit of the Good Neighbor. We cannot leave them to shift for themselves in a climate of short-sighted selfishness and mutually-disastrous retaliation. If we really value the new democratic governments in Latin American nations, we must not confront them with economic disaster through unwise and inconsiderate protectionist policies.

Anyway, most of the current economic problems in these countries were generated by actions of our own. Their mineral output, for example, was expanded in response to our needs during World War II and the Korean engagement. Now, with lessened demand, we just pull out and leave them without assistance in readjusting their production. Their oil industry responded to needs resulting from the Suez crisis; now we seem annoyed that they are worried about their surplus. We should immediately initiate such joint action as will point the way to an orderly improvement in trade to our mutual advantage. In the Congress, we should proceed to re-enact a strong Reciprocal Trade Agreements Act that will set at rest the fears of a reversal of our trade policy.

Regarding general economic development, Latin America remains pretty much of a virgin field. Private investments, of course, have been increasing rapidly. Other financial development assistance has been provided through the Export-Import Bank, the borrowing of payments for purchases of agricultural commodities under Public Law 480, appropriations for the Inter-American highway, emergency grants to counter natural disasters, special aid in the field of health, and the activities of the World Bank, the International Monetary Fund, and the various technical assistance programs.

Yet we have not done nearly enough in these areas. Only from 1 to 2 percent of our economic foreign aid has gone to Latin American countries. The need, however, is very great. The rest of the 21-point program suggested by the conferences on strengthening cooperation in the OAS might be initiated. Of promise here are research in the development of the natural resources of tropic regions, research into transportation—a crucial problem—and an Inter-American Technical Committee. The latter would aid the many countries who are so impoverished in professional resources that they have difficulty even in drawing up planned development projects that are, as they say, bankable—that is, that will be accepted by foreign lending agencies with available funds.

Mr. President, every year we celebrate the anniversary of OAS and the Pan-American Union. We praise its accomplishments, however limited. Yet in between we shunt Latin-American affairs into the background, concerned as we are with emergency situations elsewhere in the world. If our neglect continues, I should not be surprised to see further crises develop on our southern doorstep. Economic penetration of Latin America by the Soviet Union in the past for the most part has been resisted by our friends there, wise in the ways of the Communists. With the vastly increased push of the Soviet Union in economic penetration we should be on our guard lest the anxiousness to develop on the part of the still awakening, economically immature nations of this hemisphere lures them into entanglements that threaten the continued development of good neighbor relations within the OAS.

Mr. President, three excellent editorials on this important anniversary have come to my attention. They appeared in the New York Times, the Washington Star, and the Washington Post. I ask unanimous consent that the text of these three editorials be printed at this point in my remarks.

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

[From the New York Times]

PAN AMERICAN DAY

This is Pan American Day, the only annual day of celebration recognized by all 21 governments of the American Republics. The ceremonies all through the week are going to be special, for this is the 10th anniversary of the founding of the Organization of American States, which is carrying on the work of the Pan American Union. It is also the 10th anniversary of the signing of the American Declaration of the Rights and Duties of Man.

The year that has passed since the last celebration of Pan American Day saw two triumphs for democracy in Latin America. The first occurred in Colombia in May when the regime of General Rojas Pinilla was overthrown. The second was the thrilling victory of the Venezuelan people over the cruel and corrupt government of General Pérez Jiménez in January.

Only Cuba, Paraguay, and the Dominican Republic still have military dictatorships, and Pan American Day this year comes in the midst of a desperate struggle in Cuba against the dictatorship of General Batista. Even in Paraguay there are indications of efforts to win liberty from the military rule of General Stroessner.

One likes, on Pan American Day each year, to take a sweeping look backward in order to discern what major trends are operating. Surely, one is entitled to feel more than ever that the trend toward democracy is winning out. Dictators are becoming anomalies. In the last 3 years military dictators have disappeared from Argentina, Peru, Colombia, Nicaragua, Haiti, and Venezuela.

It would be a proud boast if we could say that the United States helped to bring democratic regimes to these countries. We did not do so, nor are we discouraging the remaining dictators. This is not because the Government in Washington prefers dictators or is not glad to see the trend toward democracy in the hemisphere. The problem is one of neglect of Latin-American affairs generally, plus a self-imposed inhibition based on an exaggerated interpretation of the policy

of nonintervention in the internal affairs of hemispheric nations. More courage, better diplomacy, more interest and a greater helpfulness are not forbidden by the policy of nonintervention, and they have been lacking. Another trend to be noted—this one temporary, it is hoped—is the economic depression. Latin America is still primarily a raw-material economy. The prices of coffee, cotton, sugar, lead, zinc, copper, and other minerals have fallen, with serious consequences to many countries. Inflation, which had slowed down, is again on a rampage in a number of countries. The recession in the United States means fewer purchases of Latin-American commodities and efforts to raise tariffs and cut import quotas. Finally, the Soviet bloc is preparing to enter the Latin-American trade field and is probably in a position to do so.

The conclusions one draws on this Pan American Day are therefore mixed. The needs are both spiritual and material. The American Declaration of the Rights and Duties of Man must be given reality in the countries still suffering from military tyranny—Cuba, Paraguay, and the Dominican Republic. And the economic crisis must receive quick and sympathetic attention. In both cases the United States can play a more influential role.

Senator SMATHERS of Florida in a speech in the Senate on February 17 asserted that "the United States has yet to come up with a bold plan to make the hemisphere a real stronghold of the free world." Dr. William Manger, retiring Assistant Secretary General of the OAS., said last Thursday that Washington's Latin-American relations have deteriorated "due almost entirely to the lack of progress in the solution of the economic problems of the continent."

Pan American Week is a good time to set new and stronger policies in motion. The Latin American countries must never be taken for granted. They are vital to us and we to them.

[From the Washington Evening Star of April 14, 1958]

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 the 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 world-wide family of peoples joined together as good neighbors cooperating for a decent and enduring peace.

[From the Washington Post of April 14, 1958]

HEMISPHERE IN FERMENT

There is reason for festivity as the nations of the free world once again observe Pan American Day. The yeast of change has been at work in the Americas, and the past months have seen some splendid and hopeful events. Harsh tyrannies in Venezuela and Colombia have yielded to freedom, and Argentina has completed its evolution to free government in an orderly and admirable manner.

The steady advance of democratic institutions has been striking, and the dwindling handful of old-style caudillos in the hemisphere have reason to be jittery. There are only three traditional strong men left—Fulgencia Batista, of Cuba, Alfredo Stroessner, of Paraguay, and Rafael Trujillo, of the Dominican Republic—and of these only Trujillo seems wholly secure.

Equally gratifying has been the growing prestige of the organization of American States, which celebrates its 10th anniversary this week. OAS has proved itself an effective guardian of the peace and a meaningful sounding board for hemispheric opinion. It is good that Secretary of State Dulles will address the OAS Council today because the United States has an important stake in the continued vitality of this unique regional assembly. The outlook for closer cooperation between the Americas seems good, and it is a hopeful augury that the OAS elected the able Dr. José A. Mora, of Uruguay, for a full 10-year term as Secretary-General.

Balanced against these creditable gains, however, is the dismal state of the economy throughout most of Latin America. The same problems recur in differing combinations in nearly every country—chronic inflation, growing trade deficits, desperate capital shortages and falling world prices on basic exports. The major task now facing the Americas is to secure the economic foundations of a region coming swiftly of age.

The case of Colombia affords a vivid example of the ailments which afflict most of the Latin countries. Colombia's struggling democratic government has had to cope with a catastrophic drop in the world price of coffee, the country's principal export. The result has been to melt Colombia's dollar reserves to a perilous low, soften the value of the peso to an all-time nadir of 7.52 to the dollar, and force Colombia to impose stringent import restrictions. This week, a special mission from Colombia is seeking aid in Washington; surely some kind of emergency assistance program can be devised to help the troubled Republic.

In Brazil, as in Colombia, skidding coffee prices have brought a plague of problems, which printing-press money has only aggravated. The Chilean peso has also struck an all-time low as the world price in copper has sagged; copper accounts for about 70 percent of Chile's foreign exchange earnings. Uruguay has been hard hit by the doldrums in the wool market. Argentina's foreign exchange holdings continue to dwindle away, lacking a needed injection of development capital in the country's economy. In Venezuela, a democratically oriented regime must cope with baffling United States oil import regulations which shrink the market for Venezuelan oil. Elsewhere in Latin America, the pattern of distress is essentially the same.

To be sure, some of the hemisphere's headaches can be attributed to the recession in the United States, and doubtless an upturn here would have a quick and wholesome effect in the Americas. But there is a deeper need—the need to help Latin nations diversify their economies. This would relieve the region of its dependence on the world market for any single commodity, whether it be coffee, oil, fruit, tin, copper, or wool. Many things can be done through private capital, long-term Government loans, eased trade restrictions, technical assistance and (as Costa Rica has suggested) through a possible diversion of military expenditures. With a little vision and generosity of spirit, new and brighter meaning can be given to some of the venerable cliches that will be uttered on this Pan American Day.

SALUTE TO THE WOMEN

Mr. HUMPHREY. Mr. President, Washington is host today and tomorrow to more than 2,000 prominent women from the 48 States, Alaska, and Hawaii, coming here to participate in the 1958 Campaign Conference for Democratic Women sponsored by the Democratic National Committee.

Many of them will be visiting our galleries today, and otherwise visiting in the capital. We are proud to have them with us, for we Democrats are proud of the active, energetic, and effective role played by women in guiding the affairs of our political party and Nation.

Perhaps it is a testimonial to the effectiveness of these ladies to report that almost all of them are far more than just political leaders and political workers. They are wives and mothers. They are business and professional women. They are active civic workers in their home communities. They are leaders in their Parent-Teachers' Associations, in their churches, in charitable activities of their own cities and States. They truly exemplify the best traditions of American womanhood asserting its constructive influence on public policy, in and out of politics.

I have had the pleasure already of visiting with many of the visiting delegations. I have been impressed by the concern and understanding they display over vital national issues now confronting us.

Mr. President, it would be well for Congress, and the executive branch, to be fully aware of the fact that America's wives and mothers are deeply concerned about our economic recession, and determined to see that positive action is taken to prevent suffering and hardship among families of jobless. It is significant that the 2,000 women gathered here have designated their most important workshop as a session on our economy and its problems. They have invited before

them key leaders of Congressional committees to review with them what is being done—and what can and should be done—to restore full prosperity to our country.

Democratic Members of the Senate will be honored guests of the group at a banquet tonight, at which our majority leader, Senator LYNDON JOHNSON, and the former President of the United States, Harry S Truman, will be guest speakers.

Again let me say we are proud to have these ladies visit us from all over the country, and discuss with us the sentiments and views of American womanhood in their respective communities. We salute the women—God bless them. We need their voice and influence in public affairs.

And, I might add, it would be well to note that we are going to get more of their influence. The Census Bureau has figured out that by 1960, women will outnumber us men by 3,250,000 among potential voters of the country.

THE FAMILY SAVINGS AND LOAN ASSOCIATION

Mr. BEALL. Mr. President, on March 31, I stated on the Senate floor my concern over some of the practices of the Family Savings & Loan Association which maintains offices in Maryland, including Washington suburbs, and advertises that its accounts are commercially insured by the American Savings & Loan Indemnity Company of Panama. Almost immediately, I received an open letter, dated March 31, 1958, from John Gregory Persian, president of the Family Savings & Loan Association, protesting my statement. The letter ended with a request that I investigate the facts. Specifically, Mr. Persian said:

> When at your convenience, you take the pains to investigate matters fully and fairly, you too will be proud of the services we perform in Maryland.

In the spirit of fair play and in the hope that my concern over the practices of this institution might be allayed, I wrote to Mr. Persian on April 2, 1958, assuring him of my desire to get the facts, and accepting his request that I investigate the matter fully and fairly.

In that letter I asked a number of quite elementary questions about the association and its insurance. I regret to say that after nearly 3 weeks I have received no response whatsoever to my inquiry. None of the questions have been answered, and there is no indication that there will be an answer.

Among other things, I asked for a recent financial statement of the association, for a financial statement of the American Savings & Loan Indemnity Co., and for a list of officers and employees referred to in Mr. Persian's open letter as "former Government officials."

Are not these elementary questions which any financial institution doing business with the public should be glad to supply to any citizen?

What concerns me most is that I have had no answer to this question: Would you supply me with the place in Maryland where a saver could file a claim against the insurance, were such a claim to exist. Also, what are the assets of the American Savings & Loan Indemnity Co. which are located in Maryland and available for the protection of savers?

If a Member of the United States Senate, after being invited by the association head to make inquiry, is unable to obtain an answer to this question, what chance will a citizen not in public office have to obtain the information? To whom will the citizens turn for protection and information?

Realizing that the Senate Committee on Banking and Currency has a heavy schedule, I had hoped that this whole question could be resolved without formal committee investigation. I thought that if the Family Savings and Loan Association would frankly and satisfactorily answer my questions, and possibly agree to take certain steps to further protect the savings depositors, such an investigation would not be necessary.

However, in the face of the complete lack of response and cooperation from the association, I have no alternative but to renew my request that the Senate Committee on Banking and Currency attempt to find answers to the questions which the officers of the association have failed to supply me.

I think it would be wise to investigate not only this group, but also the several other savings firms which advertise that their accounts are "commercially insured."

I emphasize that the great majority of savings and loan associations—in fact, those doing 90 percent of the total business—have their accounts insured by the Federal Savings and Loan Insurance Corporation, follow rigid standards of practice, and are carefully supervised by a Federal agency. An additional 2,000 associations do not have Federal insurance, but are either under State supervision, or follow established management practices and have fully earned the right of public confidence. It would be most unfortunate if it developed that a few associations not federally insured or not examined by State authority, or not following prudent management practices, were allowed to jeopardize the great reputation and prestige of the thousands of savings and loan firms who are performing such a great service to the savers and home owners of the country.

I ask unanimous consent to have included at this point in the RECORD a copy of the letter from Mr. Persian and a copy of my reply which contained the pertinent questions.

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

THE FAMILY SAVINGS & HOME LOAN ASSOCIATION,
March 31, 1958.

Hon. J. GLENN BEALL,
United States Senate,
Washington, D. C.

DEAR SENATOR BEALL: We are proud to represent to you that we are the largest independent savings and loan association in Maryland, with an impressive rate of growth. We have gained this distinction among more than 250 such associations by virtue of our special services to the communities we serve. These services include life and disability insurance for our members, essentially like that of the Federal credit unions.

As you know, nearly 50 percent of the savings and loan associations in the United States are not under Federal insurance. Like these associations, we are a State-chartered association and are proud of our prudent and safe operations. Unique, at least in one respect, the majority of our mortgages are Government insured. We are proud of this record.

Many of our officers and employees are former government officials, competent and experienced in real estate finance. We are proud, too, of their competence.

In our dealings with the public, we have been at pains to advertise our services clearly and simply. Naturally, we are proud of our public relations.

It is unfortunate that our competitors should have misled you. Competition can be ruthless, and we were warned by certain officials of the United States Savings and Loan League to expect that they would show us what ruthless competition could do. These officials must have been acting in a personal capacity. They could not have been acting as representatives of so reputable and responsible a trade association. The United States Savings and Loan League has for many years distinguished itself by being of service to savings and loan associations throughout the country. It would never lend itself to misrepresentation or misconduct.

When, at your convenience, you take the pains to investigate the matters fully and fairly, you, too, will be proud of the services we perform in Maryland. As a highly respected representative, you would, of course, consider no other course of action. You would not heed the words of irresponsible competition. To do so would surely be un-American.

Very truly yours,
JOHN GREGORY PERSIAN,
President.

APRIL 2, 1958.

Mr. JOHN GREGORY PERSIAN,
President, The Family Savings Association, in care of Sherman S. Cohen, Esq., Washington, D. C.

DEAR MR. PERSIAN: I have your letter of March 31 directed to my remarks in the CONGRESSIONAL RECORD of Monday, March 31, 1958.

At the outset let me assure you that in making my remarks on the Senate floor and in asking for an inquiry by the Senate Banking Committee, I was motivated by my own concept of my duty as a Senator to protect the public interest and the savings of the citizens of Maryland. I have a great respect for the savings and loan business and it has been my privilege to serve as a director of two of these fine institutions. Incidentally, one of these institutions is a State-chartered Maryland association, so certainly I would have no prejudice against such institutions.

I was astonished at your suggestion that officials of the United States Savings and Loan League, acting in a personal capacity, could have caused me to make my statement. Let me state flatly that prior to my statement on the Senate floor I had no contact whatsoever by mail or in person or through my staff with any official of the United States Savings and Loan League on this matter. My information did not even come from the savings and loan business. Personally, I feel that since yours was an open letter you should openly acknowledge your total error in this respect. Your statement reflects unfairly on both me and the officers of the United States league.

You have suggested that you would welcome a fair and full investigation and I certainly am agreeable to that procedure. I would appreciate it if you could assist by

supplying me with the following information:

1. A recent financial statement of the Family Savings Association, both a balance sheet and a profit-and-loss statement, and examples of your advertising literature.

2. A list of the officers and employees referred to in your statement that many of our officers and employees are former Government officials.

3. A financial statement of the American Savings & Loan Indemnity Co., along with the details of the protection it affords your depositors.

4. Would you supply me with the place in Maryland where a saver could file a claim against the insurance were such a claim to exist. Also the assets of the American Savings & Loan Indemnity Co., which are located in Maryland and available for the protection of savers.

5. What Government agency or other authority regulates and supervises the American Savings & Loan Indemnity Co.? To whom may I inquire for an expert evaluation of the financial condition and underwriting strength of the company?

6. What are the names of other savings and loan associations or similar groups which have obtained insurance from the American Savings & Loan Indemnity Co.? How many associations have such insurance with which neither you nor Mr. Cohen are affiliated?

7. An approximate breakdown of your loan portfolio as between FHA, GI, and conventional loans and as between home loans and loans on commercial or industrial property. Also, a list of any individual loans in excess of $50,000 (by type only; no names necessary). Incidentally, I am told by savings and loan officials that these figures are readily available in the ordinary course of management records, and I trust, therefore, that this information will not be considered an imposition on your staff.

8. Although I do not profess to be an expert in savings and loan management, I have never before seen an association which had more borrowed money than savings capital. I understand that the national average for borrowed money is less than 5 percent of assets, but your institution's borrowings are in the neighborhood of 60 percent. I further understand that the national average for reserves is in the neighborhood of 8 percent, but that the Family Savings Association has reserves of about 1.1 percent. Would you care to comment on these marked differences from the national averages and give me any information that might allay concern over these matters?

9. Obviously, your association enjoys good relations with commercial banks, and no doubt these banks have studied the financial condition of your association and have found it to be satisfactory. Therefore, you might like to give me the names of the banks so that I can have the advantage of their apparently good evaluation of your institution.

10. I would appreciate learning the affiliation of yourself and other officers of Family Savings Association with the American Council of Independent Savings and Loan Associations and the American Savings & Loan Indemnity Co. Do you or any other officers have an affiliation with or interest in any organization which has received loans from the association?

As I said at the outset, my concern is to make certain that the interest of the citizens of my State is fully protected and that the protection which they have been led to believe exists, does, in fact, exist. If, after receiving the information from you, it is my judgment that your institution merits public confidence, I will be the first to admit it and the first to so state publicly.

Sincerely yours,

J. GLENN BEALL.

PROGRESS IN PUERTO RICO

Mr. FULBRIGHT. Mr. President, there appeared in this morning's Washington Post an editorial entitled "Fomento for Export."

This article draws attention to a study prepared by Dr. William H. Stead, concerning the remarkable economic and social progress made in Puerto Rico. The editorial does not mention, however, the principal reason for the great success of the Fomento program in Puerto Rico. Having recently visited that island, I am convinced that the principal element accounting for the progress hitherto achieved is the forceful, wise, and intelligent leadership of Governor Munoz Marin. It will be misleading for other people to believe that tax incentives and some of the other policies followed in Puerto Rico do in themselves account for the remarkable progress that has been achieved.

The history of Puerto Rico during the past 2 decades demonstrates again the basic importance of honest and wise political leadership. One of the most convincing circumstances regarding the high quality of Governor Marin's leadership is the fact that he has assembled a group of unusually able and dedicated administrators about him. This experience has clearly validated the wisdom of Public Law 600, which created the status of commonwealth.

I ask unanimous consent that the editorial may be printed at this point in the RECORD.

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

FOMENTO FOR EXPORT

In Puerto Rico, the Spanish word "fomento" sums up the many remarkable changes that have transformed the island Commonwealth into a thriving industrial center. Fomento means development and the spirit it represents accounts for the upward surge in Puerto Rico's capita income from $278 in 1950 to $443 in 1957, using current dollars as a measure. Is fomento suitable for export? Can other developing areas realistically profit from the experience of Puerto Rico in planning a program for swift economic growth? Many of the 5,000 representatives from 107 countries who have recently visited Puerto Rico may have wondered whether the Commonwealth's experience was a unique and imperfect model for the underdeveloped world.

A special staff report made by the National Planning Association provides a timely and thoughtful answer. According to Dr. William H. Stead, who prepared the study, there are no less than nine features of the fomento program which could apply to most other underdeveloped countries. Dr. Stead places special stress on the luring of private capital through attractive incentive programs as the key to large-scale development. Of course, Puerto Rico's free access to continental United States markets and its exemption from Federal taxes are major advantages for the island. But the Commonwealth's effective central planning and its ingenious system of incentives could be profitably duplicated in far corners of the globe. The NPA study again confirms what a wonderful asset the Puerto Rican experience is in a world where so many seek a democratic and effective fomento program of their own.

ORDER DISPENSING WITH CALL OF CALENDAR

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

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

TEMPORARY TAX CUT

Mr. DOUGLAS. Mr. President, last month the Committee on Economic Development published a very interesting report about the recession and made certain recommendations. The most important recommendation which the committee made was that for a large temporary tax cut if the economy continued to decline. While I do not agree with all the specific proposals of the committee, since I think the proposals would not stimulate consumption sufficiently, I believe that the report, excerpts from which were published in the New York Times of March 23, 1958, should be given the widest possible circulation. Therefore, I ask unanimous consent that it be printed at this point in the RECORD.

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

EXCERPTS FROM ANTIRECESSION PROGRAM OF COMMITTEE FOR ECONOMIC DEVELOPMENT

(WASHINGTON, March 22.—Following are excerpts from a policy statement issued by the Committee for Economic Development today:)

THE PRESENT POSITION OF THE ECONOMY

The current decline in business activity is one of the long series in the wavelike movement that has been characteristic of our economic growth. Most previous business declines in our history have been moderate and brief, with the downward movement ending within a year, recovery substantially completed within 2 years and the trough in the Nation's output not more than a few percent below the previous peak. The recessions of 1949 and 1954 were of this character. We have had only a few depressions that were both very deep and prolonged; those beginning in 1837, 1873, 1893, and 1929 are the only ones that really qualify for this description. Their extreme character stemmed largely from the collapse of the financial system and the wholesale destruction of confidence that such a collapse engendered. Institutional changes in the financial system since 1929 provide a guaranty against financial collapse and, along with other changes, warrant our belief that there will not be a future depression on the scale of the thirties. We have also had a certain number of depressions of intermediate character, such as those that started in 1920 and 1937. We have done a good deal to make such pronounced dips less likely, but we cannot be sure that we will not have to deal with them again.

Declines recounted

In February 1958, employment in nonagricultural establishments, seasonally adjusted, was 1,700,000, or 3.2 percent lower than in the previous August. In the same period, the seasonally adjusted unemployment rate rose from 4.2 percent of the civilian labor force to 6.7 percent. Short hours became more prevalent. The gross national product, seasonally adjusted at annual rates, dropped

from $440 billion in the third quarter of 1957, when the economy was operating at high employment, to $432,500,000,000 in the fourth. If allowance is made for both the subsequent decline and the fact that prices had risen, it is likely that by February the real gross national product, which measures the total production of the economy, was about 3½ percent below the 1957 third quarter. But with normal growth of the economy's productive capacity, we would now be able to produce about 1½ percent more than in the third quarter of 1957. This would indicate that in February the economy was operating at about 95 percent of the high-employment level, if gross national product in the third quarter of 1957 is taken as a standard. The decline in employment and production was not slackening.

Other factors noted

This, in broad terms, is where we stand as this is written. Certain important characteristics of the decline thus far should also be pointed out. Consumer expenditures for nondurable goods and services, together, which in 1957 absorbed 56 percent of the entire gross national product, have held up well. This is significant, because an outstanding characteristic of the declining phase of major depressions is a general downward spiral of consumer income and consumer spending. Thus far in the present recession the decline in spending has not become general, and such a cumulative spiral is not in process. It should also be noted that purchasing by State and local governments is continuing to rise; Federal Government spending is scheduled to turn up a little, and the movement of residential construction activity continues irregular rather than clearly upward or downward.

The impact of the recession thus far has been principally upon employment and production in durable goods manufacturing. Employment in mining, construction, transportation, and nondurable goods manufacturing has been affected to a lesser extent. In other industrial divisions, employment has declined only slightly or increased.

Similarities found

Despite important differences in the forces initiating declines in 1948, 1953, and 1957, the magnitude and most general characteristics of the 1957–58 decline are similar to the patterns of the 1948–49 and 1953–54 recessions after they had been in process for the same length of time. However, they are also similar to the pattern we should expect in the early stages of a more serious decline if we make allowance for the support provided to consumer income by automatic stabilizers, such as unemployment insurance, that have been introduced since we last experienced such a decline.

If the probabilities are that the amplitude and duration of the 1958 recession will be similar to those of its immediate predecessors, it is mainly because most recessions are of such a moderate character. That we do not know what will bring a reversal does not mean that it will not appear—any more than the outstanding sales success of the 1955 model automobiles that accelerated recovery in late 1954 could be foreseen with assurance earlier in that year. But we must also reckon with the possibility that we are in the early stages of a more serious decline. The most likely cause would be the same as in many such periods in the past—a pronounced and prolonged slide in the rate of business investment in plant and equipment, without sufficiently strong offsets in other types of demand. Reinforced by a further drop in foreign sales and by a rise in the rate of business inventory liquidation, a sharp slide in business capital outlays could curtail consumer income enough to set in motion the characteristic downward spiral of consumer income and spending, the hallmark of depression.

WHAT SHOULD BE DONE NOW

1. Monetary policy: A main reliance for support of the economy in the present situation should be monetary policy.

Monetary policy influences private spending through its effect on the supply of money and the cost and availability of credit. Individuals and businesses tend to spend more if they have easier access to credit, if the cost of borrowing declines and if they find themselves holding more cash and other liquid assets in relation to their needs.

All of these factors depend to a great extent on Federal Reserve policies, since the Reserve System can make credit more readily available at lower cost by increasing the reserves of the commercial banking system. It can do this by buying Government securities in the open market or by reducing the reserves the member banks are required to hold against their deposits and it can lower the interest rate at which banks can borrow reserves from the regional Federal Reserve banks. These actions increase the lending capacity of banks and reduce the cost of borrowing and this, in turn, will tend to stimulate the banks to lend more readily to qualified borrowers at favorable interest rates and will thus help to increase private expenditures.

VIGOROUS ACTION URGED

The Federal Reserve System should move even more vigorously to provide the banks with abundant reserves. The reserve position of the banks should be adequate not only to permit them to meet all sound loan demands that come to them but also to impel them to seek to make additional sound loans and acquire other assets. The small decline in the money supply (seasonally adjusted) that has occurred since mid-1957 should be halted and reversed. We believe that monetary policy is most effective when it is used wholeheartedly. Obviously, we cannot prescribe the precise timing of the necessary steps or the magnitude of reserves that should be supplied. Such decisions must be made by the Federal Reserve on the basis of day-to-day developments.

2. Federal budget policy: In a recession, Federal tax receipts tend to fall and unemployment compensation payments, social-security pensions, public assistance payments and other expenditures increase. These automatic responses to recession are stabilizing because they cushion the decline in income that individuals and businesses have available to spend.

The Federal budget should be permitted to exercise its normal, stabilizing effect on the economy—an effect that is far stronger than at any time prior to World War II. This means that if, as is to be expected, tax receipts drop below those estimated in the President's budget because of lower incomes, we should not try to make up the deficiency in receipts by raising tax rates or by lowering expenditures.

In addition, some acceleration of Government expenditures planned for the near future under existing authorized and necessary programs is appropriate.

To get the stabilizing effect of the budget principle we recommend it is necessary that in a recession the budget be allowed to run a deficit as tax revenues drop and certain expenditures automatically rise. In the coming year—fiscal year 1959—tax receipts are very likely to fall below the budget estimate, mainly because individual and corporate incomes are likely to be lower than was assumed in the tax forecasts. If this happens, the debt limit should not force the Government to reduce its spending precisely when the economy needs the stimulating effect of a Government deficit and when provision for national security demands increasing defense outlays. To avoid these undesirable consequences, the debt limit should be raised by an amount that would allow not only for ordinary seasonal variation in receipts in the coming year, but also for the possibility that expenditures for the entire year will substantially exceed receipts. In our view, the $5 billion temporary increase already enacted is too small, in view of the uncertainties on both the receipts and expenditures sides of the budget, even on the assumption that the recession will be moderate in extent and duration.

3. Planning stronger action: Additional measures to be used if the recession deepens should be readied and agreed upon now. This is necessary so that action may be taken quickly if it is needed. It will also provide a solid basis for confidence on the part of the businessmen, investors and consumers that there will be no deep depression. Hence it will prevent fear and uncertainty from holding up investment and consumer spending and make it more likely that recovery will be achieved by natural forces assisted by the measures suggested above.

CONDITIONS WARRANTING STRONGER ACTION

It would be unwise to set up a single rigid signal for strong antirecession action, but we believe such action would be appropriate if the economic decline passes the low points reached in 1949 and 1954.

We suggest that this would be the case if, after allowance for seasonal influences, business activity continues to contract for another 2 months, after February, unless, there is unmistakable evidence of quickly forthcoming improvement.

Any significant decline in total consumer spending for nondurable goods and services, accompanying a pronounced drop in disposable personal income, would also suggest the need for strong counteraction, since, as indicated earlier, it would suggest the beginning of a downward spiral of income and spending generally that, if unchecked, could cause the decline to snowball.

WHAT SHOULD BE DONE IF THE RECESSION DEEPENS

Circumstances described in the previous section would call for an economic policy that has a good probability of stopping the business decline and turning activity upward; half measures that merely slow the downward movement would not then meet our national objective. Subject to this criterion, we should also continue to use measures that do not interfere with adjustments in resource allocation, relative prices and costs through normal competitive processes and that are quickly reversible. The latter criterion, however, may be interpreted somewhat more loosely since we shall be starting with more idle resources and less immediate danger of reviving inflationary pressures.

RESCHEDULING GOVERNMENT EXPENDITURES

Under conditions calling for strong Federal action, the Federal Government should make every effort to accelerate necessary procurement and public works, but only when the major impact upon the economy of so doing will be felt within a year or so. This allows more scope for rescheduling than the narrower program we have suggested for the present situation, but is nonetheless a severe restriction. If it is not met, procurement and public works acceleration will not only be ineffective in helping to check recession but may later add to inflationary problems.

The increase of expenditures in order to fight recession can easily become wasteful unless discrimination is exercised. While a

speedup of expenditures that would otherwise have to be made later is warranted, embarking upon unnecessary projects is both extravagant at the time and likely to lead to a continuing scale of Government expenditures larger than would be adopted were programs considered strictly on their merits. Acceleration of contract terms so much that costs are increased by overtime work at time-and-one-half or double time, or by wasteful production and buying practices, is also to be avoided. The Government should obtain more, not less, for its dollars in periods of slack business.

Acceleration of procurement and public works, together, can and should play a supporting role in bringing about recovery. State and local governments, by accelerating their programs in the manner suggested here for the Federal Government, could also make a contribution. But increases in Government expenditures should not be our chief reliance.

A LARGE TEMPORARY TAX CUT

The major emphasis should be upon temporary and substantial reduction in Federal income taxes to raise private incomes and hence to increase consumer spending and business investment. The tax cut should have three principal characteristics:

1. The purpose of the tax cut is to help lift us out of a recession, not to change the burden of taxation or to reform the tax structure. Consequently, it should be neutral with respect to the distribution of the tax burden. A flat percentage reduction in the income-tax bills of individuals applied to the amounts computed under existing law would meet this criterion sufficiently well. Such a tax reduction would provide a quick spur to consumption expenditures. It should also help to restore opportunities for profitable investments, mainly by the improvement of business sales, though also by directly increasing net yields to individual investors.

2. If the conditions we have assumed appear, the tax cut should be prompt. It should also be put into effect for a limited time only, with automatic provision for a return to the previous rates. This is essential to permit enough tax reduction to stimulate recovery and yet not run a pronounced risk of inflation in the ensuing business advance.

3. The size of the tax cut must be commensurate with the size of the problem. If the situation we describe should develop within the next few months, the real gross national product would have fallen something like 4½ percent from its previous peak. Over the intervening period estimated normal growth at a rate of 3 percent a year would have increased the productive capacity of the economy by more than 2 percent. Our gross national product, consequently, would probably be nearly 7 percent below a high-employment level. This amounts to an annual rate of about $30 billion in gross national product.

We suggest the tax cut should aim to provide a stimulus that would provide the basis for quickly eliminating the larger part of the gap between actual and potential production. The immediate effects would be mainly to raise private consumption and, as a result of the strengthening of business sales, to check inventory liquidation. Some additional stimulus would be provided by the temporarily higher rate of Federal purchases we urge above. Together, the effects of these actions should strengthen investment generally, and impart an upward impetus to the economy that would set us on the road back to high employment.

Although a precise calculation is impossible, we believe that this objective requires a personal income tax cut at a yearly rate of about $7½ billion, when yields are computed on the basis of income levels consistent with high employment and stable prices. Present personal income tax rates would yield about $38 billion a year under conditions of high employment and price stability, so this would mean a cut of one-fifth in these taxes. A much larger reduction would carry too great a risk of inflation; one much smaller would have an insufficiently high probability of success.

Cost to Treasury

The actual cost to the Treasury of such a temporary tax cut should be less than $7,500,000,000. First, because the actual income base to which it was applied would be below the high-employment level; under the assumed conditions the tax loss initially would be at an annual rate of about $7 billion. Second, because we would expect the reduction to be in effect, at least in full, for less than a year. Third, because, under conditions of substantial unemployment, the stimulus of the tax reduction should raise the tax base well above what it would be in its absence—without the corresponding increase in Government cost resulting from inflation that would ensue from a similar policy under high-employment conditions.

We recommend that, if such a temporary tax cut becomes necessary, its original enactment should be for a period ending March 31, 1959. Tax withholdings, which account for the bulk of individual income tax collections, would be immediately reduced by one-fifth. Individuals making tax payments on current-year incomes would recompute their liabilities and adjust their current payments. The tax liability on the final returns for the year would be computed in the usual fashion, but with the addition of a line for the emergency antirecession tax reduction. This would be equal to the ordinary tax liability multiplied by one-fifth the fraction of the year for which the reduction was in effect. If, for example, the reduction were effective on July 1, 1958, and ended on March 31, 1959, the deduction on calendar-year returns for 1958 would be equal to 10 percent of the originally computed liability and for 1959 to 5 percent.

Cutoff proposed

To meet the objective of high employment without inflation—and to justify the use of taxation in any similar future situation—it is essential that the temporary tax cut be pared or eliminated as quickly as the recovery of the economy warrants.

If this more vigorous action becomes necessary and is taken boldly, there is reason for confidence that tax reduction on the scale we have recommended, supported by rescheduling of Federal expenditures and expansionary monetary policy, will succeed in turning the economy upward. Given the necessary determination, it should also be feasible to reverse action quickly enough to prevent the stage from being set for another round of inflation.

C. E. D. Research and Policy Committee has repeatedly recommended reduction in the corporate profits tax and in selective excise taxes as part of the long-run reform of the Federal tax structure. We urge consideration of these and other desirable tax reforms at the earliest possible time. We omit them from the proposed antirecession tax program only because of our desire to concentrate on the simpliest step on which quick agreement would be most readily forthcoming. We believe that reduction of individual income taxes would be an effective way of stimulating an increase in private spending, with resulting increased employment, until expansionary forces within the private economy reassert themselves.

Distinction is made

We cannot emphasize too strongly the importance of distinguishing clearly between temporary measures to deal with the recession and permanent changes in public policy. This distinction will make prompt and effective action both more feasible and less dangerous. The possibility of agreeing quickly on emergency measures will be greatly enhanced if there is also agreement that these measures are for the duration of the emergency only. In particular, it should be much easier to agree upon a generally acceptable tax cut to last for a short period than to agree upon a broad and permanent revision of Federal tax policy with all the complications that entails.

Moreover, the danger that emergency measures would persist into conditions when they would be inappropriate—when they would be inflationary, wasteful or inconsistent with long-term growth—would also be reduced by prior understanding of their temporary character and by advance provision for their termination. One implication of this is that we must all resist the temptation to use the recession as an occasion for trying to fasten permanent changes upon Federal policy with respect to expenditures, taxes or anything else. Permanent changes should be considered in the light of the expected long-run condition of our economy, which is not a condition of recession.

We also wish to warn against the danger of basing policy primarily on forecasts of the future rather than on present facts. Forecasts of the short-term course of employment and business are guesses that cannot be continuously correct, so that any action based upon them may be wrong. Moreover, agreement can rarely be reached on forecasts of the future. Hence, if effective policy action depends upon forecasts, we may do the wrong thing or do things too soon or too late.

REDUCTION IN INCOME TAXES

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter entitled "Tax Decision Urged," written by Walter C. Loucheim, Jr., to the editor of the Washington Post and Times Herald, and published in that newspaper today.

Mr. Loucheim makes the very important point that corporate and excise tax rates must be extended by June 30, or else they will revert to previously enacted lower levels. He further points out that if there is to be any reduction in these taxes, or if the extender is not passed, it would be quite unfair to fail to pass a cut in personal taxes as well, not only because of the equities involved but also as a method of trying to combat the recession.

Mr. Loucheim calls for Presidential decision on this issue. His point has great merit. When is the administration going to act? Will it continue to postpone this issue month after month after month?

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

TAX DECISION URGED

Although you have not taken a stand in opposition to an ultimate reduction in income taxes as a measure to stem the recession, you have not as yet advocated that action along these lines be taken at this time. Nevertheless there are several circumstances that seem to me to necessitate that a decision be made on this question within the very near future.

Under our Constitution tax legislation must originate in the House of Representatives, and therefore tax reduction must be enacted while Congress is in session. If the Chief Executive should decide after the adjournment of Congress this summer that the good of the country requires tax reduction, there is no way he could make his decision effective before January 1959, when Congress reconvenes, except by calling a special session of the Congress, which in an

election year he would probably be loath to do but for a state of national emergency.

So, unless tax reduction is enacted before Congress adjourns, there could be a period of 5 or 6 months during which the country would be deprived of this beneficial action even though the executive branch of the Government became convinced of the need for it.

On the other hand, it may not yet be fully realized that without a recommendation from the White House there will be an automatic cut of 10 percent in business income tax rates effective this June 30. On that date the maximum rate on corporate income taxes is reduced by statute from the present 52 percent to 47 percent and a number of excise taxes will also be lowered. Heretofore Congress has nullified these reductions by extending the higher rates.

This year, however, with corporate statements revealing substantially lower profits, there appears to be considerable justification for a lower rate than the 52 percent on corporate income and also for permitting excise taxes to decline. Unless the 47 percent corporate income tax rate is accepted, the Congress would have to take action before it adjourns.

Under these circumstances, even though the Chief Executive may continue to remain unconvinced as to the necessity of a tax cut, can one really contemplate a lowering of the tax rate on corporate income without some, at least equivalent, adjustment on individual tax rates?

Does not simple equity as well as the good of the country call for a general reduction in income taxes between now and June 30? And in view of the time required to draft, debate, and enact tax legislation, would it not be well to get started on the job without further delay?

WALTER C. LOUCHEIM, Jr.

WASHINGTON.

REMOVAL OF RADIOACTIVE STRONTIUM FROM THE BODY

Mr. THYE. Mr. President, I was very much interested in reading an article in the April 17 issue of the Washington Post and Times Herald which tells of a most important scientific breakthrough. Arthur Lindenbaum of the Argonne National Laboratory at Lemont, Ill., told the American Chemical Society of experiments which he and two associates conducted, as a result of which they found a chemical which could remove radioactive strontium from the body. The chemical, when taken internally, combined with the radioactive strontium to form a compound which could be eliminated in body waste.

In order that all Senators might see this article, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

SUBSTANCE TO RID BODY OF STRONTIUM DESCRIBED

SAN FRANCISCO, April 16.—A harmless substance which can remove radioactive strontium from the body was described today to the Nation's chemists.

This material could be the forerunner of a series of compounds to rid humans and animals of other dangerous fallout products. Conceivably these things might be built into the diet as a kind of insurance against radiation damage.

The antistrontium compound was described in a paper given before the American Chemical Society by Arthur Lindenbaum of the Argonne National Laboratory at Lemont, Ill. Lindenbaum and two colleagues developed and tested it.

MOST FEARED

Radioactive strontium, the most feared element in fallout, is considered dangerous because it makes its way into the bones and can give off radiation for scores of years afterward. It is a possible cause of cancer and other diseases.

The compound which can pick this hazardous element out of living bone and other body parts is a tasteless yellow dye called rhodizonate. It latches onto strontium atoms and the two substances together form an insoluble compound which can be eliminated in body waste.

Another chemical called tetrahydroxyquinone has similar abilities. This and rhodizonate may become the starting materials for a whole group of antiradiation compounds, Lindenbaum said.

TESTS IN RATS

For testing in rats, Lindenbaum administered strontium 85, which has a short radioactive life and thus is not dangerous. The dangerous form of the element is strontium 90. However, both behave the same way as a constituent of bone.

The chemical reduced the strontium content of the subjects by 20 to 34 percent in 24 hours, depending upon how the materials were administered.

Its effectiveness may be increased, Lindenbaum said, by the use of cathartics and diuretics to speed up elimination. This and other chemicals may be useful against other radioactive substances besides strontium, he added.

THE WILDERNESS BILL

Mr. DOUGLAS. Mr. President, from time to time I keep noticing additional interest in the wilderness bill, S. 1176, which was introduced a little more than a year ago in this 85th Congress by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

It has been my privilege to be one of the dozen Senators of both parties, coast to coast, who are sponsoring this legislation.

We have seen copies of the bill distributed very widely along with the remarks made on its introduction by the Senator from Minnesota, and by another of its cosponsors, the able junior Senator from Oregon [Mr. NEUBERGER]. By the time that hearings were held on the measure last June a great many comments, suggestions, criticisms had been received. Added to these were the comments and criticisms of the executive agencies concerned.

As a result the measure has been clarified, corrected, and improved so that it should be possible to see it enacted during this session of Congress. I hope so, for it is of fundamental and far-reaching importance and it will be a great credit to the 85th Congress and to all who support it.

It is this prospect that seems to me to give immediate significance to the increasing public interest in the bill.

Among the recent magazine articles that have discussed this measure is one in the February 1958 issue of Outdoor America, entitled "Keep the Wilderness Wild," by Howard Zahniser of the Wilderness Society. This magazine is published in Chicago, Ill., by the Izaak Walton League of America, one of our leading national conservation organizations. Under the brilliant editorship of the league's executive secretary and editor, Frank Gregg, this magazine came out in January with an enlarged and more attractive format. On the front cover of the February magazine is a magnificent wilderness scene, and the lead article is Dr. Zahniser's "Keep the Wilderness Wild."

An editor's note at the head of the article says that "aided by testimony at last summer's hearings, sponsors drafted a revised bill to protect wild areas within the Federal public lands."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of this brief article.

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

KEEP THE WILDERNESS WILD—AIDED BY TESTIMONY AT LAST SUMMER'S HEARINGS, SPONSORS DRAFTED A REVISED BILL TO PROTECT WILD AREAS WITHIN THE FEDERAL PUBLIC LANDS

(By Howard Zahniser)

"Shall we, exploiting all our resources, reduce also every last bit of our wilderness to roadsides of easy access and areas of convenience, and ourselves soften into an easy-going people, deteriorating in luxury and ripening for the hardy conquerors of another century?"

Congressman JOHN P. SAYLOR, of Pennsylvania, asked this question on the floor of the House of Representatives on July 12, 1956. He answered it himself: "I hope not," he said. "In our preservation of wilderness and our encouragement of the hardy recreation that puts a man, or a woman, or a red-blooded child on his own in the face of primitive hardships, we can help meet this need for maintaining a nation of strong healthy citizens."

Fortunately for all Americans, the opportunity to test the challenge of the wilderness is still with us. But only a little more than 2 percent of the total land area of the United States is still in its near primitive state. Most of this is found in the Federal public lands; within the wilderness, wild, primitive, and roadless areas of our national forests; in the undeveloped back country of our national parks; and in certain wildlife refuges and Indian reservations.

The United States has never had an overall national policy for the preservation of any of its wilderness as such, in spite of the fact that there is nothing in our history to indicate that we can be expected to leave by accident any extensive areas of wilderness. If we are to see wilderness preserved, we must preserve it deliberately.

This is the aim of the National Wilderness Preservation Act—popularly known as the Wilderness Bill—introduced in the 84th Congress to widespread acclaim, and reintroduced in the 85th Congress. The bill features seven points:

1. It recognizes what wilderness is and that its preservation is doomed unless deliberately provided for in basic legislation by our Congress.

2. It recognizes that areas of wilderness can serve various purposes and still maintain wilderness character.

3. It designates for preservation wild areas now existing within our national parks, national forests, wildlife refuges, and in other such Federal areas where present uses of the lands can be served in keeping with wilderness preservation.

4. It provides that these areas shall continue under their present administration (National Park Service, Forest Service, etc.), with no change of jurisdiction, and with no alteration of basic purposes.

5. It provides that Congress shall charge administrators of such areas of wilderness with responsibility to manage them for any other purposes in such a way as to make sure that their wilderness character is preserved.

6. It safeguards existing private rights, and also insures the integration of a wilderness preservation program with the necessary development and exploitation of resources.

7. It establishes a council made up of the land administrators involved, together with a few citizens, to bring to a focus the various interests of our national wilderness preservation program and to serve the public as a source of information on wilderness. This council has no jurisdiction over lands or agencies.

These are the provisions of the bill to make sure that some parts of America will always remain unspoiled and beautiful in their own natural way—untrammeled by man and unmarred by machinery. It is not too late now to act. But it may soon be. We could miss our present great opportunity. We could fail. Were this to happen, what would we lose?

To begin with, we would lose some of the opportunity for hardy recreation and primitive hardships that Mr. SAYLOR has spoken of. And Mr. SAYLOR is not alone in his concern. For as the magazine Newsweek reported on September 26, 1955, in an article entitled "Are We Becoming Soft?" many Americans are also concerned with this question.

Maj. Gen. Lewis B. Hershey, Director of Selective Service, is there quoted as saying "we are not inherently a Nation of softies, but it's a harder fight for us to stay fit than for a lot of less privileged people. Our kids are all right, but autos, innerspring mattresses, and regulated heating make it tougher for us to stay fit."

We suggest that our wilderness areas give us all—and our youth in particular—a fine chance to do just that.

So long as it remains in its natural condition, the wild country of our parks, forests, and refuges will play an ever more vital part as the scene for a great adventure for youth. For a few precious days each year, youngsters can be Indians, trappers, wilderness explorers, and pioneers. Yet for a lifetime after, such experiences remain to strengthen them as men and leaders of our civilization.

In addition to building health and stamina, intimate contact with wild nature builds character. Many young men first brought into contact with wilderness in CCC camp days underwent remarkable changes. Supreme Court Justice William O. Douglas in his book, Of Men and Mountains, describes one pretty tough, mean character from the streets of Brooklyn after 2 years in the woods:

"This chap was mellow. Now he had no chip on his shoulder. He was considerate. He was a tough guy transformed into a philosopher. He had found how great and good his country was. He was going to try and repay it for what it had done for him."

Some of our leading conservationists today received their first inspiration from early wilderness experience. Ernest Swift, former State and Federal conservation administrator now executive director of the National Wildlife Federation, wrote in an article in the summer-fall 1956 issue of The Living Wilderness magazine:

"During my formative years, there developed within me under the influence of my wilderness, a deep and abiding love for space, a passion for freedom of action, and also a profound delight in growing things and wild things. My wilderness also engendered a wordless ecstasy which has taken most of a lifetime to comprehend. This became the foundation for unswerving convictions as to what I wanted to do with my life and what I wanted to stand for. Contact with wilderness after maturity would never have molded these convictions nor produced the spiritual strength. Youth needs wilderness."

Far from new at wilderness battles, the Izaak Walton League is equipped with more than 30 years of experience in defending the famous Quetico-Superior canoe country. League members undoubtedly recognize that the Wilderness Bill is a companion measure to the league's bill to establish an outdoor recreation resources review.

The outdoor recreation resources review bill provides for a thorough and comprehensive study of all outdoor recreation resources and needs and program requirements. The Wilderness Bill, on the other hand, proposes to establish at once an orderly policy for preservation of areas vital to the comprehensive program. So the two bills have parallel purposes. Pointing to this fact, Congressman SAYLOR has said:

"We welcome eagerly all the support we can get for establishing the Outdoor Recreation Resources Review Commission. We hope to pass this bill promptly. But I say to you, while we are doing this study, let's be saving something too; let's pass the Wilderness Bill just as soon as we can."

Some folks would have you believe that we cannot hope to preserve wilderness forever—that the best we can do is fight a rearguard action against irresistible pressures for development. But they are wrong. We see a farther vision—a hope for preservation of our wilderness in perpetuity.

The wilderness comes to us from the eternity of the past. We must have the boldness to project it into the eternity of the future, to fashion deliberately the kind of policy and program that will insure now—before it is too late—the preservation of wilderness forever wild, for ourselves and for our children.

THE LEAGUE AND THE WILDERNESS BILL

The Izaak Walton League has a long and fruitful history as defender and advocate of wilderness, beginning with its leadership in establishment of the Quetico-Superior area in the twenties. At its 1957 convention, the league approved a resolution favoring legislation aimed at providing Congressional sanction for a strong wilderness preservation policy.

The league stands by that resolution and congratulates sponsors of the Wilderness Bill for accepting—and proposing—amendments to meet objections by commercial interests and Federal agencies.

Mr. DOUGLAS. Mr. President, an interesting feature that accompanies this article is what the editor calls a roundup. It is a series of criticisms that the editor has summarized and has submitted to the author. It gives in brief and interestingly a pro-and-con discussion.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of this feature entitled "Wilderness Bill Roundup—Objections and Author's Answers" and also following it the note entitled "Sponsors and Status."

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

WILDERNESS BILL ROUNDUP—OBJECTIONS AND AUTHOR'S ANSWERS

1. It locks up resources that are needed for economic reasons.

Not so. It does not apply to areas now available for development. It does give added protection for areas now being preserved, and for every lock it provides a key that the future can use if needed.

2. It would substitute special interest for multiple use.

No. It is itself a multiple-use bill. It says that all the areas affected shall continue to serve the multiple uses they now serve but they shall likewise keep the wilderness character that they also now have. It provides for no special use or special users but assures wilderness for all who choose to use the areas without destroying them as wilderness.

3. It would add vast acreages to lands set aside for preservation.

No. The areas involved are now being protected as park, refuge, or as wilderness in national forests. What will be added is more certain protection of wilderness values, and an orderly policy established in basic law by Congress. And additions would be subject to Congressional scrutiny.

4. It would set up a special council that would be a superagency over existing bureaus and greatly complicate their administration of park, forest, and refuge lands.

Not true. Our land administration will continue as at present. The bill says so. The proposed council takes the place of and makes unnecessary any superagency; it is a meeting ground, an information center regarding the common wilderness interest in lands administered by the various agencies. Heads of the land managing bureaus make up a majority of this 9-man council.

5. The bill isn't needed: The Forest Service, the Park Service, and the Fish and Wildlife Service are already doing a good job in preserving wilderness.

They are indeed. And the bill will help them resist the great and growing pressures that constantly make it harder to preserve wilderness.

6. The bill is still unnecessary. The areas it protects are just for a privileged few anyhow.

This is a serious misunderstanding. Wilderness is for all—for anyone who chooses to use it without destroying it. Our wilderness areas are like our art galleries. They are not just for the few who happen to be in them at any one time.

7. You can't hope to pass a wilderness bill because of opposition from mining, timber, and other commercial interests.

Don't be too sure about the opposition. There is no threat in the wilderness bill to any existing private right. No lands affected by it are now available for timber cutting. No grazing now going on will be affected. Provision is made for mining if the President finds this to be in the national interest. These facts, plus the advantage to all of a clearly defined policy, should end most opposition. Also, there are many among the commercial interests also who are both conservationists and wilderness enthusiasts. Of course, if we must, we should and will fight for it, and fight hard.

SPONSORS AND STATUS

The Wilderness Bill in the Senate is S. 1176 by HUBERT H. HUMPHREY, of Minnesota, RICHARD L. NEUBERGER, of Oregon, and 10 other Senators in a bipartisan coast-to-coast sponsorship: MARGARET CHASE SMITH, of Maine, PAUL H. DOUGLAS, of Illinois, KARL E. MUNDT, of South Dakota, JAMES E. MURRAY, of Montana, ALEXANDER WILEY, of Wisconsin, JOSEPH S. CLARK, of Pennsylvania, FRANK J. LAUSCHE, of Ohio, HENRY M. JACKSON, of Washington, WARREN G. MAGNUSON, of Washington, and WAYNE L. MORSE, of Oregon.

JOHN P. SAYLOR, of Pennsylvania, and LEE METCALF, of Montana, introduced companion measures in the House, as did five other Congressmen from California, Oregon, Illinois, and Wisconsin [JOHN BALDWIN, CHARLES O. PORTER, BARRATT O'HARA, and HENRY S. REUSS].

Mr. DOUGLAS. Mr. President, finally a note on "The League and the Wilderness Bill" says—and I quote:

The Izaak Walton League has a long and fruitful history as defender and advocate of wilderness, beginning with its leadership in establishment of the Quetico-Superior area

in the twenties. At its 1957 convention, the league approved a resolution favoring legislation aimed at providing Congressional sanction for a strong wilderness preservation policy.

The league stands by that resolution and congratulates sponsors of the Wilderness Bill for accepting—and proposing—amendments to meet objections by commercial interests and Federal agencies.

Mr. President, I commend this concise presentation of the features of the Wilderness bill and its pros and cons to the attention of my colleagues and urge that they give careful consideration to this legislation.

The bill is still pending in the Committee on Interior and Insular Affairs, where it is being studied and handled with all due consideration, I am sure. Two committee prints since the hearings, I know, have incorporated suggested changes to improve the measure, and I trust that it will soon be possible for the committee to report it to us with its approval.

I need not go further into details or recommendations that are presented in the material that I have just inserted in the RECORD, but I do wish to emphasize the importance of wilderness to us and the need we have to establish a sound Congressional policy for its preservation.

As I have said to the Senate before, but want to emphasize in this connection, I consider it highly important for persons who live in closely packed centers, who live in the great cities, to be able to visit places of unspoiled natural beauty which are awe-inspiring, which give us a sense of our littleness in the presence of the mighty forces of nature, which lead our imagination back into the deep aeons of time, and enable us to feel the exhilaration that comes from personal knowledge that nature is powerful and that man is mighty little.

How inestimably richer our country is because there still remain in our national parks, in our national forests and wildlife refuges, and in a few other places, too, some areas still primeval, still wilderness, and still available for preservation.

Our Wilderness Bill provides only for about 2.2 percent of our land, certainly a small proportion to preserve as God made it. All of this land is within Federal areas already devoted to conservation purposes that are consistent with their continued preservation as wilderness.

This wilderness bill thus undertakes only to preserve in an orderly, effective, enduring way areas that already have been set aside from commercial uses. It does not apply to any areas that are now available for lumbering, and it carefully avoids interfering with any economic uses, such as grazing, where these are now established. It is indeed a very reasonable measure, and it is designed to fit in with, rather than damage, our other land-use programs.

Our commercial, economic land uses are of course all well in their own way and place, but they are not all of life, because men must live by something more than meat and fruit and cereal and depend on something more than lumber and minerals. As our population increases our need for wild places will be still greater, and we must provide for these needs.

I have been in these wildernesses and know their values. I have been in most of our national parks and as a young man tramped through some of them in the summertime.

Those summer experiences are some of the features of my life upon which I look back with the most intense pleasure and the greatest deepening of consciousness. They are a kind of experience that young Americans should always be able to enjoy.

Providing for the preservation of this opportunity is what the Wilderness Bill undertakes to do. I hope that it will soon become law.

DEDUCTIONS IN TAX RETURNS OF COSTS OF EDUCATION

Mr. THYE. Mr. President, I ask unanimous consent that a letter, a newspaper article published in the Minnesota Daily of April 10, 1958, and the resolution adopted by the All-University Congress of the University of Minnesota, be printed in the RECORD. The resolution expresses support for legislative proposals which would permit deduction of legitimate costs of higher education. Today, when costs of college educations are rising rapidly, and in view of the necessity for college-trained personnel, this proposal has much merit. I trust that this program can be incorporated into any scholarship program which this Congress might enact.

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

UNIVERSITY OF MINNESOTA,
ALL-UNIVERSITY CONGRESS,
Minneapolis, Minn., April 11, 1958.

The Honorable EDWARD THYE,
Senator of Minnesota,
Senate Office Building,
Washington, D. C.

DEAR SENATOR THYE: The enclosed resolution was adopted unanimously by the All-University Congress on April 9. I hope that it will be of interest to you and that you will be able and interested to work for this measure. The enclosed clipping is from the Minnesota Daily of April 10.

Sincerely yours,
JAMES L. OSTERHUS,
President, All-University Congress.

AUC BACKS TAX DEDUCTION FOR EDUCATION COSTS

A bill that calls for allowing students and parents of students to deduct costs of higher education from their taxable incomes—now before the House Ways and Means Committee—received the support of All-University Congress last night.

In response to a letter from Iowa Congressman FRED SCHWENGEL, calling for student support of the bill he introduced, a resolution was unanimously adopted.

The resolution, drafted by congress' legislative affairs commission, reads in part:

"The All-University Congress, representing the students of the university, expresses its support of the proposal to amend the Internal Revenue Code so as to allow students and parents of students to deduct legitimate costs of higher education from their taxable income.

"We urge the Senators and Congressmen of the State of Minnesota to give their support to this proposal.

"Finally, the All-University Congress urges the students of the university to express their personal support of this proposal by writing to their Representatives and Senators about it."

Congress also heard a report from the American brother-sister program chairman, Nancy Snyder, SLA junior. (The purpose of the program is to give American students an opportunity to help foreign students adjust to university and American life.)

Due to publicity difficulties, Miss Snyder said, applications for help in the program have been inadequate.

Filings close Friday, April 18, in 213 Union.

STUDENT TAX-RELIEF RESOLUTION

The All-University Congress, representing the students of the University of Minnesota, expresses its support of the proposal to amend the Internal Revenue Code so as to allow students and parents of students to deduct legitimate costs of higher education from their taxable income. We feel that this proposal is of considerable importance to students at our university, and to students at colleges and universities throughout the country.

At the present time, the United States is faced with a critical expanding need for scientific and intellectual leadership in all fields. At the same time that this need is especially critical, students are faced with rapidly increasing costs of education, which has the effect of increasing the financial barrier which already prevents many qualified students from pursuing their education beyond the high school. It is imperative that steps be taken to lessen the degree to which our Nation is being prevented from fully utilizing its scientific and intellectual potential.

In order to accomplish this, a program of Federal scholarships is of primary importance. However, even with an adequate Federal scholarship program, the number of students who would receive benefit would necessarily be limited, and many students who should attend college would still not be able to do so.

The enactment of an amendment to the Internal Revenue Code allowing deductions for legitimate costs of education would provide substantial assistance to all students who are attending, or who desire to attend college. Its effect would be to decrease, by a small but significant amount, the cost of higher education, thus making it possible for some students to pursue their education beyond the point where they must now halt their educational progress. It would also make it possible for many students now in college who are working part or full time, to devote more of their energy to their educational pursuits.

The All-University Congress is aware that at least one bill (H. R. 9414 introduced by Mr. SCHWENGEL) is before Congress. We request the Senators and Congressmen from the State of Minnesota to carry out appropriate action to see that this bill, and other bills incorporating this proposal, are activated and acted upon in the Ways and Means Committee of the House and the Finance Committee of the Senate. We urge the Senators and Congressmen of the State of Minnesota to give their support to this proposal.

Finally, the All-University Congress urges the students of the University of Minnesota to express their personal support of this proposal by writing to their Representatives and Senators about it.

LATEST RUSSIAN ACTIONS SHOW INCONSISTENCY OF SOVIET PROPAGANDA

Mr. WILEY. Mr. President, as most observers know, the major consistency of Russian propaganda, both foreign and

domestic, is its inconsistency. Within the past 2 weeks the world has witnessed two remarkable examples of this inconsistent propaganda.

Only last week Russia's leadership was found propagandizing out of both sides of its mouth with regard to desiring world peace. On the one hand, Foreign Minister Gromyko urged cooperation between East and West in entering into preliminary discussion for a meeting at the summit. At almost the same time, Mr. Gromyko made fantastic accusations against the United States, thus creating a renewed feeling of hostility and tension.

RUSSIAN CHARGES MAY BOOMERANG

However, in urging United Nations Security Council investigations of his charges, the Russian Foreign Minister has, I believe, overplayed his hand, and is giving the United States and the rest of the Western World a chance to expose the charges for what they are—propaganda. In bringing the discussion to the public forum of world opinion, Russia has placed herself in a position of having to answer many questions regarding her sincerity in desiring a reduction in tensions, disarmament, and a permanent, secure world peace.

We welcome the Russian demand for U. N. Security Council action on this accusation, and feel that the investigation by this impartial body will leave little doubt as to the lack of validity of this latest chaff from Russia's propaganda grist mill.

TWO VERSIONS OF KHRUSHCHEV SPEECH

The second example of Russia's inconsistent propaganda occurred on April 10, when the Russian people were subjected to two versions of a speech delivered by their new Premier, Nikita Khrushchev. The speech was delivered following Khrushchev's visit to Hungary. Those who heard the actual speech delivered in Moscow's stadium must have been somewhat mystified by the edited version published by Tass, the Russian news agency, a few days later. According to reliable sources, only 14 sentences of the 50-minute oration were left intact by the Tass censors.

RUSSIAN CENSORSHIP APPALLING TO PEOPLE OF FREE WORLD

To those of us in the Free World who have become accustomed to reading the remarks of our leaders without deletions or corrections, the flagrant censorship by Tass, in its reporting of Khrushchev's speech, is appalling. The utter disregard for the actual remarks of Premier Khrushchev in the Tass version of the speech indicates that the Soviet Government still does not dare to let its people know the truth, even about what its own leaders say.

Therefore, it is of little wonder that reports on Western actions and proposals are misrepresented, or completely ignored.

It is regrettable that any modern government has such little respect for its people that it will not allow them to know what views their own leaders are expressing.

RUSSIAN PEOPLE DO NOT KNOW TRUTH

This type of censorship indicates that, contrary to continual Russian pronouncements, the people of the Soviet Union and other Iron Curtain nations are being kept in the dark as to the true actions of their government. There has been no letdown in the barriers which separate those people from the ones who rule them.

NEED FOR MORE DIRECT CONTACT WITH PEOPLE

This regrettable action in Russia serves to point out the vital necessity of intensifying our campaign of dealing directly with the Russian people. As you know, Mr. President, I have, on a number of occasions, spoken enthusiastically about the new agreement providing for cultural exchange between Russia and the United States. I believe that through this type of idea exchange we shall accomplish much more than by dealing only with Russia's leaders. As the foregoing evidence points out, when we limit our dealings to the Russian leadership, the mass of Russian people are kept in the dark as to our peaceful objectives.

UNITED STATES INFORMATION PROGRAM IS EFFECTIVE

There are, of course, many means of reaching the Russian people, other than the cultural-exchange program. For many years the United States Information Agency has been waging an effective campaign of truth regarding United States policy. Statements by the President and other Government officials have been broadcast directly to the Russian people by the Voice of America and by privately financed radio facilities. Among the private organizations is the American Committee for Liberation and its powerful voice, Radio Liberation.

An excellent statement of the major differences between Khrushchev's latest remarks and the Tass version has been prepared in an analysis for the American Committee for Liberation. This statement points out the deceitful manner in which the truth is kept from the Russian people.

For purposes of brevity, I send the most pertinent excerpts of this analysis to the desk, together with a statement I issued yesterday to the press regarding Russia's demands for U. N. Security Council action; and I request that they be included as part of my remarks in the body of the RECORD.

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

TASS AGENCY DID QUICK JOB OF REWRITING KHRUSHCHEV'S REPORT—RADIO LIBERATION ANALYST REVEALS OFFICIAL TEXT OF SPEECH ON HUNGARY DIFFERS WIDELY FROM ACTUAL VERSION

NEW YORK.—A striking illustration of how Nikita Khrushchev's extemporaneous remarks are doctored before they are released for broad dissemination can be seen in the handling of the Soviet dictator's recent Lenin Stadium speech by Tass, the official Soviet news agency.

According to Radio Liberation, only 14 sentences of Khrushchev's 50-minute speech—as recorded in Munich by the anti-Communist station's monitors—remained intact in the 3,700-word Tass version of the speech.

"It is doubtful that Soviet history has even been rewritten faster than in the few hours between last Thursday's (April 10) live broadcast of Khrushchev's extemporaneous report of his Hungarian trip and the ensuing Tass release of the official 'text' of his remarks," commented James Critchlow, Radio Liberation's top Soviet affairs analyst.

And, added Critchlow, most of what was left intact consisted of stock propaganda phrases with which Soviet orators interlard their speeches.

"The relatively few Soviet citizens present at Lenin Stadium to hear the speech, delivered during working hours, or who were able to listen to the live broadcast over the radio, must have been shocked the next day to see how the Tass version in their morning newspapers differed from what they had actually heard," Critchlow said.

Radio Liberation, the voice of former Soviet citizens who have found freedom abroad, is beaming Khrushchev's actual comments—including those censored by Tass—to all parts of the Soviet Union. Radio Liberation broadcasts around the clock exclusively to the U. S. S. R. in Russian and 17 other Soviet languages via powerful transmitters in West Germany and the Far East.

* * * * *

Whole sections of Khrushchev's remarks, places where he made unguarded admissions or advanced ill-advised formulations of Soviet policy, were removed from the Tass rewrite, according to Critchlow. At the same time, completely new passages were added, things Khrushchev never said, in an obvious attempt to render the speech coherent and to bring it into line with current policies.

Most revealing were the omitted passages. Here are some of the more conspicuous ones:

1. A reference to the now deposed Hungarian Stalinist Premier Matyas Rakosi as "guilty for what happened in Hungary" was deleted, as were all three other mentions of Rakosi's name. (It has been reported that Rakosi is now living in exile in Mongolia, but recent Soviet press treatment of him has been very restrained.)

2. Khrushchev's admission that the present Hungarian party leader, Janos Kadar, spent 5 years in prison under the Communist regime was also omitted.

3. His claim that Western diplomats either distort the truth or don't report it the way they should to serve the people was cut out, evidently because it implies that telling the truth and serving the people are not always the same thing in Communist philosophy.

4. At one point Khrushchev burst into a song which he said he and Hungarian government chief Ferenc Muennich had sung together when they lived in the same tent while undergoing military training in Moscow in 1930. It is not clear whether this was taken out because Khrushchev's rewrite men considered it undignified for him to sing on the rostrum, or because the words of the song, "Our cannons roared, our machine-guns rattled," were thoughts inappropriate in the context of his report on the situation in Hungary.

5. In discussing the international situation, Khrushchev said that the Communists are opposed to the capitalist order, just as the capitalists are opposed to Communism, but admitted that—"it is not in our power" to destroy capitalism" anymore than the capitalists could overthrow Communism." This remark was excised, presumably as a defeatist statement, although Khrushchev corrected his lapse in another portion of his speech by claiming that capitalism could be overthrown by "a flank attack," i. e., through economic competition.

6. At one point Khrushchev threatened the West with an indelicate Russian idiom ("Mi pokazhem nashu russkuyu kuzkinu mat") which defies direct translation but corresponds in force—and vulgarity—to saying, "We'll show the (so and so's)." This, too, was removed.

7. A statement that "we're going to open the door," i. e., to more tourists so they would know "what fools" they had allegedly been to have misjudged the Soviet system, disappeared from the official version, perhaps because a more liberal visa policy is not really in the offing.

8. Several lengthy and rambling reminiscences by Khrushchev about articles he had read in pre-revolutionary Russian publications also went out, possibly because they seemed pointless even to the TASS editors—or possibly because the reference to Russia's pre-1917 press, which by Soviet standards was relatively free in spite of Tsarist censorship, seemed inopportune.

Also interesting was the way in which, in some instances, Khrushchev's basic remarks were preserved but slightly altered to change their meaning. For example, in referring to a meeting which he had addressed in Hungary, he said that the workers "had been brought there in organized fashion." In the TASS version he was reported as saying that his listeners "came out" to hear him.

* * * * *

"There is no reason to believe that the revised version was composed without Khrushchev's knowledge and consent," said Critchlow. "At the same time, it is a striking illustration of the way in which his public utterances have to be doctored before they are considered fit for broad dissemination. Unfortunately, his speeches are rarely broadcast in his own voice, so that students of his rhetoric have few opportunities to compare his words with the altered text."

SENATOR WILEY SAYS SOVIET ANTI-SAC CHARGES "SHOULD BOOMERANG"; URGES SECURITY COUNCIL COMPILE FACTS ON SOVIET INTERCONTINENTAL AIR AND MISSILE FLEET

The false charges made by Soviet Foreign Minister Gromyko at the Moscow news conference should, in my judgment, boomerang hard against the Soviet Union, for no less than three reasons:

1. The Security Council probe, which we welcome, will document the fact that the United States has gone out of its way to take every conceivable precaution against accidental conflict.

By contrast, there is no public information as to precautions taken by the Kremlin dictatorship. In other words, it is the Soviet Union which menaces the world through a possible accidental conflict, such as it menaces the world through a possible Red-premeditated conflict.

2. The Soviet charge demonstrates to the world once again the insincerity of Soviet so-called disarmament efforts. The Soviet Union had been boycotting the Disarmament Commission; now, by its diversionary and false charges, it is once more acting to delay substantial progress toward disarmament.

3. Thirdly, the Soviet Union should be exposed to the world as making reckless charges which impair the climate for a possible summit meeting. Obviously, the net effect of the Gromyko charges is to make far more difficult a constructive session at the summit (which the Soviet Union still professes to want).

So far as the anti-SAC charges are concerned, I, for one, speaking only as one individual Senator, would hope that the Security Council would make a thorough probe. I hope the Security Council would compile information as to just what the Soviet Union is doing to prevent a Soviet long-range bomber fleet and Soviet guided missiles from being triggered off by mistake.

Let the Security Council compile information, for example, from the head of the Soviet Air Fleet, and from the head of Soviet Missile Installations, as to where Soviet bases are located and what precautions the Soviets have taken.

Let the Security Council obtain photographs of Soviet radar and base installations (such as we have long since presented to the world on the DEW line and on other elements of America's defense network).

In other words, for every fact which we have long since revealed to the world, let the Security Council try to get one counterpart fact, as regards Soviet potential.

If the Soviet Union were ever to reveal one-one hundredth of the fact which we long since have voluntarily given to the world, then mankind would see even more clearly this fact: The real danger of accidental war comes from the Soviet Union.

For, in an iron dictatorship, built by violence and sustained by violence, the chances are infinitely greater that one man's or one group's blundering order for violence might be unhesitatingly translated into global error which all mankind would regret.

By contrast, in a peaceful democracy, we have careful checks and balances, not only between branches of government, but within the executive branch's defense establishment.

The Soviet charges, therefore, even now, stand revealed before the world as one more absurd Soviet smokescreen.

What the real purposes of Gromyko's propaganda blast are we do not know. But it is my hope that the United Nation's Security Council will act in such a way as once more to demonstrate the real truth that United States' defensive strength is the hope of mankind. By contrast, Soviet aggressive strength is the despair of mankind and the menace to mankind.

ONLY 3 STATES COLLECT 70 PERCENT OF SOIL-BANK BONANZA PAYMENTS THROUGH UNFAIR ACREAGE-RESERVE PROGRAM

Mr. NEUBERGER. Mr. President, on June 11, 1957, I was one of seven Members of the Senate who voted to abolish the acreage-reserve feature of the Soil Bank program. I intend to vote again for such abolition in 1958.

Every fair-minded American must be disturbed by the list, which I have just received from the Department of Agriculture, of the 67 farm producers who last year received more than $50,000 apiece in Soil-Bank payments, through the acreage reserve. This list has convinced me that I was correct in the stand I took in urging upon the administration an abandonment of the acreage reserve. I feel certain that in 1958, more than seven Senators will vote for abandonment of the acreage reserve.

To begin with, 70 percent of these favored 67 growers are located in just three States—California, Arizona, and Texas. Out of the hundreds of crops raised by American farmers, only three commodities qualified for acreage-reserve payments of such magnitude. These crops were cotton, wheat, and rice. Thus, the producers of the vast majority of farm products collected no such disbursements.

Most of the small, family-sized farmers in the United States did not qualify last year for any acreage-reserve benefactions whatsoever. By contrast, the Garvey wheat farms, of Colby, Kans., collected $278,187.38 in Soil-Bank payments; the Harris Ranches, of Sahuarita, Ariz., received payments totaling $209,701.80; and the Ray Flanagan Ranch, of Red Top, Calif., was paid $138,122.20. The Harris Ranches received their fee for not growing cotton, and the Flanagan Ranch was paid for suspending crops in both cotton and rice.

It has come to notice that the administration itself is wearying of some of the inequities and absurdities of the acreage-reserve section of the Soil Bank. It is about time that this happened. If so, Secretary Benson and his associates are to be commended for their willingness to change firmly-held opinions.

For quite some time, it has seemed to me obvious that the acreage reserve gives scant benefit to average farmers, and yet has drained the United States Treasury of immense sums of money. In fairness, I should mention that one farm operation in my own State of Oregon was included among the 67 growers who received Government checks larger than $50,000. The Martin Hereford Co., of Madras, Oreg., was paid $69,757.16 for taking 2,486 acres of wheat out of production. This company's acreage-reserve bounty was the 28th in amount in the Nation.

A breakdown by States, Mr. President, will demonstrate how completely California, Arizona, and Texas have dominated these colossal Soil-Bank payments:

California	16
Arizona	16
Texas	15
Kansas	6
Mississippi	5
Louisiana	2
South Dakota	1
Idaho	1
Oregon	1
Arkansas	1
Colorado	1
Washington	1
Tennessee	1

There is prevalent in American cities widespread rumor that all farmers are living off the Federal Treasury. Of course, this is a canard. It is false. Most farmers are on their own; and, unfortunately, they have not fared at all well financially during recent years. The prices of what they produce drop, while their cost rise. The falsehood commences because of a few, huge acreage-reserve payments, such as those I have cited. Such payments do the bulk of agriculture a grevious injustice. They pit city dweller against farm resident. They create a distorted notion of farm subsidies. In my own State of Oregon, for example, the overwhelming majority of growers have not participated at all in acreage-reserve payments under the Soil-Bank program.

Let me explain, Mr. President, that I support the worthwhile conservation-reserve feature of the Soil Bank, through which avenue farmers are encouraged to plant strengthening grasses, to seed anchoring evergreen trees, and to develop ponds and marshlands for migratory waterfowl and fish. But such projects are a far and distant cry from the handouts of the acreage reserve, which have been monoplized by a relatively few large ranchers.

On March 14, 1956, I voted with the two able Senators from Maine [Mrs. SMITH and Mr. PAYNE] to permit row crops to qualify for inclusion in the acreage-reserve feature of the Soil Bank. This at

least would have broadened the scope of the program. I saw no reason for permitting a few so-called basics to rule the entire undertaking. What is fair for cotton and rice ought to be fair for beans and peas. We were defeated by a vote of 58 to 29, but I am more convinced than ever that I took the right position. If rice, wheat, and cotton can qualify for some of the enormous payments listed here, why not onions and potatoes and carrots, too?

I have consistently taken the position that the Soil-Bank umbrella protects the big 1-crop farmer, rather than the average farmers all over the Nation. In 1956, I supported reducing payments under the acreage-reserve program, when, on March 12, I voted to limit to $25,000 payments to producers participating in this program. Why should a big wheat or cotton planter in one State collect a quarter of a million dollars, while thousands of struggling family farms in another State do not qualify for 10 cents in Federal benefactions?

Mr. President, I ask unanimous consent that the Department of Agriculture's list of participants in the 1957 acreage-reserve program who received payments calling for more than $50,000 be printed in the RECORD.

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

1957 ACREAGE RESERVE PAYMENTS

List of producers who participated in 1957 acreage-reserve program of Soil Bank to an extent calling for payments of more than $50,000[1]

Name and address	Held out of production under the program		Maximum payments
	Commodity	Acres	
Garvey Farms, Colby, Kans	Wheat	22,779.0	$278,187.38
Harris Ranches, Post Office Box 7, Sahaurita, Ariz	Cotton	1,666.0	209,701.80
Ray Flanagan, Red Top, Calif	do	748.3	138,122.20
	Rice	880.9	
Tierra Prieta Ranch, Box 938, Eloy, Ariz	Cotton	931.8	135,107.45
Sutter Basin Corp., Ltd., Robbins, Calif	Wheat	588.0	128,442.88
	Rice	1,402.7	
Westlake Farms, Star Route, Stratford, Calif	Cotton	1,293.9	125,942.50
Robert Pelletier, 1224 Mount Lowe Dr., Bakersfield, Calif.	do	797.3	124,378.80
J. H. Williams, Route 1, Box 77, Natchitoches, La	do	1,682.5	120,088.50
Crews Farm, Box 352, Pecos, Tex	do	800.0	107,200.00
Vista Del Llano Farms, Route 1, Box 23, Firebaugh, Calif.	Wheat	1,986.0	103,411.02
J. W. Baughman, Liberal, Kans	do	40,863.5	102,357.21
Jackson & Reinert, Paso Robles, Calif	do	3,086.0	97,209.00
Estrella Land & Cattle Co., Box 37, Glendale, Ariz	Cotton	586.1	96,706.50
Hammonds Ranch, Inc., Routes 1 and 2, Box 130, Firebaugh, Calif.	Wheat	265.0	95,535.64
	Cotton	663.4	
J. W. B. Farms and John Baughman Estate, Liberal, Kans.	Wheat	2,279.2	89,522.03
Moser Ranch, Route 5, DeKalb, Tex	Cotton	855.0	87,094.32
	Wheat	50.5	
Duncan Bros., Post Office Box 645, Alvin, Tex	Rice	1,099.9	85,953.11
Sherrell & La Follette, 867 First National Bank Bldg., Phoenix, Ariz.	Cotton	532.3	84,103.40
Newhall Land & Farming Co., Post Office Box 95, Firebaugh, Calif.	do	561.5	83,903.50
	Rice	309.0	
John W. Baughman Farms Co., Liberal, Kans	Wheat	32,608.5	80,047.58
Sunset Ranches, Inc., Route 2, Box 23, Chandler, Ariz.	Cotton	545.9	79,155.50
Porter & Wentz, Box 870, Brownsville, Tex	do	3,199.0	75,576.37
Farmers Investment Co., Route 1, Box 138, Eloy, Ariz.	do	514.3	74,573.50
American Christian Institute, Post Office Box 4096, Phoenix, Ariz.	do	553.7	73,088.40
Mississippi State Penitentiary, Parchman, Miss	do	1,000.0	71,000.00
Eddie J. Carpenter and Patricio Brijalba, 2020 Washington, Pecos, Tex.	do	443.4	70,500.60
J. Ernest Bertrand, Oakley, Kans	Wheat	3,914.0	70,337.70
Martin Hereford, Inc., Madras, Oreg	do	2,486.0	69,757.16
Stanely & McDaniel, 2202 West McDowell, Phoenix, Ariz.	Cotton	420.0	69,300.00
O. L. Garmon, Jr., Route 1, Mark, Miss	do	763.7	67,097.40
Geo. B. Franklin & Son, Holly Ridge, La	do	957.7	67,040.33
Raymond Thomas, Inc., Box G, Five Points, Calif.	do	395.5	66,839.50
Glen H. Shay, Route 1, Eloy, Ariz	Cotton	421.2	$66,549.60
Chui Chiuschu Ranches, Inc., Box E, Casa Grande, Ariz.	do	367.9	65,465.40
Progresso Farms, 1302 Park, Pecos, Tex	do	448.0	65,408.00
S. A. Camp Farms Co., Box 242, Rupert, Idaho	Wheat	1,299.8	64,886.02
Lee Wikon & Co., Wikon, Ark	Cotton	820.1	64,851.10
Floyd N. Smith Co., 2100 West McDowell, Phoenix, Ariz.	do	390.0	64,350.00
J. T. Fargason & Son, Lyon, Miss	do	479.0	63,960.00
	Rice	251.7	
Peres, Nickel & Pfitzer, 619 Washington, Los Banos, Calif.	do	638.1	62,998.80
	Cotton	154.7	
Paul M. Brophy, Box 686, Casa Grande, Ariz	do	466.4	62,104.80
Winters Farm, Box 8, Verhalen Station, Pecos, Tex	do	361.6	61,833.60
Waddell Ranch Co., Waddell, Ariz	do	369.0	60,885.00
Broadview Farms, Route 2, Box 87, Firebaugh, Calif.	do	537.0	60,681.00
Flader Land Co., 3975 York St., Denver, Colo	Wheat	3,017.0	60,008.13
Dan Seligman, Shaw, Miss	Cotton	458.4	59,992.80
	Rice	346.4	
J. L. Hodges, Box 846, Buckeye, Ariz	Cotton	399.5	59,925.00
Chandler Co., Stockton Hotel, Fort Stockton, Tex	do	405.5	59,783.60
Rio Grande Care, McAllen, Tex	do	1,333.2	59,642.52
Clark & Roberts, 1514 Morris, Pecos, Tex	do	376.6	57,533.70
Bing K. Wong, Box 277, Marana, Ariz	do	450.0	56,700.00
Bi-County Farms, Box 550, Prosser, Wash	Wheat	2,611.3	56,519.64
Delmar Durrett, Box 1081, Amarillo, Tex	do	4,482.1	55,974.61
Allen & Ritch, Route 1, Lyon, Miss	Cotton	528.4	55,354.40
William E. Glotz, Box 86, Tranquillity, Calif	do	314.3	55,073.20
	Rice	166.6	
Thomas L. Moran, Hartley Route, Dumas, Tex	Wheat	5,146.5	54,655.83
Layton Knaggs, Box 970, Woodland, Calif	Rice	788.2	54,388.47
W. M. & A. B. Nickey, 355 Goodwyn, Memphis, Tenn.	Cotton	527.5	53,805.00
Warren N. Moore, Box 207, Alvin, Tex	Rice	923.8	53,580.40
The Garin Co., Post Office Box 245, Firebaugh, Calif.	Wheat	264.0	53,500.92
	Cotton	275.0	
Bentley Johnston, DeKalb, Tex	do	590.0	53,100.00
W. J. Asmussen, Agar, S. Dak	Wheat	3,355.0	52,807.57
B. F. Younger, Sr., Box 1176, Buckeye, Ariz	Cotton	350.0	52,503.00
Redfern Ranches, Box 305, Dos Palos, Calif	Rice	304.0	51,480.50
	Wheat	525.0	
Dale Steele, Ford, Kans	do	2,549.7	51,180.42
R. J. Roesling Co., 244 California St., San Francisco, Calif.	Cotton	389.5	51,024.50
Tom Moore, Navasota, Tex	do	787.9	50,425.00

[1] This list may be altered somewhat when cross-checking across State and county lines is completed.

With production at 1957 weighted-average yields for the States concerned, the acres held out of production by these 67 growers would have produced about 2 million bushels of wheat, 40,000 bales of cotton, and 223,000 hundredweight of rice.

THE LANGER LIQUOR-ADVERTISING-CONTROL LAW

Mr. LANGER. Mr. President, I ask unanimous consent to have various petitions dealing with the so-called Langer liquor-advertising-control law printed in the body of the RECORD.

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

ETTRICK, WIS., *April 18, 1958.*

Senator LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: We urgently favor the enactment of Langer's bill S. 582, as we feel the advertising of alcoholic beverages a detriment to society.

Sincerely,

Mrs. KENNETH WITTE,
Melrose, Wis., President of South Beaver Creek Lutheran Ladies Aid, Ettrick, Wis.

Senator LANGER,
Senate Office Building,
Washington, D. C.

Honorable Senator LANGER: We are grateful for your leadership in the Langer bill No. S. 582. Both as a Christian and a citizen of our beloved country we lend our support of your bill.

Sincerely,

KEITH R. CROCKER.

Senator LANGER,
Senate Office Building,
Washington, D. C.

Honorable Senator LANGER: We are grateful for your leadership in the Langer bill No. S. 582. Both as a Christian and a citizen of our beloved country we lend our support of your bill.

Sincerely,

Mrs. KEITH CROCKER.

A PETITION

We, the undersigned American citizens, respectfully petition the Senate Interstate and Foreign Commerce Committee to favorably recommend the adoption of the Langer bill (S. 582).

Willie Thomas Jr., Berkeley, Calif.; John Marshall, Mrs. Florence Stinchlad, Dolores Ferrell, Richmond, Calif.; Louis Hamilton, Oakland, Calif.; Pattie Sue Thomas, Berkeley, Calif.; Margaret Saylor, Richmond, Calif.; Mrs. I. J. Phillyon, Erika C. Hamilton, Oakland, Calif.

Senator LANGER,
Senate Office Building,
Washington, D. C.

Honorable Senator LANGER: We are grateful for your leadership in the Langer bill

No. S. 582. Both as a Christian and a citizen of our beloved country we lend our support of your bill.

Sincerely,

KENNETH R. CROCKER.

A PETITION

We the undersigned American citizens respectfully petition the Senate Interstate and Foreign Commerce Committee to favorably recommend the adoption of the Langer bill (S. 582).

Eleanor Ingram, Richmond, Calif.; Augustus L. Gray, Opal E. L. Gray, Oakland, Calif.; Wilbert Brown, Richmond, Calif.; J. W. Oliver, Mrs. Lois M. Oliver, Amador City, Calif.; Major C. White, Richmond, Calif.; Samuel H. Wilson, San Francisco, Calif.; Mrs. Margurite Hilts, Annie Mae Raymond, Berkeley, Calif.; J. B. Colbert, Richmond, Calif.; Lester Washington, Berkeley, Calif.

A PETITION

We the undersigned American citizens respectfully petition the Senate Interstate and Foreign Commerce Committee to favorably recommend the adoption of the Langer bill (S. 582).

Mrs. Florence Thomas, Cardwell Thomas, San Francisco, Calif.; Girard Thompson, T. C. Robinson, Oakland, Calif.; Thomas Anderson, Richmond, Calif.; Stanly Gloman, Osbon J. Hitts, Berkeley, Calif.; Edward A. White, Inez Garner, Rufus C. Schoee, Richmond, Calif.; Elaine Crain, Oakland, Calif.; Nardine Winters, Richmond, Calif.

A PETITION

We the undersigned American citizens respectfully petition the Senate Interstate and Foreign Commerce Committee to favorably recommend the adoption of the Langer bill (S. 582):

Margaret Horsley, San Pablo, Calif.; Miss Vera Knox, Berkeley, Calif.; Olivia Crowe, Oakland, Calif.; Libertha Anderson, Richmond, Calif.; Glayds Butler, Berkeley, Calif.; Mrs. A. J. Williams, Oakland, Calif.; Elijah Butler, Berkeley, Calif.; Rue Pearl White, Richmond, Calif.; Ida M. Phillips, Oakland, Calif.; Vernon Orme, Jr., San Pablo, Calif.; Frances Orme, San Pablo, Calif.; Dorse Redditt, Richmond, Calif.

SENATOR LANGER: We, the following, petition in favor of bill S. 582, in favor of prohibiting the transportation in interstate commerce of advertising of alcoholic beverages:

Marian Halmbo, Mrs. Ted Maki, Mrs. C. C. Gustafson, Mrs. Ralph Livdahl, Mrs. George Woods, Mrs. Harold Du Marce, A. C. Refsdal, O. J. Leding, Mrs. O. J. Leding, Mrs. Jennie Nelson, John J. Nelson, C. C. Gustafson, R. K. Livdahl, Emma Livdahl.

RESOLUTION OF THE GARRISON DIVERSION CONSERVANCY DISTRICT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted on April 3, 1958, by the Garrison Diversion Conservancy District.

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

RESOLUTION ADOPTED BY GARRISON DIVERSION CONSERVANCY DISTRICT, APRIL 3, 1958

Vice Chairman Steinberger presented the following resolution and moved its adoption which motion was seconded by Director Morgan:

"Whereas the Garrison Diversion Conservancy District was established by act of North Dakota Legislature in 1955 for the purpose of promoting and fostering the construction of the Garrison diversion unit and comprises 25 counties of the States that contain areas that will be benefited by the project which areas cover 50 percent of the State of North Dakota's area, have 60 percent of its population and 60 percent of its taxable valuation; and

"Whereas the budget submitted to the Congress of the United States by the President contained $487,000 for the Bureau of Reclamation to continue investigations in North Dakota on the Garrison diversion unit under the Missouri River Basin investigations item during fiscal year 1959; and

"Whereas the investigation program for the Garrison diversion unit during fiscal 1958 has been geared to a rate of $859,100 in order to meet the local demand for completion of investigations of the unit so that construction can be initiated not later than fiscal year 1961; and

"Whereas, three irrigation districts have been established comprising some 108,000 acres of irrigable land that will be eventually served by the Garrison diversion unit and three more irrigation districts covering an additional 200,000 acres will be established by July 1, 1958, indicating a strong local support for the Garrison diversion unit and the need for continuing investigations in the entire conservancy district area at the present rate; and

"Whereas a drastic reduction in funds would result in a serious retardation of the Bureau of Reclamation investigations program with an uneconomical effect on the overall development of the unit; and

"Whereas it is vital that our resources development program be continued at a constant or accelerated rate to assure our future economic strength, security, and leadership: Now, therefore, be it

"Resolved by the board of directors of the Garrison Diversion Conservancy District at meeting duly assembled at Minot, N. Dak., this 3d day of April 1958, That the Congress be and it hereby is respectfully requested and urged to substantially increase the budget estimate for the Missouri River Basin investigations for fiscal 1959 so that an allocation of approximately $1 million could be made available to continue investigations in connection with the Garrison diversion unit; and be it further

"Resolved, That copies hereof be transmitted by mail to the Honorable CLARENCE CANNON, chairman, House Committee on Appropriations; the Honorable CARL HAYDEN, chairman, Senate Committee on Appropriations; Senators WILLIAM LANGER and MILTON R. YOUNG; Representatives USHER L. BURDICK and OTTO KRUEGER; Secretary of the Interior; Assistant Secretary of the Interior for Water and Power; and the Commissioner of Reclamation."

Upon voice vote all directors voted "aye." Motion carried.

[SEAL] ROY A. HOLLAND, *Chairman.*

Attest:

VERNON S. COOPER, *Secretary.*

WATER SUPPLY IN CONNECTION WITH AIRBASE AT MINOT, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, a resolution adopted by the City Council of Minot, N. Dak., in favor of the immediate location by the Government of a further dependable supply of water, in view of the situation incident to the jet airbase at Minot.

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

Resolution by City Council of Minot, N. Dak.

Whereas the city of Minot, N. Dak., on the 2d day of May 1955, entered into a contract with the United States of America to supply not to exceed 1,250,000 gallons of water per day to the jet interceptor base located 14 miles north of the city of Minot, N. Dak; and

Whereas pursuant to such contract and commitment the United States of America, through the city of Minot, N. Dak., expended in excess of $1 million to construct a pipeline between the water-treatment plant of the city of Minot and such jet interceptor airbase and is presently using large quantities of municipal water at such jet interceptor airbase during its construction; and

Whereas the said jet interceptor base has been apparently increased in size and personnel and, in addition, is bringing, or will bring, a greater growth in population in the city of Minot than had been expected or anticipated; and

Whereas the city of Minot during the summer of 1957 experienced a water shortage to a point where water rationing was about to be imposed upon its inhabitants, and is apparently faced with a lack of underground water supply to provide necessary water for its inhabitants and also the personnel, their families, and other requirements at such jet interceptor base, and that additional population growth will make for an even more serious water shortage endangering the health and safety of the community; and

Whereas the City Council of the City of Minot believes that an urgent and emergency situation exists requiring the immediate location of further dependable supplies of potable water and transmission of such water to the city of Minot for use of its inhabitants, and such jet interceptor base: Now, therefore, be it

Resolved by the City Council of the City of Minot:

1. That the city of Minot urgently needs additional water.

2. That the appropriate agencies of the United States Government be, and hereby are, requested to make an immediate engineering survey of all possible sources of water supply for the city of Minot, including the possibility of securing water from the Garrison Dam, together with methods of transporting such water to the city of Minot and estimates of cost thereof and recommendations to the city of Minot of the most feasible plan to secure urgently needed water.

3. That the city of Minot will participate in the cost of such engineering survey to the extent of one-half of the cost thereof.

Passed and adopted this 7th day of April 1958.

Approved April 7, 1958.

W. M. HARRINGTON,
Mayor.

Attest:

R. E. BARCUS,
City Auditor.

Resolution by City Council of Minot, N. Dak.

Whereas the Congress of the United States provided for the maximum conservation and utilization of the water resources embraced in the Missouri River Basin by passage of the Flood Control Act in December 1944; and

Whereas the State of North Dakota, in sympathy with the objectives of the said program has indicated its full cooperation by surrendering 566,000 acres of its taxable farm and ranch lands to provide reservoir storage for two of the major main stem reservoirs that will be created by Garrison and Oahe Dams with the understanding that compensation would be forthcoming with the irrigation of a million acres of land with added farm income and enhanced economic benefits; and

Whereas the Bureau of Reclamation in 1957 completed its definite plan report embracing a sound engineering plan coupled with the economic feasibility ratio as required by Federal standards for the Garrison diversion project in North Dakota; and

Whereas the North Dakota Legislature in its biannual session in 1950 enacted the District Conservancy Act making provision for repayment participation of North Dakota taxpayers within the district by providing for a levy of an ad valorem tax of one mill; said act amended by almost unanimous vote in the 1954 legislative session to include new and expanded areas; and

Whereas the Garrison Conservancy District was activated in 1955 and presently consisting of 25 counties with the objective of expediting and accelerating the Garrison Irrigation Program in cooperation with the farmers, State and Federal agencies by affording moral and financial support; and

Whereas the farmers in the irrigable areas affected in North Dakota have indicated a willingness to participate in the repayment program in the various project areas by forming irrigation districts approximating 300,000 acres; and

Whereas farmers and taxpayers of North Dakota have looked forward to the commitment made by the Department of the Interior and the Bureau of Reclamation that a construction start would be made in fiscal year 1961 provided the Congress of the United States make available appropriations for said purpose and believe further that the project construction should be advanced to fiscal year 1960; and

Whereas the city of Minot is faced with an emergency municipal water supply problem both for domestic use within the city and for providing adequate supplies for a national defense installation—the jet interceptor base presently under construction north of the city of Minot which has contracted with the municipality for its water needs in an amount of 1,250,000 gallons daily; and

Whereas this national defense installation coupled with the increasing growth in city population primarily caused by such jet interceptor base has created an urgent need for an added source of water which can possibly be obtained only from the Missouri River and through a plan which is incorporated in the Garrison diversion unit; and

Whereas the cold war and its triumph will be determined upon a sound economic policy within the borders of the Nation with emphasis on the fullest conservation and utilization of our water and oil resources to its maximum potential: Now, therefore, be it

Resolved by the City Council of the city of Minot, N. Dak.: That the city of Minot, N. Dak. urges the Members of the Congress from the State of North Dakota and the membership of the Congressional committees who are charged with the responsibility of guiding and enhancing our Nation's wealth through the full development of our natural resources to give urgent consideration to providing Congressional appropriations sufficient to assure the construction start of the Garrison diversion unit in fiscal year 1960 so that the farm economy of North Dakota may be stabilized and that water requirements for emergency use for human consumption and assuring an adequate supply for a needed military installation may be guaranteed.

Passed and adopted this 7th day of April 1958.

Approved April 7, 1958.

W. M. HARRINGTON, *Mayor.*

Attest:

R. E. BARCUS,
City Auditor.

SELECTION OF CANDIDATES FOR PUBLIC OFFICE

Mr. MARTIN of Pennsylvania. Mr. President, selection of candidates for statewide office, the United States Senate, and the House of Representatives, is being made in the various States of the Union. Labor organizations, farm groups, and others are advocating certain candidates. The businessmen of the Nation upon who we so greatly depend, fail to appreciate that they should take a part in these selections.

Mr. Raymond Moley, in Newsweek of April 14, very ably discusses this situation, and particularly as it relates to the distinguished minority leader, the Senator from California (Mr. KNOWLAND). This discussion means so much in our way of life that I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks.

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

If, as well might be, WILLIAM F. KNOWLAND is defeated for governor of his State, a major responsibility will fall upon certain interests, businessmen, and civic groups in northern California. KNOWLAND will dominate the campaign. His opponent is merely somebody running against him. The Knight campaign for Senator will be a minor event. Several Congressional contests will hinge on the Knowland fight. And the State legislature, already evenly divided, will be overwhelmingly packed with people pledged against the principles for which KNOWLAND is contending.

With that sort of legislature, the redistricting of the State after 1960 may freeze the State's representation in the United States House at something like a ratio of 25 Democrats to 15 Republicans, as compared with the present ratio, 17 to 13 the other way. This accretion of Democratic members, considering the slim margin between the parties, may well assure a Democratic House majority for years to come. And considering the rapidity with which the power of the AFL–CIO committee on political education (COPE) is growing, the balance of power will be with the machine of which Walter Reuther is master.

DRAGGING THEIR FEET

Despite this prospect, a considerable number of businessmen in northern California gravely endanger KNOWLAND's success. The Senator comes from their area, but this is no illustration of the old saw that a prophet is without honor in his own country. There are few who would deny KNOWLAND great respect. Even those who now endanger his career would say: "Sure, we honor KNOWLAND for his courage and integrity. And we agree with much of what he stands for—but."

While in southern California the KNOWLAND candidacy gained solid support, many things went wrong in the bay region. Finance committees muffed their job. Vital Republican organizations lagged. Several factors were responsible.

There is a small group which casts desirous eyes on the lost trade with China, once a source of great profit. There could be no relaxation on KNOWLAND's position about dealings with communism in Asia. Other businessmen feel that candidate "Pat" Brown is an amiable fellow and that Sacramento would be more agreeable with him rather than an immovable force in the governor's chair. Others are just lazy and indifferent: "Politics is not our business." Still others are so obtuse that they fail to realize that KNOWLAND must make a showing in the primary in June as a builder of prestige for the fall campaign. "Let's wait awhile," they say.

APPEAL TO REASON

Meanwhile, a considerable number of full-time agents of the unions' political machines are plying the State, prodding union officers into action, selecting candidates for Congress and the State legislature, and smearing KNOWLAND with the charge that he is against all unions and all workers. This power is aiming at control, and KNOWLAND stands in their way.

KNOWLAND, in his speeches in the State, is essaying the most difficult of political roles. He is aiming at the intelligence rather than the prejudices and emotions of voters. Some of his issues seem contrary to the appearance rather than to the substance of many voters' interests. He opposes a reduction in the sales tax, and is against indiscriminate farm handouts. He praises Secretary Benson. He opposes the public-power interests by supporting the partnership plan for joint private and Federal development of the Trinity River. He stands for voluntary rather than compulsory union membership. His devotion to his job in Washington permits only occasional visits to the State.

KNOWLAND's appeal to reason suggests that of Taft, in his great fight in Ohio in 1950, who went squarely to workers and reasonably explained the complicated Taft-Hartley Act, muddied by misrepresentation. KNOWLAND believes that when people hear the truth they wil respond. Taft won, but not without the support of civic and business groups which KNOWLAND sorely lacks.

If California follows the course of Michigan and Oregon into union domination, these laggard businessmen must suffer most.

CONSERVATION OF WILDLIFE AND NATURAL RESOURCES

Mr. THYE. Mr. President, as our population continues to grow, the conservation of wildlife and natural resources becomes ever more important. Suburbs are swallowing up thousands of acres of land every year. Thus, the recreational areas of our Nation must be preserved as retreats to which people may turn for vacations and recreation. Along this line, I am suggesting that it is very important for the different agencies of the Federal Government to cooperate in this endeavor. In the past, some activities of the agencies of the Government have resulted in damage to our natural resources and wildlife. I am speaking in particular of damage to fish life which often results from activities of the Corps of Engineers when they open or close gates of dams which regulate the water level in lakes and rivers.

Just this spring, a situation in Minnesota was drawn to my attention where water was flowing from Leech Lake into the Leech River at a rate of 600 cubic feet per second. This flow was reduced from 600 cubic feet per second to 50 cubic feet per second in one step, which caused the Leech River to drop with devastating results on the fish life, leaving thousands of fish stranded in the mud flats along the river.

Upon learning this, I immediately contacted the Army Corps of Engineers, requested a report on the facts, and suggested that a policy should be developed to prevent the reoccurrence of this situation. I am very happy that the district engineer from St. Paul met with the Minnesota Department of Conservation and with the Fish and Wildlife Service officials and agreed to make the reduction more gradual in future years.

I trust that is just the beginning of greater cooperation between the Federal agencies to conserve our natural resources.

I ask unanimous consent that correspondence I have had dealing with this question and a newspaper article may be printed in the CONGRESSIONAL RECORD.

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

CHISHOLM SPORTSMEN'S CLUB,
Chisholm, Minn., March 31, 1958.

Hon. EDWARD J. THYE,
Minnesota Senator,
Senate Building, Washington, D. C.

DEAR ED: A very serious matter has come up, which I believe should be brought to your attention.

I am enclosing a clipping from one of our area newspapers that gives the information.

If there existed a condition, such as a threat of flood downriver, the deed could be excusable, but we are in the end of one of the most dry, mild winters in history. It would have been very easy for them to lower the flow of water gradually.

I think we will have to worry more about the lack of waters in our lakes and streams than the possibility of too much.

Since this is not the first time that they have wantonly destroyed fishlife in this area in the span of 3 years, the action is most deplorable.

You have shown us that you are a great conservationist and a champion for the cause of recreation. It is our hope that you will show them the folly of these depreciations of our natural resources.

It has been my belief that what beauty and sport our God has put into this wonderful State of ours is there for us to enjoy, and of it no man has the right to destroy.

I pray that in the near future there will be more coordination between both Federal and State agencies.

Most sincerely yours,
EVERETT J. CASEY,
Secretary.

[From the Hibbing Daily Tribune of March 28, 1958]

CONSERVATION OFFICIALS STUDY LEECH RIVER AREA FISH KILL

GRAND RAPIDS.—Extent of the fish kill, mostly northern pike, in the flats along the Leech River, has not yet been determined. Fish were observed to be floundering around in shallow potholes after the flow of water over the Leech Dam had been reduced to a 50-cubic-feet per second. Previously the water had been flowing around 700 cubic feet.

The drop occurred Monday when the Army Engineers commenced preparations to continue dam improvement work commenced last year.

Authorities of the State conservation department were alerted immediately when the situation came to the attention of Robert Creig, Deer River game warden, and Harley Hanson, area fish supervisor.

Reduction of the flow dropped the water level in the Leech River several feet and permitted the water in the flats along the course to trap the fish in the shallow potholes as escape to the river was cut off.

A gradual reduction of the flow, conservation authorities said, would have given the fish the chance to escape to the river channel as the water receded from the flats.

WASHINGTON, D. C., *April 2, 1958.*

Maj. Gen. EMERSON C. ITSCHNER,
Chief of Engineers, Department of the Army, Washington, D. C.

DEAR GENERAL ITSCHNER: Mr. Everett J. Casey, Secretary of the Chisholm Sportsmen's Club, has informed me of a situation which I believe merits attention.

According to his letter and an article in the Hibbing Daily Tribune, the Army Engineers were permitting water to be released from Leech Lake at the rate of 700 cubic feet per second, subsequently this flow was reduced to 50 cubic feet per second. This resulted in a severe and immediate drop in the water level in the Leech River trapping a large number of fish in shallow potholes along the flats.

I would appreciate your looking into this situation to see whether the actual conditions merited such a rapid decrease in the release of water from Leech Lake and whether it is not possible to work out a better, more-controlled escape so that such damaging effect to wildlife can be reduced to a minimum.

Sincerely yours,
EDWARD J. THYE,
United States Senate.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D. C., April 16, 1958.

Hon. EDWARD J. THYE,
United States Senate.

DEAR SENATOR THYE: Further reference is made to your letter of April 2, 1958, concerning information furnished you by Mr. Everett J. Casey, Secretary of the Chisholm Sportsmen's Club, relative to fish kill due to sudden reduction in discharge from the Leech Lake Dam, Minn.

The flow at Leech Lake Dam was reduced from 600 to 50 cubic feet per second in 1 step which led to reports of fish kill in the channel immediately below the dam. After discussions with representatives of the Minnesota Department of Conservation and the United States Fish and Wildlife Service the District Engineer, St. Paul, in order to eliminate possible effects from the operation of the dams, agreed to make the reduction more gradual in future years insofar as possible.

I trust that this information is sufficient for your present requirements.

Sincerely yours,
J. L. PERSON,
Brigadier General, United States Army, Assistant Chief of Engineers for Civil Works.

WASHINGTON, D. C., *April 18, 1958.*

Brig. Gen. J. L. PERSON,
Assistant Chief of Engineers for Civil Works, Department of the Army, Washington, D. C.

DEAR GENERAL PERSON: I have received your letter of April 16 relative to the fish kill in the Leech River due to the sudden reduction in discharge from the Leech Lake Dam, Minn.

I was very gratified that representatives from the district engineers office in St. Paul met with the Minnesota Department of Conservation and the United States Fish and Wildlife Service. I was also very happy that an agreement was reached whereby the reduction in discharge from Leech Lake would be made more gradual in the future years. I might just add that this was the second occurrence in approximately 3 years and that the area fish supervisor flew over the area, because mud made other forms of transportation impossible, and estimated that thousands of fish were stranded when the river level dropped so rapidly. The tourist business contributes to the economic well-being of northern Minnesota and therefore it is very important that we take every precaution to preserve fishlife in our lakes and rivers.

I trust that only the most extreme conditions would require a reoccurrence of the rapid reduction in discharge from Leech Lake.

Sincerely yours,
EDWARD J. THYE,
United States Senate.

STATE OF MINNESOTA,
LEGISLATIVE COMMISSION
ON CONSERVATION LAWS,
St. Paul, Minn., April 17, 1958.

The Honorable EDWARD J. THYE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR THYE: We wish to call to your attention the recent fish kill on the Leech River immediately below Leech Lake Dam. According to reports from our conservation department the flow of water through Leech Lake Dam was reduced rapidly on Monday, March 24, 1958, the water downstream was lowered about 3 feet in 3 hours, the river went back within its banks, many northern pike were trapped in the shallow backwaters, and a large number were found dead along the banks of the stream.

The people of the area resent the action of the United States Army Corps of Engineers who were responsible for the operation of this dam and the fish loss, even conservatively estimated, as a result of closing the dam was tremendous. The action is more serious in that it appears the Corps of Engineers were fully cognizant of the effect of rapid drawdown on the fish immediately below the dam. The United States Fish and Wildlife Service and our department of conservation as well, have previously recommended that the closing of the Leech Lake Dam be done gradually over at least a 10-day period to permit the escapement of as many fish as possible.

On behalf of the people of the State of Minnesota, and in the interest of good conservation practices, we hope that you will make every effort to encourage the Corps of Engineers to follow the recommendations of the United States Fish and Wildlife Service regarding spring closure of reservoir dams; and that you will find some means to insure that the Corps of Engineers operation of dams in the reservoir area does not result in undue fish loss in the future.

Sincerely yours,
LOREN S. RUTTER,
Chairman.

CALL OF THE ROLL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

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

Mr. MANSFIELD. I announce that the Senator from Oklahoma [Mr. KERR] and the Senator from Ohio [Mr. LAUSCHE] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. CURTIS], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], the Senator from Michigan [Mr. POTTER], and the Senator from Connecticut [Mr. PURTELL] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Is there further morning business?

PRINTING OF COMMITTEE PRINT, "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES," AS A SENATE DOCUMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The LEGISLATIVE CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print, "Recruiting and Training for the Foreign Service of the United States," as a Senate document.

ORDER FOR CONSIDERATION OF AGRICULTURAL APPROPRIATION BILL LATER IN THE DAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order for the Senate to consider the agricultural appropriation bill later in the day.

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

TEACHER'S DAY

Mr. MARTIN of Iowa. Mr. President, the ladies auxiliary of the Veterans of Foreign Wars will mark Teacher's Day with appropriate ceremonies honoring the Nations' schoolteachers.

The observance should be of particular significance this year. The development of earth satellites and of the many other marvels of the space age, have brought about an increasing awareness of the need for adequate education for all Americans. This awareness also should awaken in all of us an appreciation for the teachers who devote their lives to implanting, in the formative minds of our children, that adequate basic education.

Under the leadership of the VFW auxiliary, Teacher's Day was commemorated appropriately in hundreds of communities throughout the country in 1957. This year, the observances will be even more widespread. The auxiliary has been conducting a special classroom helpers project whereby its members have been aiding teachers in nonstudy work on a volunteer basis, as a further means of expressing their appreciation, and preparing for the 1958 Teacher's Day.

I wish to take this opportunity to commend the VFW ladies for their efforts to honor American schoolteachers. I regret that the occasion still must be on an unofficial basis; I hope, however, that in the relatively near future the Senate Judiciary Committee will see its way clear to approve, and recommend passage of, my resolution to set aside May 4, the anniversary of the birth of the great educator, Horace Mann, as Teacher's Day, and thus give formal recognition to the occasion.

THE PROBLEM OF SMALL BUSINESS FINANCING

Mr. THYE. Mr. President, recently the staff of the Federal Reserve System, along with a number of consultants, submitted an exhaustive study into the problem of small business financing to the Congress. In the April 17 Wall Street Journal, an editorial appeared entitled "Topsy-Turvy Business," which, in my opinion, does not reflect the value which can be gained from this study. Mr. George Burger, the vice president of the National Federation of Independent Business, has written a letter to the editor of the Wall Street Journal in rebuttal to the editorial. In the Daily News Highlights issued by the Small Business Administration Office of Information for April 17, an analysis of this editorial also appears.

I ask unanimous consent that the editorial, the letter, and that section of the Daily News Highlights dealing with this editorial be made a part of the CONGRESSIONAL RECORD, along with the letter from the Honorable William McChesney Martin, Jr., to Mr. Burger, in which he clarifies the Board's relation to the study.

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

[From the Wall Street Journal of April 17, 1958]

TOPSY-TURVY BUSINESS

The "temporary" Small Business Administration, which will probably outlive us all, gets a searching look in a new Federal Reserve Board report. The report was prepared for Congress, and it would be well if Congress paid attention to it.

The study bluntly calls the SBA a distress organization which fails to hold out any promise for development of small businesses. One of the main reasons for this is, ironically, one of the SBA's main reason's for existence: The fact that the agency is set up to grant loans to applicants who can't get them anywhere else.

Thus sound business practice is stood on its head. The Government encourages people that private lenders consider poor credit risks to plunge into the complex stream of commerce, and not surprisingly difficulties sometimes ensue. The economy gains nothing in such cases, but apart from that it is fair to ask how much the Government has really helped a person it helps get into a business he can't make go.

As the report observes, the best help for small business comes from a favorable climate in the economy in general. That kind of climate, it might be added, is not fostered by the Government's handing out aid that can prove deceptive, indeed.

APRIL 17, 1958.

EDITOR, WALL STREET JOURNAL,
New York, N. Y.

DEAR SIR: I noted with considerable interest on the editorial page of today's Wall Street Journal, Topsy-Turvy Business, which certainly calls for our attention in view of the interest our nationwide membership—all independent business and professional men—has in the operation of the Small Business Administration.

You state: "The 'temporary' Small Business Administration will probably outlive us all." You are correct, and it will outlive us all until such time as banking institutions throughout the Nation are permitted to make long-term capital loans to small business. You are well aware that under present banking laws the banks more or less are regulated by State and Federal law on long-term loans.

We are leaving no stone unturned—which after all is the majority vote of our membership—to have the Senate take concurrent action on the improved Small Business Administration legislation which was voted by practically unanimous action in the House in the 1st session of the 85th Congress—to be exact, 392 for and 2 against.

Our understanding of the recently released report of the Federal Reserve Board, Financing Small Business, is that it was not a report of the Board itself but was merely a report of the staff which was engaged to study the situation.

Page 19 of the report carries Letter of Transmittal, dated March 31, 1958, directed to "The Chairmen, Senate Committee on Banking and Currency, Senate Select Committee on Small Business, House Committee on Banking and Currency, House Select Committee on Small Business" signed by Wm. McC. Martin, Jr., Chairman, in which he stated: "Last fall the research staffs of the Board of Governors and the Federal Reserve banks undertook a study of the financing problems of small business." We could find nothing in Mr. Martin's letter to the committees where he called the Small Business Administration a "distress organization," nor do we find in his letter any comments as quoted: "hold out any promise for development" of small businesses.

We believe in fairness to your nationwide readers of the Journal that you may find it convenient to publish this letter as it goes without saying many thousands of small-business people throughout the Nation do read the Wall Street Journal.

Sincerely yours,

GEORGE J. BURGER,
Vice President, National Federation of Independent Business.

WASHINGTON, D. C.

[From the Daily News Highlights of April 17, 1958]

The temporary Small Business Administration, which will probably outlive us all, gets a searching look in a new Federal Reserve Board report. The report was prepared for Congress and it would be well if Congress paid attention to it. The study bluntly calls the SBA a distress organization which fails to hold out any promise for development of small business. One of the main reasons for this is, ironically, one of the SBA's main reasons for existence: The fact that the agency is set up to grant loans to applicants who can't get them anywhere else. Thus sound business practice is stood on its head. As the report observes, the best help for small business comes from a favorable climate in the economy in general. That kind of climate, it might be added, is not fostered by the Government's handing out aid that can prove deceptive, indeed.—Editorial, Wall Street Journal.

The most significant feature of the Federal Reserve Board's 549-page study of the financing problems of small business is that it

offers no recommendations for change. The main purpose for undertaking the study was to advise Congress in tackling the problems of small business. Consequently, it would seem that, if the Federal Reserve Board had any suggestions on alleviating the difficulties smaller firms have in obtaining credit, this would have been a proper place for presenting them. Nevertheless, there are some ways in which the Board thinks small business could be helped. One is that it should be the responsibility of public policy to keep the process of allocation from being distorted by the exercise of monopoly powers or by imperfections in the financial mechanism.—Editorial, Journal of Commerce.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, April 16, 1958.

Mr. GEORGE J. BURGER,
Vice President, National Federation of Independent Business, Washington, D. C.

DEAR MR. BURGER: Thank you for your letter of April 14. I am glad to have your further comments about the Small Business Administration.

The report to which the Wall Street Journal release referred is a technical study of the problem of small-business financing, prepared by the staff of the Federal Reserve System with a number of university or independent scholars also collaborating. The conclusions drawn in the individual studies are those of the authors, and do not necessarily represent the views of the Board of Governors. The published study was given to the press without an accompanying release prepared by the Board or its staff. Such comments as the press may have made of the study, or such points as the press may have taken out of context, are, therefore, the responsibility of the press and in no way the responsibility of the Board.

Sincerely yours,

WM. MCC. MARTIN, Jr.

JAMES A. VAN ALLEN'S ACHIEVEMENTS IN THE WORLD OF SCIENCE

Mr. MARTIN of Iowa. Mr. President, on March 27 last, there appeared in the New York Times a biographical sketch of a man who has had much to do with this country's satellite program, James A. Van Allen, head of the physics department of the State University of Iowa. All Iowa is proud of Dr. Van Allen for his numerous achievements in the world of science, and I take particular pride is being able to say I have known him and his family throughout his lifetime. He is carrying on in admirable fashion the Van Allen family's fully merited and long-time reputation as one of Iowa's most-distinguished families of community leaders and scholars.

I ask unanimous consent, Mr. President, to have printed in the body of the RECORD, as part of my remarks, the biography of Dr. James A. Van Allen, originally printed in the New York Times of March 27.

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

WISE HEAD IN THE CLOUDS: JAMES ALFRED VAN ALLEN

Ever since he was 18 years old, James Alfred Van Allen has had his thoughts in the clouds—or higher.

Now, at a brisk 43, he is in charge of the equipment carried by United States earth satellites such as the Explorer that was fired yesterday. It can be said that research scientists are divided into three categories: thinkers, organizers, and doers. Dr. Van Allen is a doer. His first scientific doings resulted from his association with Dr. Thomas C. Poulter, who then taught physics at Iowa Wesleyan College. Dr. Poulter, in 1932, was preparing to sail for Antarctica as second in command of the Byrd Expedition.

He saw in the young Van Allen, then a freshman, the makings of a master tinkerer and put him to work, at 35 cents an hour, preparing instruments for Antarctic research. The tinkerer wanted to go south with Dr. Poulter, but his family vetoed the plan on the ground that he was too young.

DEVELOPER PROXIMITY FUSE

He did his graduate work at the State University of Iowa in Iowa City, near his native town of Mount Pleasant. He now heads the physics department at the university, and it was there that the instruments were originally assembled for satellite observation of cosmic rays.

After obtaining his doctorate in 1939 he joined the Carnegie Institution in Washington, but was soon caught up in the war, serving in the Navy Bureau of Ordnance. It was there that his effectiveness as a doer was established.

He served on the team that developed the proximity fuse. This device, which detonates if it passes near a target, greatly increased the effectiveness of antiaircraft fire. It was so vital—and so secret—that he was sent to deliver it in person to destroyers in combat off Guadalcanal.

In 1946 Dr. Van Allen became supervisor of high altitude research at the Applied Physics Laboratory of Johns Hopkins University. In the same year he launched the first scientific experiment aboard a captured German V–2 rocket, thus beginning the work in rocketry and cosmic ray research for which he is best known.

HOW THE IGY BEGAN

Dr. Van Allen was, from the start, one of the prime movers in the satellite program.

It can also be said that the worldwide effort, now known as the International Geophysical Year, was born in his living room in Silver Spring, Md. On April 5, 1950, he invited a number of scientists concerned with upper air research to an evening of talk with Dr. Sydney Chapman, a British pioneer in this field.

The outcome was a decision to press for a worldwide study of the earth and its environment.

One of Dr. Van Allen's most important contributions to upper air research has been the rockoon—a rocket carried up about 15 miles by balloon before being fired.

This costs only a fraction of the amount needed to build a rocket that can lift the same payload from the ground, since the rockoon does not have to push through the denser portions of the atmosphere.

He has fired them from icebreakers at points ranging from the northernmost to the southernmost limits of navigation. The rockoon ceiling is about 85 miles.

Dr. Van Allen supervised development of the Aerobee rocket, which has become a chief instrument of research in the region above rockoon range.

He now lives in Iowa City with his wife and 4 children. His chief form of relaxation is woodworking. He spent one recent evening repairing a kiddy car for his son. The car had once been his own—before he became interested in less earthbound matters.

THE 5-CENT POSTAGE RATE

Mr. MORSE. Mr. President, in the 1944 campaign for the Senate my opponent was former Senator Rufus C. Holman. Although we were political opponents in that campaign, nevertheless, Mr. President, a very warm, personal friendship has developed between us in the intervening years. On many occasions Senator Holman has been of great assistance to me in my work in the Senate, particularly in the field of natural resources.

Senator Holman was one of the outstanding opponents of the attempt on the part of the private utilities to scuttle the heritage of the American people in our river basins. On many other issues he has been of assistance to me. Recently I received a letter from him in support of my opposition to the adoption of the 5-cent postage stamp. I ask unanimous consent that the letter be incorporated at this point in my remarks.

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

PORTLAND, OREG., *March 17, 1958.*

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

MY DEAR SENATOR: I have just read your speech, Five-Cent Postage an Uncalled-For Subsidy to Newspapers and Magazines, and I approve it and compliment you upon it. Again I am convinced you are a great, honorable, and patriotic Senator.

Very cordially yours,

RUFUS C. HOLMAN.

TAX REDUCTION AND PUBLIC WORKS

Mr. MORSE. The editor of the Oregon Statesman, Mr. Charles A. Sprague, a former Representative and former Governor of our State, as I indicated in my speech the other day in the Senate, has been criticizing me for my position in support of both a tax reduction and a public-works program. He expresses the point of view we hear from some people, that one who stands for a tax cut and for a public-works program at the same time is guilty of some sort of fiscal irresponsibility.

I ask unanimous consent that Mr. Sprague's editorial criticism of me and my reply to him under date of April 15, 1958, be printed in the RECORD at this point.

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

IT SEEMS TO ME

(By Charles A. Sprague)

Park-bench adviser Bernard Baruch gave some sound, if now unusual advice on public finance in testimony before the Senate finance committee Tuesday. He raised his voice in protest against big Federal spending and tax cuts. He declared:

"To reduce revenues before our defenses are secure and our debt manageable is uneconomic and immoral. * * * Nor is this the time to embark on vast Federal works or other pump-priming programs requiring deficit financing."

Baruch wasn't scared at the thought of raising taxes: "Why shouldn't you if you have to?" Asked if he preferred high taxes to deficit financing Baruch replied, "I certainly do." The 87-year-old financier-philosopher proved still a rugged individualist, saying "Nothing is more dangerous than this notion that economic salvation lies through government intercession."

When Senator WAYNE MORSE was in Oregon recently he declared: "The Government got us into this recession, it is up to the Government to get us out." Baruch has a different idea: "Government did not keep us from getting into our present condition. How can we rely on it to get us out of it?" His counsel:

"Let us not turn always to the Government for succor, but remember that a free government depends always upon the people for sustenance."

Strictly old deal stuff, to be sure. But still valid gospel. Yet there are some, MORSE among them, who think we can cut the Treasury at both ends and restore prosperity. NEUBERGER will not go for that, and stood toe to toe in debating with MORSE on this issue. NEUBERGER favors big spending programs; MORSE wants them plus tax cuts. The latter course seems the height of fiscal irresponsibility.

Congress has been busy opening the bunghole for funds to flow out. Defense spending already has been boosted a billion or more and a Presidential request for another billion went to Congress Wednesday. An expanded housing program was authorized. Thursday Congress passed a bill for highway spending which increases the sums previously scheduled by $1.8 billion. This seems a wasteful acceleration of the highway program which now is booming along at a fast clip. It will not furnish jobs in the areas of greatest need such as textiles, motor plants, mines. The housing program is far better for providing jobs. But highways are favorites, so the money flows out. (Some wonder why schoolhouses which were recommended by the administration last year get no favorable nod this year.)

The recession was a corrective, or as Baruch said, "the inevitable aftermath of a period of inflation." If now we give the fresh stimulant of deficit financing we invite a worse deflation in the future. Already confidence in the circulating medium has suffered. People have become inflation addicts. But this addition, like other vices, feeds on itself. We need a sobering up rather than fresh indulgence.

This is not to say that Government is impotent. Brakes used by the Federal Reserve Board to retard credit excesses were timely, as were its moves to loosen credit to avert too severe a tightening up. It is proper to spend more public funds when business is off, and even a small deficit in such a period is not alarming.

The base of our economic health lies in the smooth operation of our private economy. It is the aggregate of decisions made by the 160 million Americans which determines the course of business. The administration has been fully as lenient as it should be with augmenting the public spending. It should strongly resist cutting taxes too, save in some areas where correction has long been needed, like the transportation tax on freight. We'll work out of this present difficulty, and be on more solid ground if we do it without introducing further deterioration in our currency.

APRIL 15, 1958.

GOV. CHARLES A. SPRAGUE,
Editor, Oregon Statesman,
Salem, Oreg.

DEAR GOVERNOR SPRAGUE: Your column of April 4 discussing Bernard Baruch's views on the recession omits many important aspects of the issues involved.

First, Mr. Baruch, and many who share his view, ascribe a meaningless virtue to a balanced budget. A budget, and its state of balance, has no moral quality in itself.

What does have moral quality is the responsibility of the National Government to look out for the economic welfare of the American people. This responsibility, implicit in our Constitution, was written into law in the Employment Act of 1946, of which I was a cosponsor.

What determines the desirability of having the budget balanced is the state of the whole economy, and the effect a balanced or unbalanced budget would have on it. The budget is simply one of several economic tools with which the Federal Government can and should help assure a prosperous America. A failure to do so is what constitutes political irresponsibility, in my opinion.

Secondly, those who favor public works only to counter recession overlook the fact that it is when these projects are financed by borrowing—by deficit—that they can result in a net increase in business activity. Moreover, their impact, even with deficit financing, comes many months and even years after their authorization.

A personal income-tax cut is the quickest way to increase total spending. Taxpayers thus have more of their own money to spend, and the Government borrows to maintain its authorized spending levels.

Our immediate problem is recession, perhaps depression. That is what we must fight now. A tax cut and public works are major economic weapons to be used.

I share the view of the economics faculty of Columbia University, including Arthur Burns, who was, until recently, the President's chief economic adviser. In a letter to the New York Times on April 14, they said:

"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."

It is my view that the Government should tax relatively heavily in time of prosperity. At such times, tax revenue should be large enough not only to balance the budget, but make substantial payments on the national debt.

In time of serious recession such as now, personal taxes should be cut and the Government should spend through deficit financing for needed public works that will put millions of unemployed back to work. A double-barreled attack of a combined tax cut and public works is called for now if we are to protect and promote the general welfare of all of the people of our Republic.

You and others may call my position on this matter fiscal irresponsibility if you like, but such a charge is only a parroting of similar attacks on the antidepression program of Franklin Roosevelt in 1933.

I am convinced that a tax cut for the individual taxpayer and a speeded up public-works program are economically and morally sound. Therefore, I shall continue to oppose such reactionary views as your column expresses on this issue.

Sincerely yours,

WAYNE MORSE.

FCC HEARINGS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to the New York Times under date of March 19, 1958, by Mr. John M. Carmody.

Mr. Carmody is one of the great Democrats of our time. He has had great experience in the field of administrative law and administrative law agencies. He has been active in those agencies.

To demonstrate his qualifications for the observations he made in the letter to the New York Times on the subject of FCC, I ask that there be printed at this point in my remarks a biographical sketch of Mr. John M. Carmody, as contained in Who's Who.

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

Carmody, John Michael (kar'mō-dē, industrial executive, born Bradford County, Pa.; son of Michael John and Catherine (Collins) C.; graduate Elmira (N. Y.) Free Academy, 1899, Elmira Business College, 1900; student Lewis Institute, Chicago, 1908, Columbia, 1926; married Margaret Cross, October 4, 1913; 1 daughter, Catherine Cross, Structural steel executive, 1900–14; production and labor relation manager, ladies garment manufacturing, 1914–23; made special study of labor relations in bituminous coal industry for United States Coal Commission, 1922; vice president in charge of industrial relations, Davis Coal & Coke Co., and vice president and general manager of its merchandising subsidiaries, 1923–26; editor Coal Age, also Factory and Industrial Management, New York City, 1927–33; made survey for McGraw-Hill Publishing Co., of industrial developments in Russia, 1931; chairman Bituminous Coal Labor Board, 1933; chief engineer Civil Works Administration, Federal Emergency Relief Administration, and member National Mediation Board, 1933–35; member National Labor Relations Board, 1935–36; administrator Rural Electrification Administration, 1936–39; member President's Power Policy Commission, 1936–41; Administrator Federal Works Agency, 1939–41, including administration Lanham Act Defense Housing Program, 1940–41; member Maritime Commission, 1941–46; vice chairman Maritime War Emergency Board, 1946; chairman Federal Interdepartmental Safety Council, 1945–46; member General Review Board, War Assets Administration, 1947–48; referee National Railroad Adjustment Board, 1949–50; consultant, President's Water Resources, 1950–51, Materials, 1951, policy commissions, director production assistance French mission E. C. A., Paris, 1951; consultant, Small Defense Plants Administration, 1952; labor arbitrator, 1955—; labor management, consultant, chairman Citizens Emergency Commission to Settle Westinghouse Strike, 1955–56; sponsor Electric Consumers Information Committee. Trustee Judson King Foundation, American Federation Physically Handicapped Educational Fund; director National Popular Government League, Public Affairs Institute. Past president Society Industrial Engineers Fellowship, Social Advancement Management Home: 5411 42d Street, Washington 15.

Mr. MORSE. I now ask unanimous consent to have printed in the RECORD at this point Mr. Carmody's letter to the New York Times, in which he discusses the need for a thoroughgoing investigation of Federal Communications Commission hearings.

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

WASHINGTON, D. C., *March 19, 1958.*

EDITOR, NEW YORK TIMES,
New York, N. Y.

DEAR SIR: Congressional hearings into the manner in which extremely important public business is being conducted in the Federal Communications Commission and other regulatory agencies have scarcely begun. While enough misconduct already has been revealed to warrant one resignation, I doubt if enough attention has yet been given to the positive, constructive qualifications for the high responsibilities that members of this and other quasi-judicial agencies should be aware of.

The hasty nomination of an obscure man from an obscure desk in the Department of State, who says he is honest, leads me to suggest it is not enough that Commissioners be honest; that ought to be taken for granted in any person the President recommends to the Senate for confirmation for this or any other high office. Swift action should follow disclosure of conduct contrary to this assumption.

It is not enough either, in my view, that a nominee for a commissionership on FCC be an electrical engineer or any other kind of engineer, as the nominee, John Cross, claims to be. FCC has been in business several years. I assume this agency, like many others, has a competent staff, including experienced engineers, lawyers, and many other specialists. The responsibility of a Commissioner is of a different order. It involves public policy of a high judicial order. One lawyer, possessed of a wealth of experience in dealing with regulatory agencies, has said, "As decision follows decision, the interest that is being regulated masses all of its resources, focuses them upon the spot where the decision is to be made, and brings them into play at the opportune moment. The far-flung and inarticulate public usually remains mute."

No, this is not a responsibility for clerks or those now serving in minor jobs in Government or private industry. It is not something for which outstanding, widely known men or women would have filed an application. Here indeed the office should seek the man, and search widely for him. His name is not likely to be found quickly among applicants, as the name of Mr. Cross, hastily nominated by the President, seems to have been found on someone's White House desk. Jumping an obscure man from a salary of $8,000 or $9,000 a year to one of $20,000 overnight is not likely to clothe him with qualities of leadership or judicial acumen necessary to protect the larger public interest. Commissioners are trustees for the public.

The President and the Senators, called upon to confirm these appointments, should be as solicitous in selecting these men and confirming them as they are in selecting men to serve on the Supreme Court.

This is especially true of the Federal Communications Commission. Through its supervision of radio and television it reaches into almost every home in the United States and into our schools, too. Members are faced with problems of education that challenge our best minds.

By the turn of events the President had an opportunity to correct an error and appoint a really top man or woman. It is not too late, it seems to me, for the Senate to suggest the name be withdrawn in favor of a thoroughly competent man or woman distinguished for public service. Why not, for instance, an outstanding educator, or a woman whose work in the interest of consumers has won her widespread confidence and respect?

Sincerely,

JOHN M. CARMODY.

CESSATION OF NUCLEAR TESTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, in support of the position I have been taking, ever since the campaign of 1956, in regard to the cessation of nuclear tests, an advertisement which appeared in the April 11 issue of the New York Times entitled "Nuclear Bombs Can Destroy All Life in War." The advertisement was sponsored, as the names in it show, by some outstanding citizens of our country.

Along with the advertisement, I ask unanimous consent that there be incorporated, as a part of my remarks, a report published in I. F. Stone's Weekly of March 31, 1958, entitled "Report Accuses AEC of Failing To Be Candid About Radioactive Danger."

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

[From the New York Times of April 11, 1958]

NUCLEAR BOMBS CAN DESTROY ALL LIFE IN WAR—NUCLEAR TESTS ARE ENDANGERING OUR HEALTH RIGHT NOW—WE MUST POSTPONE OUR COMING TESTS

1. The Soviet Union states it is calling off further nuclear tests. The easiest way for us to convert this announcement into a moral disaster for the United States is to stand pat on this issue. The least we can do today—if we hope to restore America's moral standing in the world—is to postpone our tests while we negotiate a satisfactory agreement. President Eisenhower's April 7 letter to Khrushchev regains some of the ground lost by our first response to the Soviet announcement. The President's recommendation for technical studies preliminary to a broad disarmament agreement deserves the widest possible support. But much more has to be done.

2. It is true that the Soviet Union waited until it completed its spring tests which sharply increased poisonous radioactive strontium in the atmosphere. But it makes no sense for the United States to complain about radioactivity from the Russian tests and then plan to add to it with our own tests. Estimated nuclear box score to date: United States—one hundred-odd tests; Soviet Union—fifty-odd tests.

3. The United States Atomic Energy Commission now admits that radioactive fallout is a matter for genuine concern and that the United States is the hottest radioactive place in the world. Scientists warn that thousands of babies will be born malformed because of tests to date. Many thousands more people will prematurely die of diseases of blood and bone.

WE MUST CALL FOR A UNITED NATIONS INSPECTED BAN ON TESTS

1. We must challenge Moscow's bid by proposing a permanent end to tests under effective inspection. Khrushchev said on April 4: "Russia is willing to accept supervision." Let's call his hand.

2. Dr. Libby, of the Atomic Energy Commission, concedes that detection of nuclear explosions is feasible, contrary to the much publicized doubts of Dr. Edward Teller. The AEC has said that last year's underground test in Nevada was detected only 250 miles away. Now it is revealed that the test was detected in Alaska, 2,300 miles away. A hydrogen bomb is many thousands of times more powerful than the "tiny" bomb used in the underground test.

3. Tests deemed necessary for peaceful purposes can be conducted by an international agency. Nuclear weapons tests must be stopped.

WE MUST NOT SUPPLY BOMB MATERIALS TO OTHER COUNTRIES

Bills now before Congress would authorize transfer of bomb materials, parts and weapons design blueprints to other countries.

This would mean more nuclear powers and so extend the "suicide club": Korea is pressing for nuclear arms. NATO powers are seeking them. Turkey will certainly want them. Then Pakistan. Moscow will make Communist China a nuclear power. Fuses could be set all over the world.

We would increase the chance of accidental atomic war, launched by some minor military commander. Witness the anonymous French colonel who ordered the attack on a Tunisian village, using American-made planes.

AMERICAN SECURITY AND WORLD SECURITY ARE NOW ONE

America must give leadership for world disarmament and conditions that make for a just and workable peace. We must stop the contamination of the air, the milk children drink, the food we eat.

While there is yet time, let us come to life on this issue and take the moral initiative.

ACT NOW—FOR MAN'S SAKE

Write President Eisenhower, the White House, Washington, D. C., and Vice President NIXON, the Capitol, Washington, D. C.

Write your United States Senator and Representative in Washington opposing the bills to transfer bomb materials to other countries and favoring an end to nuclear tests as a first step toward a broader disarmament. Send a copy to Senator JOHN O. PASTORE, of the Joint Committee on Atomic Energy.

Write your newspaper editor, or news commentator.

Organize a group, or work with existing ones in your community.

Write the national committee for permission to reprint this advertisement in your home paper. We'll tell you how to do it.

Send a contribution to this committee to keep it going and expand its influence. Your moral support is heartening. Your financial support is imperative.

NATIONAL COMMITTEE FOR A SANE NUCLEAR POLICY, NEW YORK, N. Y.
NORMAN COUSINS,
CLARENCE PICKETT,
Cochairmen.
CLARENCE H. LOW, *Treasurer.*
LAWRENCE S. MAYERS, Jr.,
Comptroller.
TREVOR THOMAS,
ALFRED WILLIAMS,
Staff.

(Signed by Prof. John C. Bennett, dean of the faculty, Union Theological Seminary; Brock Chisholm, M. D., former director-general, World Health Organization; Norman Cousins*, editor, the Saturday Review; Rev. Henry Hitt Crane, Detroit; India Edwards, Washington, D. C.; Eugene Exman*, vice president, Harper & Bros., publisher; Harold E. Fey, editor, the Christian Century; Rev. Harry E. Fosdick, minister emeritus, Riverside Church, New York; Dr. Erich Fromm, psychologist, author; Robert Gilmore*, New York secretary, American Friends Service Committee; Oscar Hammerstein II, playwright; Rev. Donald Harrington*, minister, Community Church, New York; Gen. Hugh B. Hester, brigadier general, U. S. Army (retired); Hon. Stanley M. Isacs, minority leader, New York City Council; Dr. Homer Jack*, minister, Evanston, Ill.; Rabbi Edward E. Klein, Stephen Wise Free Synagogue, New York City; Paul Lavietes, M. D., chairman, Physicians' Forum; Howard Lindsay; Dr. M. Stanley Livingston, department of physics, M. I. T.; Clarence H. Low*, retired; Thomas G. MacGowan, market and economic analyst; L. D. MacIntyre, president, American Ethical Union; Arnold H. Maremont, board chairman, Thor Corp.; Lenore G. Marshall*, author, "Other Knowledge," etc.; Lawrence S. Mayers, Jr.,* president, L. C. Mayers Co., Inc.; Rev. Robert J. McCracken, minister, the Riverside Church, New York; Lewis Mumford, author; James G. Patton, president, National Farmers' Union; Dr. Linus Pauling, Nobel Prize in Chemistry, California Institute of Technology; Orlie Pell,* president, United States section, Women's International League; Clarence Pickett,* executive secretary emeritus, American Friends Service Committee; Josephine W. Pomerance,* Committee for World Disarmament and World Development; Dr. Charles C. Price,* chairman, department of chemistry, University of Pennsylvania; David Riesman, sociologist, author, "The Lonely Crowd," etc.;

Elmo Roper, marketing consultant and public opinion analyst; Dr. James T. Shotwell, president emeritus, Carnegie Endowment for International Peace; Dr. Ralph W. Sockman, minister, Christ Church, Methodist, New York; Dr. Edward J. Sparling,* president, Roosevelt University; Samuel Standard, M. D., associate professor of clinical surgery, New York University College of Medicine; Mark Starr; Norman Thomas,* chairman, Post War World Council; Dean Howard Thurman, Marsh Chapel, Boston University; Dr. Paul J. Tillich, university professor, Harvard; Jerry Voorhis, executive director, Cooperative League of America; James Warburg*, author, Agenda for Action, etc.; Allan M. Wilson;* Dr. Hugh Wolfe,* chairman, department of physics, Cooper Union, New York.)

(The signers of this statement do so as individuals and not as representatives of organizations or as members of the National Committee for a Sane Nuclear Policy. Asterisk indicates members of the national executive committee.)

[From the I. F. Stone's Weekly of March 31, 1958]

REPORT ACCUSES AEC OF FAILING TO BE CANDID ABOUT RADIOACTIVE DANGER

(We publish here the full text of a report by the National Committee for a Sane Nuclear Policy on the way in which the Atomic Energy Commission has failed to be candid with the public on radioactive fallout, particularly with regard to its dangers for growing children and the role milk plays in the absorption by humans of the new manmade poison, strontium 90. The National Committee for a Sane Nuclear Policy, whose recent full page advertisements have been signed by such notables as Mrs. Franklin D. Roosevelt and Walter Reuther, includes among its executive members Dr. Hugh Wolfe, of the Federation of American Scientists; Dr. Charles C. Price, University of Pennsylvania, and Norman Cousins, editor of the Saturday Review. Trevor Thomas is executive secretary. Its address is 202 East 44th Street, New York 17.)

The Atomic Energy Commission is required by law to safeguard the public from radiation that might be disseminated by activities which employ nuclear energy (from bomb tests and reactors). Assessment of this hazard is a scientific matter. The task—properly viewed as a scientific problem—may be divided into two parts: (a) The intensity and characteristics of radiation to which humans are exposed must be determined by suitable physical measurements. This is a straightforward matter and involves clearly understood theory and widely accepted types of practice. (b) The expected biological effect of the radiation must be assessed. This matter is beset with difficulties, both with regard to experimental data, and with respect to interpretation and conclusions. One cannot expect the biological evaluation to be as precise, or as free from legitimate differences in interpretation, as the physical radiation data.

In this situation it is reasonable to expect that any evaluation of the biological hazard from fallout radiation will be based on the following:

1. A statement of the best available physical data regarding the occurrence of fallout radiation. This should include the range of values in various places and at various times.

2. A statement of the scientifically valid estimates of the expected biological hazard from the above radiation. Since this estimate is subject to a wide range of uncertainties, such a statement must include the range of extreme interpretations that are supported by what data are available. In practice such a statement would represent the several views of various scientists competent to judge the data—which will of course range from optimistic to pessimistic with regard to anticipated hazard.

3. As facts are accumulated, and matters become more certain the foregoing statements should be progressively modified in whatever direction is dictated by the evidence.

In what follows it will be shown that in a number of important instances, the AEC has not followed this procedure. It will be shown that the AEC has instead tended to foster the most optimistic interpretation (i. e., which most minimizes the expected hazard from fallout radiation) and that the AEC has altered this position only under the pressure of outside scrutiny and attack. This evidence tends to show that the AEC's evaluation of the fallout hazard has not been based on the standards of objectivity and candor that are customary in scientific matters.

1. The general hazard from Sr-90 in fallout: It is now known that one of the major biological effects of fallout radiation results from the accumulation of Sr-90 in the bones of growing children, and that this isotope is absorbed from milk, which is the major food source of the minerals required during bone formation. These facts are now publicly acknowledged by the AEC. This discussion deals with the questions: (1) When were these facts made public by the AEC? (2) Was this publication on AEC initiative, or forced by external events?

The foregoing facts are described in the 21st semiannual report of the AEC (dated January 1957). This report also states that "the dissemination of strontium 90 from nuclear detonations and of subsequent uptake by humans have been under study by the Commission since 1948." (P. 213.) This statement is followed by a footnote: "Certain aspects of radiostrontium research were reported earlier: pages 115-122, 13th semiannual report (July-December 1953); pages 53-54, 16th semiannual report (January-June 1954); appendix 7, 18th semiannual report (January-June 1955); pages 69-72, 19th semiannual report (July-December 1955); pages 105-106, 20th semiannual report (January-June 1956)."

Evidently then we can determine the answers to the above questions by examining the foregoing chronology of AEC statements about Sr-90. This chronology follows:

(a) January 1953: (13th semiannual report, pp. 115-122): This section is entitled "Long-Term Effects of Fallout." It describes the dissemination of Sr-90 from nuclear tests, its occurrence in soil, food plants, and animals. Two references to the possibility of absorption of Sr-90 by humans occur. One of these (p. 122) is as follows:

"Uptake by animals. Cattle and other animals may eat plants which contain radioactive materials from fallout. Studies have been made of the possibility of hazard to humans as a result of eating meat from such animals. These studies indicate that the bone-seeking radioisotopes are of greatest potential concern and that the chief among these is radiostrontium.

"Cattle absorb 25 to 30 percent of the ingested strontium, with about 25 percent reaching the bone. A few days after entrance of radiostrontium into the body, about 90 percent of the remaining amount will be in the bones. The only potential hazard to human beings would be the ingestion of bone splinters which might be intermingled with muscle tissue during butchering and cutting of the meat. An insignificant amount would enter the human body in this fashion."

Note that there is no mention of Sr-90 absorption via milk—which is, of course, the major food source of Sr-90.

The second reference is the possible absorption of Sr-90 by eating plant food containing this isotope. The pertinent statement (p. 120) follows:

"Plants have been grown in soil containing a concentration of fission products equivalent to that produced by the maximum fallout observed in the immediate vicinity of the point of detonation.

"One to two hundred pounds of these plants, grown in the very high concentration of fission products which might be found in the immediate vicinity of the detonations on the proving ground, could be eaten by an individual without acquiring the maximum permissible body burden of radioactive strontium. The maximum radioactive content of plants grown at a distance of a few miles from the point of detonation would be considerably lower."

This statement fails to point out that the Sr-90 absorbed by humans in food accumulates in the bone. Thus hundreds of pounds of plant food will be ingested by an individual in, say, 15 to 20 years of growth, during which time Sr-90 present in food will accumulate in the individual's bones.

(b) July 1954: (Sixteenth Semiannual Report, pp. 53-54): These pages comprise a brief section entitled "Fallout in the United States." This section reads as follows:

"Following nuclear detonations, radioactive debris is distributed by normal air currents over large areas and with sufficiently sensitive instruments may be found to encircle the globe. Small amounts were deposited widely over the United States during the Pacific tests and in some areas resulted in transitory rises of the normal background radiation levels."

DEFENSE REORGANIZATION

Mr. KUCHEL. Mr. President, the American people sense a need for a reorganization of the Defense Department. In my judgment they are prepared to follow the leadership of the President of the United States in this field.

I listened to the address which President Eisenhower delivered on Thursday to the newspaper editors of America. It was an eloquent, vigorous, logical, and persuasive address.

Two great American newspapers, the Los Angeles Times and the Los Angeles Examiner, commented favorably on the President's recommendaiton for a reorganization of the Defense Department. I ask unanimous consent that the text of the two excellent editorials be printed in the RECORD.

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

[From the Los Angeles Times of April 18, 1958]

A MEMORABLE PRESIDENTIAL SPEECH

The typical Eisenhower speech is earnest and short but it kindles no fire. The President's appeal rarely owes much to his rhetoric. But yesterday he gave the newspaper editors, meeting in Washington, a most untypical performance. It was an earnest speech, and short, but it glittered with memorable aphorisms. It contained enough quotable material to salt the whole administration record.

ON OWN GROUNDS

It seems quite natural, now that he has made the speech, that it should have been his most forceful, for he was talking about the things he knows best. It was shop talk, military shop talk, from a man who spent his life, until he became President, in military service. There are not many men in the world who have had wider service, none who has had higher.

Mr. Eisenhower got to his case quickly. After 300 words he made the statement that

ought to be cut over every Pentagon portal: "The waging of war by separate ground, sea and air forces is gone forever."

And then, in a text bristling with the maxims of experience, he plunged into the argument for the major reform of his administration, a true unification of the armed services. The central problem of unification is the costly interservice rivalry. The President minced no words:

FUNCTIONS SCRAMBLED

"The fact is, modern weapons have scrambled traditional service functions. Interservice controversy and confusion are the result. This simply means that our military weapons and techniques and certain provisions of law just do not mesh.

"I am quite sure that the American people feel it is far more important to be able to hit the target than it is to haggle over who makes a weapon or who pulls a trigger * * *

"Modern war demands the vesting of strategic planning and the control of military operations clearly in the Secretary of Defense-Joint Chiefs of Staff mechanism; under the overall direction of the Commander in Chief. It is impossible longer to diffuse this function among three competing services."

And so on, point by point, he buttressed the reform proposals he had submitted to Congress.

The President anticipates a hard fight for his program and he expects to carry it to the people. His speech to the editors was the opening salvo. Curiously, he does not expect the greatest opposition from the top brass of the Pentagon:

"In the present situation it is more than gratifying to have the assurance that the convictions of senior civil and military leaders in the Defense Department closely parallel my own. They have cooperated loyally in designing the details of the proposed reorganization. Much of the criticism we are likely to hear, therefore, will probably be loudest and most bitter not from responsible service leaders but rather from outside sources. These sources often resist military change far more vigorously than the services themselves."

VESTED INTERESTS

This is probably true or almost true. The President as Commander in Chief can pretty well keep the high brass in line. But the outside sources do not operate in a vacuum. Without the moral support of the services, unofficial, of course, the outside sources would not be in business. The services have become their vested interests—or vice versa—and the leagues, associations and magazines supporting the several military arms would lose their cause for being and a good many of their officers and editors their livelihoods if they were deprived of their partisanship.

And Congress has ancient and respectable Members, like Representative VINSON, who have devoted their lives to battling for their favorite services. These men may give the President a bad time.

But Mr. Eisenhower has never been so right during his 5 years as President as he is now. As he says, his reforms are vital for security and would have a tremendous effect on the economy. Since he has been President the services have had $200 billion to spend and one recoils from estimating how much of that money was wasted in interservice controversy and confusion.

The President's theme will bear repeating: "The waging of war by separate ground, sea, and air forces is gone forever."

[From the Los Angeles Examiner of April 18, 1958]

To newspaper editors of the country—and directly to the people—President Eisenhower forcefully presented his case yesterday for reorganizing the Defense Department.

It is a cause of compelling urgency because it is vital to security; it would ease the burden on taxpayers.

The President summed it up yesterday in three important words "safety with solvency."

On this principle he has hammered out his plan from more than 40 years of military experience, including World War II Supreme Allied Commander in Europe (leading the greatest military coalition in history), Chief of Staff of the Army (1945–48), and consultant on previous defense coordination efforts. He has been assisted by a group of military and civilian advisers.

Furthermore, as William Randolph Hearst, Jr., pointed out in Editor's Report in the Examiner last Sunday, the President is determined that no man on horseback, meaning a military autocrat, shall even threaten civilian control of the Defense Department.

On these considerations, the President speaks from an unassailable position. He is supported by the life-and-death logic of this Nation's safety. The steps of that logic are:

1. In this age of modern weapons, and the rapidly approaching age of missiles, the warning time of an aggressor's attack is dwindling toward zero.

2. Since the United States never will be the aggressor, the advantage of the first blow lies with an enemy.

3. Therefore, our military organization must be in a state of instant retaliatory readiness.

4. It is not now in that state. It is conditioned to delay by duplicating and implicitly antagonistic lines of command (take a look at the detours in the chart showing operational lines of CONAD—Continental Air Defense), by committees diluting the recommendation of other committees and tending to produce a neutrality of purpose in place of decisive action (take a look at the chart showing the operational setup under the Joint Chiefs of Staff).

The Eisenhower plan proposes a direct line of command leading from the President as Commander in Chief, through a civilian Secretary of Defense (acting on direct and constant counsel of the Joint Chiefs) and through them to unified operational commands and the three services.

The separate identities of the services are maintained. The service Secretaries would be responsible for administration, training, and logistics (the science of transport, quartering and supply), which will give them plenty to do. To prevent costly duplication, a Director of Defense Research and Engineering would supervise research projects.

Most of the gathering Congressional opposition is centered on the power the plan accords the Defense Secretary, militarily and financially. The President has offered convincing answers.

He points to the built-in constitutional safeguard that makes the President Commander in Chief, and to the fact that the Defense Secretary must rely on the advice of the Joint Chiefs, who are obligated if they disagree with the Secretary to take their position to the Commander in Chief.

As concerns power of money, the President emphasizes that he recommends the Defense Secretary have authority to transfer funds among the three services and not that the Secretary shall take control of appropriations away from Congress. Congress would continue to hold the purse strings.

He assured Congress and the people yesterday that there will be no single chief of staff; no Prussian staff; no czar; no $40 billion blank check; no swallowing up of the traditional services; no undermining of the powers of Congress.

The President's plan may not be perfect (how many plans are?) but it is a resolute and hard-thought-out project backed by years of experience, that is essential to the Nation's security and will benefit the Nation's economy.

It deserves the support of the American people.

NEED FOR NEW FLOOD-CONTROL AUTHORIZATIONS

Mr. KUCHEL. Mr. President, an ever-growing population, with ever-expanding residential and industrial areas and with ever-increasing agriculture, imposes a continuing responsibility on the Federal Government and the Congress to keep pace with new needs, new demands, and new problems. These facts prompted the Congress over the last 4 years to draft, debate, and approve two omnibus public-works bills authorizing river and harbor improvements, beach-erosion projects, and flood-control works. Both of those bills, I very much regret, were unacceptable to the President, and were returned to Congress without his signature.

During the 4 years Congress has been endeavoring to enact a new law, nature has not been quiet nor dormant. On the contrary, many extensive and widely separate sections of our Nation have suffered severely from the savage forces which nature can unloose. A year ago Texas and the Southwest were deluged with rains in a succession of storms which inflicted great havoc and loss of life. This past month California has been lashed by a wearying series of storms bringing great damage and property losses almost the entire length of the State.

The President's veto of the most recent flood-control authorization bill does not, of course, remove the urgency by which Congress must proceed in its efforts to provide for Federal participation in efforts to protect the American people against uncontrollable ravages of nature.

Personally, having participated as a member of the Public Works Committee in the drafting of S. 497, I felt and I still feel the bill which President Eisenhower vetoed last week was meritorious, certainly long overdue, and vital to the development and growth of our Nation. I already have commented that it was, in my estimation, in view of all the circumstances, about the best obtainable. With its admitted shortcomings, I am prepared to vote for it again.

A considerable part of my regret that the President felt impelled to reject this bill flows from the fact that failure to have it become law jeopardizes the continuance of a number of sound, thoroughly engineered, urgent programs which already are in motion. This vetoed bill, Mr. President, would have given needed legislative authorization for appropriations essential to moving forward toward goals which past Congresses already have approved and deemed worthy of American efforts.

The regrettable consequences of inaction or of governmental impasse in the field of new flood control authorizations will be felt in many parts of our Nation. An outstanding example of the distressing and probably costly effect of rejection of S. 497 is our Nation's fastest growing metropolitan area, Los Angeles and vicinity.

Among the many provisions of S. 497 of vital significance to California was additional authorization, to the extent of $44 million, for the comprehensive flood

control program in the Los Angeles Basin. There was another item, of $8 million, for the continuance of work in an adjacent basin, the Santa Ana, in my home county of Orange, which is an integral part of the whole heavily-settled southern California community.

Both of these basin programs were started by action of Congress in 1936. Each of them has been approved repeatedly in subsequent laws providing additional authorization for limited periods of years. Congress implied its intention of carrying these programs to a conclusion by action on one or both in 1936, 1937, 1938, 1941, 1944, 1946, and 1950. There was a total of 11 separate authorizations before the vetoed bill of 1956 and the latest measure just rejected by the President.

The provisions of S. 497 also included similar new authorization for three other basinwide programs in California: on the Sacramento, on the San Joaquin, and on the Kaweah-Tule Rivers. They were undertaken respectively under laws enacted in 1910 and 1944. The plans for those streams and their tributaries are equally vital to the safety, the security, and the existence of lush agricultural, thriving business, and attractive residential areas of the Central Valley of our State.

If this Congress ignores the challenge of Nature and in a defeatist manner ceases its efforts to assist our people now, an immediate and possibly tragic result will be the virtual ending of work on the Los Angeles County flood control program. Last year, Congress tied strings to the appropriation for the continuance of this project during the fiscal year in which we are now operating. A money item of $18,100,000 for the Los Angeles Basin project approved by Congress 1 year ago specified that only $16,215,000 could be expended in fiscal 1958 unless new authorization was voted. Similarly, restrictions were attached to appropriations of $5 million for Success Dam and $2,500,000 for Terminus Dam, integral units of the comprehensive plan for the Kaweah-Tule Basin, in the San Joaquin Valley.

Incidentally, these projects are the sort which can provide quick employment. In Los Angeles, under the long-range policies of the board of supervisors, schedules for several years ahead are worked out in advance by the county flood control engineer in consultation with the Army district engineer. Construction of Success and Terminus Dams had been programed to get under way in the present fiscal year.

There are many other reasons why flood-control authorization legislation must be enacted at the present session. There are projects all over our Nation which must be initiated as quickly as possible, some for which money already has been earmarked, and many for which local interests already have raised their contributions and taken required steps for other local participation. In one fashion or another, Congress needs to act now.

As long as winds from the oceans blow rain- and snow-bearing clouds over the continental United States, we cannot stand still. We cannot ignore the eternal challenge which nature flings at our people. We must not be insensible toward the perpetual threat to their lives, their homes, their businesses and industries, their farms and our transportation and communications systems. Nature all too often has demonstrated that creations of mankind can be damaged or destroyed by floods, often in a twinkling, with as telling effect as by a bomb dropped by a human enemy.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, approving articles published in the Pasadena Independent of April 19, 1958, the Los Angeles Mirror-News of April 19, 1958, and the Los Angeles Times of April 19, 1958.

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

[From the Pasadena Independent of April 19, 1958]

COUNTY FLOOD PLAN THREATENED

This week's Presidential veto of the $1,500,000,000 rivers and harbors authorization bill could mean the end of the Los Angeles County drainage area project, H. E. Hedger, chief engineer of the county flood control district, said yesterday.

Included in the bill was $144 million of additional authorization for the local program, which was started by the Army Corps of Engineers in 1936.

Unless authorization legislation is passed and signed quickly the Engineers' work will come to a halt on July 1, Hedger said.

Congress appropriated $18,100,000 for construction on the program during the current fiscal year, but there was only $16,215,000 remaining from previous authorizations pending passage of a new bill.

Hedger said this means three projects scheduled to get underway within the next few weeks will not start until authorization has been provided.

Jobs for which funds are available but cannot be spent include a unit of the Burbank Western System, the Rubio Canyon diversion above Pasadena and San Marino, and unit 5 of the Sawtelle Westwood System from National Boulevard to Pico Boulevard in west Los Angeles.

Works affected in El Monte are improvements in the Rio Hondo from Valley Boulevard to lower Azusa Road. Other projects include Santa Anita Wash construction from the Rio Hondo to the Sante Fe Railway, Big Dalton Wash from Walnut Creek Wash to Larkellen, San Dimas Diversion Channel from Big Dalton Wash to Grand Avenue and unit 1 of the Burbank Western System.

Communities in which these works are situated include Arcadia, Monrovia, Duarte, Baldwin Park, West Covina, Irwindale, and Covina, Hedger said.

[From the Los Angeles Mirror-News of April 19, 1958]

FLOOD PROJECTS SEEN IMPERILED

A veto by President Eisenhower of the $1,500,000,000 rivers and harbors authorization can mean an end of the county's drainage area project and more unemployment, Col. H. E. Hedger, director of the county flood-control district, said today.

He said that unless an authorization is quickly passed and approved, work directed by the Army Corps of Engineers on flood control channels will halt July 1.

SIXTEEN MILLION TWO HUNDRED THOUSAND DOLLARS REMAIN

Congress had appropriated $18,100,000 for construction for the current fiscal year and $16,215,000 of that remains, Hedger said.

He named three projects which are scheduled to get under way within the next few weeks that may be affected by lack of authorization. Funds are available but cannot be spent on the Burbank-Western system, the Rubio Canyon diversion in Altadena and unit No. 5 of the Sawtelle-Westwood system from National Boulevard to Pico Boulevard.

Contracts recently were awarded and work has started on six other projects, but construction after June 30 will be blocked without appropriate legislation. Hedger identified them as:

Rio Hondo, Valley Boulevard to Lower Azusa Road; Santa Anita Wash, Rio Hondo to Santa Fe Railroad; Big Dalton Wash, Walnut Creek Wash to Larkellen; San Dimas diversion channel, Big Dalton Wash to Grand Avenue; unit No. 1, Burbank-Western system.

Hedger said that many storm drain projects which are dependent upon channel improvement for proper drainage outlets also would be held up pending Congressional authorization.

[From the Los Angeles Times of April 19, 1958]

COUNTY FLOOD CONTROL WORK MAY SOON HALT

County Flood Control Engineer Harold E. Hedger said yesterday that vital flood control work in the county will end by July 1 unless Federal legislation is passed and signed quickly.

Hedger added that Presidential veto of the $1,500,000,000 rivers and harbors authorization bill will halt jobs which include a unit of the Burbank Western system, the Rubio Canyon diversion above Pasadena and San Marino, and unit 5 of the Sawtelle Westwood system from National Boulevard to Pico Boulevard in west Los Angeles.

OTHER PROJECTS

"Contracts were recently awarded and work is just getting started on 6 other projects included in the 1957–58 budget, but construction after June 30 will be blocked without appropriate legislation," said Hedger.

He pointed out that the Flood Control Act of 1936 approved Federal participation up to $338 million to assist the county in developing its flood control network. Only half of this total has been authorized by actual appropriation, however.

SITUATION SERIOUS

Hedger called the situation extremely serious, since several of the storm-drain projects financed by the 1952 local bond issue of $179 million are dependent upon channel improvement by Federal aid for proper drainage outlets.

He added that work stoppage on these projects would greatly affect the Los Angeles economic situation by adding thousands of construction and supply personnel to local unemployment rolls.

REDWOOD COUNTRY, CALIFORNIA, SUFFERS FROM FLOOD-CONTROL INACTION

Mr. KUCHEL. Mr. President, an impressive concrete example of the importance of flood-control projects, as well as an indication of the retarding effect on other developments of failure to legislate in this field, is contained in news dispatches from a remote corner of California. I feel certain that this instance can be duplicated in almost every State of the Union.

For many years, a serious flood threat has hung over the communities on the lower stretches of the Eel River, which plunges from the Coast Range to the Pacific in the heart of the famed Redwood country and drains an area of more than 3,600 square miles. The rampages of this river inflicted serious damage in the 1955 floods, and on many past occasions

the stream has gone out of its banks with considerable loss being sustained. The longstanding problem originally received recognition in Congress more than 2 decades ago, with the result that a project—2 miles of low levees and 1 mile of "retards" to prevent bank caving—was authorized by Congress in 1936.

Unfortunately, no money was appropriated under the 1936 act for this project, and no work ever was performed when controlling this river might have been relatively simple.

The consequences of delay and inaction in this instance are definitely measurable. Within the past year, partly due to the depressed condition of the lumber industry but also because of the progressive meandering of the Eel River and the continuance of the flood threat, a two-mill lumber outfit closed with an explanation that it could no longer risk capital on a log inventory in the face of possible uncontrolled floods which could both carry away its logs and damage its property.

A serious blow fell on this community and a township of approximately 7,000 people. Recently efforts have been made to reopen the plant, which had 160 employees on its payroll at peak operations. The annual payroll of $650,000 was of tremendous importance. The present owners have indicated their willingness to take a chance on the recovery of the lumber industry and the construction industry on which it depends, but they want protection against repetition of flood damage and removal of the constant menace.

The situation in Fortuna brings to mind the adage, "For want of a nail, a shoe was lost." If the sawmill is dismantled at salvage value, the community, the county, the State, and even the Federal Government will be losers. The removal of this plant from the tax rolls means a reduction of more than $250,000 in assessed valuation of Humboldt County.

The omnibus authorization bill recently vetoed by President Eisenhower included the so-called Sandy Prairie project, involving levee construction at the point of greatest danger on the Eel River. At a cost of $707,000, the Army Engineers proposed to build protective works which would, among other things, safeguard this lumber mill valued at more than $1 million. The plant owners up to this time have been able to do no more than chant "River, stay 'way from my door" as they watched the stream, which was a half mile distant when the mill was built in 1949, chew its way to within 60 feet of the office.

Further delay in authorizing the Sandy Prairie development will have another deplorable consequence. Highway construction will be retarded. Planned improvement of Highway 101, the major north-south road and the only coastal route through the Redwood country, is being held back because of the desperate need for flood prevention. Only last month, a State highway department engineer told the people of Humboldt County that if Federal funds can be made available for flood control, the State will expedite its highway construction schedule.

I am calling this situation to the attention of the Senate, Mr. President, because it forcefully illustrates the wealth-creating, job-promoting character of flood-control projects and the impact of Federal participation on the development of America.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article published in the March 27 edition of the Humboldt Beacon, and an editorial published in the March 29 edition of the Humboldt Standard.

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

[From the Humbolt Beacon of March 27, 1958]

OWNERS OF FORMER CLAY BROWN & CO. PROPERTY CONFERRING ON POSSIBLE REOPENING OF MILLS THIS SPRING

Reopening of the former Fortuna Sawmills operations at the foot of Sandy Prairie Road depends jointly upon two developments, a continued improvement in the lumber market and favorable action in Congress upon the proposed Sandy Prairie flood control project. The first appears to be in the making, while the Federal project authorization seems assured, lacking only passage of the appropriation to assure permanent protection of the area so vital to Fortuna's economy.

Spokesmen for the California Institute of Cancer Research, Inc., owners of the sawmill property, here last weekend expressed keen interest in the flood control project as insurance of what could be a long-range restoration of the property into production, along with a major improvement program.

Operating first as Clay Brown & Co. and later as Fortuna Sawmills, Inc., the 2 mills at their peak in 1955–56 had an annual payroll of $650,000, employing between 150 and 160 men. The mills closed down last July in the face of a depressed lumber market and the extreme hazard of Eel River against safe investment in future operation.

The 1958 floods have already encroached upon the property, cutting off the Sandy Prairie corner and about 30 percent of the company's parking lot. The sawmills and other parts of the plant have not yet been reached, but everyone agrees the property cannot stand another major flood season. Flood insurance premium quotations before the 1957-58 season were 25 percent of the insured total.

Fortuna Sawmills, Inc., operating company of the property for its last 4½ years of operation, has been dissolved.

Officials of the research institute, the present property owners, have been conferring with State highway officials as to future freeway plans, wherein part of the property would be taken over for right-of-way and the sawmills be provided exchange property. Part of this proposed exchange property is already in the river and from every indication to the inquiries, the State too is hinging its plans upon the United States Engineers flood control project. The State is already committed to participate in the cost of the levees, revetments and dike fills, along with county of Humboldt, city of Fortuna and private industry and business.

Not only is an annual payroll in excess of a half million dollars at stake in the current waiting period, but a major part of the value quotient in determining the feasibility of the flood control project itself. As mere valley farmland, the quotient of value is not sufficient to justify the project.

As of March 21, it appeared almost certain that the research institute wants to put the plant back into operation if conditions give any assurance of feasible protection.

Officers of the Humboldt Board of Trade and the Fortuna Chamber of Commerce are working closely with all parties concerned in the hopes of securing both the flood control project and the restoration of an important cog in the southern Humboldt economy.

[From the Humboldt Standard of March 29, 1958]

WE NEGLECT AT OUR PERIL

Our Nation seems well aware of its defense needs as additional billions are appropriated. But beware lest we neglect our internal economy, for it is from there that the needed defense money comes.

It was gratifying to note that the House of Representatives passed the rivers and harbors omnibus bill recently—since that measure calls for funds to remedy the dangerous and pressing Sandy Prairie situation on Eel River, near Fortuna. But that is only a first step.

It has been hinted in Washington that the omnibus bill, if passed by the Senate, faces a Presidential veto. We realize that such measures have been in poor repute at times because of so-called pork-barrel padding. Such tactics must, of necessity, be eliminated.

Throughout the Nation, there are many situations comparable to our own Sandy Prairie dilemma. Even as this district's Congressman HUBERT SCUDDER is doing, so are their representatives anxious to get action before irreparable damage is done. We understand that.

If and when the rivers and harbors bill get to the President's desk, everyone in this region hopes it will be pared down to actual and pressing essentials, and will therefore meet with his approval. It is up to Congress as a whole to see that that takes place.

Present times can brook no pork-barrel spending. Too many grave situations now confront an economy-minded nation. But actual neglect of situations like Sandy Prairie would be unforgivable. We hope the President will be well informed before he makes his decision.

Eel River is receding rapidly now, and probably will not flood to any degree again until next winter. Every day now brings closer those precious few months when work can be done. And that work is a pressing must, as people here on the north coast know too well.

Let another great deluge hit this countryside, and an uncontrolled Eel River could do incalculable damage, for that is a big and powerful stream. Fortuna itself might well be threatened, if not actually eroded in part. The internal economy must not be neglected.

HOSPITAL CONSTRUCTION BENEDICTION TO THE PEOPLE

Mr. KUCHEL. Mr. President, in line with the position I have heretofore taken with respect to the current recession—namely, that one means by which the Federal Government could assist in improving the economic situation would be to accelerate public-works projects which are feasible and necessary—I desire to deal specifically today with such a program which I think is as attractive as it is sound.

It is one which fills a clear and present public need. It is one which has been in being for several years, and thus is not a crash program. It is tested and tried. It has had tremendous benefits for the people of America. It has provided employment, and is capable of additional success in this very important sense.

I allude to the hospital-construction program, in which financial assistance by the Federal Government has been made available under the law bearing the name of the illustrious senior Senator from Alabama—the Hill-Burton Act.

During the past 11 years, my State of California has availed itself of this financial assistance to the extent of $39,521,429. Supplemented by State funds and by the required contributions of local sponsors of 145 separate hospital projects completed in that period, approximately 8,000 new hospital beds have been installed for the care and treatment of the ill and injured. The Hill-Burton program has been a benediction almost beyond compare.

I am proud to call the attention of the Senate to the fact that, when the United States initiated its offer one-third of the cost of hospitals all around our land, the government of my State accepted the challenge to do its share of the job. The Federal law specifies that the other two-thirds of the cost must be forthcoming from the people of the communities desiring to build new public hospitals with the help of Hill-Burton Act moneys. The legislature of my State, responding wholeheartedly to the recommendation of the then Governor, and now Chief Justice of the United States, the Honorable Earl Warren, and his director of public health, Dr. Wilton Halverson, passed a bill authorizing the expenditure of State funds to the extent of one-half of the local share of the cost. In other words, in implementing the Hill-Burton Act program in California, one-third of the cost of a hospital project is derived from Federal funds, one-third from State funds, and one-third from local funds.

In actuality, the local contribution has usually exceeded one-third, because of the desire of the communities to have the best hospital facilities they were capable of providing. Thus, we find that the $39 million plus of Federal funds allocated to California since 1948 has resulted in an aggregate expenditure of $145 million for the 145 projects. The local communities have provided about $66 million. The State itself has contributed $29,371,046, a somewhat lesser amount than the Federal payment, because of a difference in the types of projects which are eligible for the two different funds. Hospitals operated for profit are not eligible under our hospital survey and construction program.

The hospitals publicly constructed have been only part of the accomplishments in this field of high human endeavor these past dozen years. Altogether, more than 38,000 beds, including those in State institutions, have been constructed in California since 1947. Constructing and equipping these facilities has cost close to $500 million.

The 145 projects assisted by the Federal Government include 81 general hospitals with 5,951 beds, 5 mental hospitals with 122 beds, 6 tuberculosis hospitals with 795 beds, 11 chronic disease hospitals with 868 beds, 9 nursing homes with 291 beds, 23 public health centers, 6 outpatient departments, and 4 rehabilitation centers.

But we have never caught up with the need. The State advisory hospital council, which distributes the State and Federal funds, has been faced at the start of every year with a backlog of pending projects which seems never to decrease. Last August 9, there were 94 active applications, involving requests for more than $66 million in State and Federal funds. The council was able to allocate the $10,204,580, then available, of State and Federal funds to but 15 applicants, for 6 categories of facilities.

I now have from the State director of public health, Dr. Malcolm H. Merrill, figures showing that 176 projects are ready in California for financing, including 45 entirely new installations, 66 additions, and 65 remodeling jobs. The breakdown as to type is: 137 general hospitals, 11 psychiatric hospitals, 14 long-term care facilities, one tuberculosis hospital, 1 rehabilitation facility, and 12 public health centers. I wish to emphasize that these projects are ready to go. Dr. Merrill has advised me that construction on all of them could have started by June 30 of this year if on April 1 it had been certain that the necessary funds would be available. The estimated total cost would be approximately $170 million, and would result in 16,300 new beds.

Let me use just a few more figures: The State health department has found that the need for hospital beds has been only partially met in a majority of the communities of California. I shall use only a few examples. Oceanside, where the big Pacific coast base of the United States Marine Corps is located, has only 35 percent as many hospital beds as it needs. Susanville, diagonally across the State, a thousand miles from Oceanside, and a typical sawmill town, has only 41 percent. Lancaster is one of the fastest growing areas in the world. It is near the great missile testing facility at Edwards Air Force Base, and numerous other military installations. It has only 48 percent of enough hospital beds. Santa Ana, in my own county of Orange, has only 52. San Diego has 68 beds for every 100 it should have in order to care properly for the health of its half million inhabitants. And so it goes.

The situation with respect to psychiatric hospitals is even worse. Such important communities as Santa Barbara, San Bernardino, Redding, Eureka, and San Jose have no local publicly owned hospitals of this type. As to health centers, three of the health districts in Los Angeles County have no buildings whatsoever; and this is equality true of Alameda and Imperial Counties and others.

I think I have said enough to make it very clear that the need for additional hospital facilities exists in California in an urgent, if not critical, degree. I have no doubt that this is true in many other places in this land of ours.

Senators are aware that the President's budget for the fiscal year 1959 includes $120 million for Hill-Burton Act allocations, the amount appropriated for 1958 also. The legal limit for annual appropriations of Federal funds for this purpose is $210 million, and I am advised that in the present session of Congress the distinguished senior Senator from Alabama [Mr. HILL] will seek approval for the maximum. I hope the Senate will give serious consideration to such a request.

I do not believe that the arguments for any other program are more compelling than those for this one. It is a program which can be implemented readily, and thus can help our national economy to resume its forward march. It will give to communities in need the means of proper care for the sick. It is an investment in the happiness of people.

I am delighted to be able to add that the legislature and State administration in California have given assurances that they will go along with the requests of the advisory hospital council for such additional State funds as may be necessitated by larger Hill-Burton Act allocations. In the event it is found that other States are not so fortunately situated, perhaps Congress will be willing to consider adding, as a new feature of the Hill-Burton Act, a provision for loans to cover such a contingency. I would be in favor of any sound steps which could be taken to make as complete as possible the beneficial effects of this great program.

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

The PRESIDING OFFICER [Mr. CHURCH in the chair). The hour of 2 o'clock having arrived the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print "Recruiting and Training for the Foreign Service of the United States," as a Senate document.

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1458, House Joint Resolution 588, an appropriation resolution.

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

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes.

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

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

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations, will explain the resolution. It is intended that we will follow that resolution with Calendar 1463, H. R. 11767, making appropriations for the Department of Agriculture, which the distinguished Senator

from Georgia [Mr. RUSSELL] will handle on the floor.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The joint resolution is open to amendment.

Mr. HAYDEN. Mr. President, the joint resolution makes advance procurement appropriations for the fiscal year 1958.

The resolution passed the House on March 31, and is reported to the Senate without amendment.

The resolution as reported to the Senate is identical in wording to the language recommended by the President in his message to the Congress dated March 26. The purpose of the proposal is to stimulate business activity and employment by permitting civilian agencies of the Government to advance their procurement of supplies, materials, and equipment budgeted for the next fiscal year.

It is provided in the resolution that whatever is appropriated by House Joint Resolution 588 ultimately will be charged to the 1959 appropriations when they become available.

It is estimated by the Bureau of the Budget that this resolution involves obligations of $195 million and expenditures of $54,300,000 between now and the 1st of next July.

The committee has been assured that the program will be carefully supervised to assure purchase of only essential items.

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. MARTIN. Mr. President, I call up my amendment to House Joint Resolution 588.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 3, after line 3, to insert the following new paragraph:

The funds appropriated under this joint resolution for advance procurement shall be used only with respect to supplies, material, and equipment manufactured, mined, or produced within the United States, its Territories, or possessions.

Mr. MARTIN of Pennsylvania. Mr. President, I ask to modify my amendment by striking out, in line 1, the word "The", and substituting therefor the words "No part of the"; in line 2, by striking out the word "only"; in line 4 by striking out the word "within" and substiting therefore the word "without."

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

The question is on agreeing to the amendment of the Senator from Pennsylvania, as modified.

Mr. MARTIN of Pennsylvania. Mr. President, I ask that the clerk read the amendment, as now modified.

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The LEGISLATIVE CLERK. It is proposed, on page 3, after line 3, to insert the following new paragraph:

No part of the funds appropriated under this joint resolution for advance procurement shall be used with respect to supplies, materials, and equipment manufactured, mined, or produced without the United States, its Territories, or possessions.

Mr. HAYDEN. Mr. President, the change made by the Senator in his amendment as originally introduced leaves it in approximately the same condition as it was when offered. I referred the matter to the Bureau of the Budget, asking for an opinion from the Bureau as to the effect of the amendment and the necessity for it. I received a reply from the Deputy Director of the Bureau, the substance of which I can quickly state to the Senator, if he desires me to do so.

Mr. MARTIN of Pennsylvania. I shall be very happy to have the distinguished Senator do so.

Mr. HAYDEN. The amendment provided that funds appropriated under the House joint resolution should be used only with respect to supplies, materials, and equipment manufactured, mined, or produced within the United States. In the letter to me the Deputy Director of the Bureau of the Budget stated, first, that the objective of the amendment is now covered to the fullest practicable extent by provisions of the Buy American Act. Those provisions of law are of general application, and would apply to any funds appropriated under House Joint Resolution 588.

I have in my hand a copy of the particular text of the Buy American Act to which the Deputy Director of the Bureau of the Budget referred. That act became law on March 3, 1933. It is found in section 10a, chapter 212, title III, section 2, 47 Statutes 1520. This is what the present law provides:

Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use.

That is a very broad prohibition.

This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

It seems to me the Buy American Act, which has been in effect since 1933, fully covers what the Senator seeks to accomplish, and that nothing would be gained by the adoption of his proposed amendment. That is the view of the Bureau of the Budget.

The Director of the Budget goes on to say that the amendment would result in substantial delay in ascertaining whether certain planned procurement could be undertaken; this result would follow because the supplies and materials appropriated for in this resolution might contain components of foreign origin.

The idea is to get something done between now and the 1st of July to provide employment for American workingmen by procuring things promptly. If the amendment were adopted we would have a delay, in order to ascertain whether anything which was to be procured was or was not of American origin.

Finally the objection of the Director of the Bureau of the Budget is that the amendment would subject part of fiscal year 1959 procurement appropriations to restrictions which would not apply to the remainder of the appropriations, and thereby would create administrative difficulties without adding any reasonable safeguard not adequately provided by existing law. In short, the amendment would delay the effect of the resolution without providing sufficient benefits to the country to offset this delay. House Joint Resolution 588 seeks to speed up Government buying, to commit part of fiscal year 1959 appropriations now, and thereby to stimulate industries hit by the recession. The amendment of the Senator from Pennsylvania [Mr. MARTIN] would retard these aims.

Mr. MARTIN of Pennsylvania. Mr. President, I do not want to take up much time of the Senate, but it does seem to me this is a very important joint resolution, and that my amendment thereto could be a very important part of it.

Before explaining the purposes of my amendment, I should first like to say that I fully appreciate the intent of House Joint Resolution 588, and realize that it implements President Eisenhower's message to the Congress of March 26, 1958. This message asked for a stepped-up program of procurement of supplies, materials, and equipment for civilian agencies, by permitting advance procurement on the 1959 appropriations.

It would grant to civil agency procurement what has already been urged for military and defense procurement. Its objective is to stimulate employment by the early placement of orders for supplies, materials, and equipment.

Mr. President, I agree with this purpose, although there is some doubt in my mind that very much advantage can be taken of such funds within the next 90 days, as was originally anticipated.

The President's stated purpose is "to stimulate business activity and employment" by this measure and provide an added stimulus to the Nation's economy.

Such stimulation can only be provided if the funds called for in the resolution are spent in this country.

The very items which our Government continues to buy from foreign sources are those with high labor content. Our industry cannot possibly compete with foreign wage rates for such items.

Under present procurement directives in effect in civil agencies of Government

a large amount of these advanced procurement funds will be spent abroad.

This reverts, Mr. President, to the so-called Buy American Act of 1933, and the method of its administration today, under Executive order.

In a report on my amendment to House Joint Resolution 588, the Bureau of the Budget has made a rather hasty evaluation of the situation. The Bureau has referred, in the second paragraph of its report, to the Buy American Act, and the belief that such act would reasonably assure that domestic supplies, materials and equipment would be purchased.

Mr. President, this has not been true under the Buy American Act as it is administered by either the Department of Defense or the civil agencies. Time and time again contracts have gone to Italy, France, Germany, Japan, or Great Britain—under the Executive Order 10582, dated December 17, 1954. This Executive order directs all executive agencies, in determining whether a contract shall be let to a foreign source, to set a price differential of only 6 percent. That is, if the American bidder is only six and a fraction percent higher than a foreign bidder, the contract can go foreign.

The conditions of national welfare, or reasonableness, as provided in the original Buy American Act, have fallen into discard, and I have seen instance after instance, affecting manufacturers in my own State, of a contract being awarded to a foreign bidder, with which an American manufacturer and American labor could not possibly compete within a 6-percent differential.

As a result foreign equipment, which may not meet the quality or performance of the American-built equipment, is used on American civil-works projects. There is no adequate means of servicing such equipment, and as for national defense or national economic benefits we are letting our own industry and our own labor down.

Mr. President, I have protested the administration of the Buy American Act with the civil and military agencies on numerous occasions.

The amendment which I offer today is only in a very limited way designed to assure that procurement funds, which are to be released for the purpose of stimulating employment and business activity, will be spent for supplies, material and equipment manufactured, mined or produced within the United States.

This is in harmony with the original purposes of the Buy American Act, and not in contravention to it.

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

Mr. MARTIN of Pennsylvania. I am glad to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Did I correctly understand that the amendment of the Senator from Pennsylvania, as modified, provides it would apply to manufactured goods whose components were in whole or in part of American origin or American manufacture?

Mr. MARTIN of Pennsylvania. That is the intent of the amendment.

Mr. COTTON. In that case, it would not be necessary to have a delay with respect to orders to ascertain if all the components of any manufactured article were from this country. Some components could come from without the country if some part of the article were manufactured in this country. Is that a correct understanding?

Mr. MARTIN of Pennsylvania. The Senator is correct.

Mr. COTTON. Mr. President, I should like to commend the distinguished Senator from Pennsylvania for presenting his amendment. I hope the amendment will be adopted.

With all respect to the very able and distinguished Senator from Arizona [Mr. HAYDEN], I cannot understand how the amendment would cripple House Joint Resolution 588 at all. The amendment would be an added safeguard.

Some of us have followed procurements which have been made. The purchases probably were made with the best of intentions, but they were made since the "Buy American Act" was adopted. Last year we observed the purchases of textiles outside of America, and noted how little was spent in America. We observed the purchase of automobiles and trucks outside of this country, although that industry is in the condition we all know about today.

It seems to me the amendment would be an added safeguard. The Buy American Act does not go far enough. If we are going to accelerate the use of the money to be provided, let us make sure the money will go where it ought to go.

I hope the Senator will press his amendment, and that he will ask for a quorum and a yea and nay vote. I think the amendment is very important, and I desire to associate myself with the Senator.

Mr. MARTIN of Pennsylvania. Mr. President, I certainly appreciate very much the sound remarks of the distinguished Senator from New Hampshire.

I dislike to disagree with the distinguished senior Senator from Arizona [Mr. HAYDEN]. I consider him to be one of the outstanding men of the whole of the United States, who has stood for all of the great things which have made ours the finest country in all the world, the country upon which the free world is now depending.

I feel very much as does the Senator from New Hampshire. This amendment would provide employment for American workingmen, many of whom are now out of employment. We are talking now of extending unemployment insurance benefits. I favor such action; it is a part of our system. But what the American workingman wants is a job of his choice, at a wage which will sustain his way of life. I sincerely hope that the distinguished Senator from Arizona will accept my amendment as now modified.

Mr. HAYDEN. I should be glad to do so if I thought the amendment would have any appreciable effect in the next 2½ months but I fear the amendment would nullify the resolution completely. The Buy American Act applies to all appropriations. What can we do in a temporary resolution making appropriations for 2½ months, to change a system which admittedly may not be perfect?

I inquired diligently as to where this money was to be spent. I read from the hearings:

> Chairman HAYDEN. I noticed you stated that the design was to channel these funds into areas of labor surpluses or unemployment.
>
> Now, how do you go about that?
>
> Mr. MERRIAM. If I may, I would like to ask Mr. Bean, who is the Commissioner of the Federal Supply Service of the General Services Administration, to give you that answer. He has already worked out some details on that and can fill in for me.
>
> CHANNELING OF MERCHANDISE INTO LABOR-SURPLUS AREAS
>
> Mr. BEAN. We have an order, Mr. Chairman, which I believe will be signed by the Administrator tomorrow, on channeling merchandise into labor-surplus areas, which will in effect make a set-aside, and we are shooting at a minimum of 50 percent, into labor-surplus areas, and more where it can be done.
>
> The set-aside will go into surplus-labor areas and the first call on this will be small business, then it will be big business in the labor-surplus area, and then, if we cannot get the entire amount of goods that are needed in that particular area, then it will go to small business in the non-labor-surplus area.
>
> Where prices are concerned, where you have a set-aside; for instance, if you were to buy a thousand pieces of something and you might set aside 500 for labor-surplus areas and 500 for competition, you would then bid; you would take the lowest bidder on the competitive bidding scale and, we will say that that was a dollar, then to small business in the labor-surplus area you would offer these goods to anyone who wanted to take them.

The plan is to try to find out where men are out of work, and put them back to work. It is estimated that of the total amount provided for in the joint resolution, approximately $40 million worth of automobiles and trucks will be purchased. There may be some small component in some truck or automobile which may come from abroad although the truck or automobile would be manufactured in Michigan. It is in that industry that our greatest unemployment exists at the present moment. It would afford a stimulant if we could provide $40 million worth of work in those areas. I cannot see any advantage in doing what is proposed for such a short time and without further clarification of the language suggested. The proposed arrangement would expire on the 1st of July, and from that time on everything would be governed by the Buy American Act.

The Senator's amendment is bound to interfere with the prompt carrying into effect of what the administration wishes to do, and that is to get jobs right away for people who are out of work. I cannot conceive of any other result. Therefore I am compelled to resist the adoption of the amendment.

Mr. MARTIN of Pennsylvania. Mr. President, I appreciate very much the time and attention which the distinguished Senator has given to this subject. However, I cannot see how my amendment would interfere with the

provisions of the joint resolution. It provides only that—

No part of the funds appropriated under this joint resolution for advance procurement shall be used with respect to supplies, materials, and equipment manufactured, mined, or produced without the United States, its Territories or possessions.

I cannot see how the purchasing of goods abroad can constitute anything but indirect help to the unemployed in the United States.

Mr. HAYDEN. It is not the intention, under the provisions of the joint resolution, to buy goods abroad. Articles will be bought in labor shortage areas in the United States. The articles which will be made available to the Government in labor shortage areas will be articles with respect to which the component materials are already here. It is not the intention to spend a great deal of money abroad. Let me read what the Deputy Director of the Budget says:

The amendment would appear to preclude any procurement of supplies, equipment, or material, which might include some relatively unimportant component or part of which is of foreign origin.

We believe that this would necessarily result in a substantial delay in ascertaining whether certain planned procurement could be undertaken.

If we must make a complete check of all the little details, as we must do under the Buy American Act, we shall not be able to put people back to work. Which is more important in the next two and a half months—to provide jobs for those who are now out of work, or to make sure that we do not use any component part of anything which comes from abroad if such component part is produced in the United States? The great bulk of the materials which will be used are bound to be produced in the United States.

Mr. MARTIN of Pennsylvania. Mr. President, I do not wish to prolong the discussion, but I cannot see how my amendment would do what the distinguished Senator from Arizona suggests.

Mr. HAYDEN. I am only citing the judgment of the Bureau of the Budget. The officials of that agency should know what they are talking about.

Mr. MARTIN of Pennsylvania. I very much admire the young man who signed this letter, Mr. Merriam. I think he is an able young American, and that the new Director of the Budget Bureau is a very able and conscientious American.

Four years ago the Congress authorized a channel at Philadelphia with a depth of 40 feet. The distinguished Senator from Arizona was very helpful in that connection. The Budget Bureau came along 2 years afterward and restricted it to 35 feet. I feel that the Congress has a certain obligation and a certain duty, as does the Bureau of the Budget. I do not believe that we should absolutely accept the statements of the Budget Bureau, or, for that matter, of any other part of the administration—and I support the administration—unless such views are in accord with our views in Congress.

I believe that we should follow the Constitution of the United States. The first part of the Constitution deals with the legislative branch. Then comes the executive. We are closer to the people than is the executive branch. I feel that we have a duty, and that we should have the courage to perform it. I believe we usually do.

Mr. HAYDEN. Mr. President, the Senator has my sincere sympathy so far as concerns the action which has been taken by the Bureau of the Budget to impound money appropriated by Congress for specific purposes, and the failure to make it available. If anything can be done to cure that situation, I shall cooperate with the Senator from Pennsylvania. I wish to help in every way I can.

However, it is a fact that, in the judgment of those who will administer the proposed law, the money could not be expended, and that men who otherwise would get jobs will not get them, if the Senator's amendment is adopted.

There is a further objection to it. I quote from the letter from the Bureau of the Budget:

It seems to us that the amendment would also have the undesirable effect of subjecting some of the procurement, ultimately chargeable to appropriations for the fiscal year 1959, to restrictions which would not apply to the remainder of the procurement chargeable to those appropriations.

What we are doing is saying, "You may enter into contracts for the expenditure of this money right now. Otherwise you would not have authority to do so until July 1. We will let you do it 2½ months ahead of time, so as to get people back to work."

It is not good business practice to have two kinds of regulations applying to the same type of expenditure.

It does not seem to me that that is a sound way to proceed. There is bound to be more of that kind of argument, so far as the Bureau of the Budget is concerned.

Mr. COTTON. It seems to me there is one point about which there is some misunderstanding. According to my understanding of the amendment offered by the Senator from Pennsylvania, in its modified form, it would amount to this. If it were desired to purchase a number of trucks, no one could be asked to take the time to find out if some small component part of it had been made abroad. If the trucks were purchased in this country, and in whole or in part had been made in this country, the trucks would come within the purview of the Senator's amendment. Is that correct?

Mr. MARTIN of Pennsylvania. That is the intention of my amendment.

Mr. COTTON. I can agree with the distinguished Senator from Arizona, whose leadership I have so often followed, that if it were necessary to make research in order to ascertain whether a very insignificant part of a truck—perhaps a screw or other small item—had been made in this country or abroad, the process could delay the letting of orders.

Mr. HAYDEN. The interpretation of the amendment, as made by the Bureau of the Budget, is this:

The amendment would appear to preclude any procurement of supplies, equipment, or material, which might include some relatively unimportant component or part which is of foreign origin.

Mr. COTTON. Was not that interpretation based upon the amendment of the Senator from Pennsylvania in its original form? The Senator from Pennsylvania has modified his amendment.

Mr. HAYDEN. I cannot see that that makes any difference. I cannot see it makes any difference whether it says in whole or in part.

Mr. COTTON. I should like to suggest that if the Senator's amendment is amended so as to provide for goods manufactured in whole or in part in this country, the situation would be taken care of. If the intention is to "Buy American" and to use the joint resolution as a means of accelerating the employment situation, I cannot understand what possible harm the amendment would do. Certainly it would be an added safeguard.

I cannot help saying that I do not have too much confidence in the effectiveness of the "Buy American" law as it has been administered. I wonder if the Senator from Pennsylvania would not consent to modify his amendment so that it would be clear it does not preclude the purchase of materials and goods manufactured outside this country, and that it is not intended that every component part of a manufactured article be manufactured in this country.

Mr. MARTIN of Pennsylvania. I am very glad to accept that amendment from the distinguished Senator from New Hampshire, because that is the real intention of the amendment.

Mr. HAYDEN. Then we will get back to the provision in the existing law. The present Buy American Act says:

SEC. 10a. American materials required for public use: Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such manufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use.

This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. (March 3, 1933, ch. 212, title III, sec. 2, 47 Stat. 1520.)

Mr. COTTON. To be sure, the "Buy American" Act does provide what the Senator has read, but it also adds the proviso permitting foreign procurement if, in the opinion of the head of the Department concerned, it would be more economical for the part to be purchased abroad.

What I would suggest, and what I am sure the Senator from Pennsylvania is

suggesting also, is that when we accelerate the spending of the money, it shall be used for American-made goods, regardless of what someone downtown, at the head of a Department, may think. If he thinks it should be bought abroad, let him wait for the regular appropriations.

Is it not a fact that under the "Buy American" Act it is intended that the head of a Department or the person who makes the purchase should exercise his discretion? I do not question the advisability of such a provision. However, they do not have to buy in the United States if their judgment dictates otherwise.

Is there any harm in restricting this accelerated fund and not granting discretion to buy abroad, but to buy American goods, when that is the sole purpose of the acceleration?

Mr. HAYDEN. It would seem to me that the administration, in its anxiety to find work for people who are out of work in the United States, would like to buy the kind of materials about which there would be no doubt as to their being produced in the United States. I believe that is what the administration will do.

Another objection I have to the amendment is that the joint resolution has been passed by the House. If we pass it without amendment, it will go to the President. If the amendment is adopted, it must go back to the House, and there must be a conference on it. In that case I do not know when it will become law. Very soon it may become immaterial whether the joint resolution is passed or not. If we do anything about it, we should do it right away. We are concerned with a small matter. The amount of expenditure involved is only $50 million in procurements that can be made between now and the 30th of June. The Government will buy billions of dollars in equipment and other materials after the first of July. The Bureau of the Budget has estimated that between now and the first of July approximately $50 million can be expended. That is a mere drop in the bucket compared to the whole amount involved. It is not big enough to raise the very important issue the Senator from Pennsylvania has raised.

Mr. MARTIN of Pennsylvania. Mr. President, I should like to ask the distinguished Senator a question. Could it be considered the sense of the Senate that we feel that all of these purchases should be made of American goods, and that foreign components be used to the least extent possible?

Mr. HAYDEN. I am in complete accord with that statement, and I agree with it entirely. What I am thinking about is the practical way of getting at it. I shall be very glad to reply to the letter from the Bureau of the Budget and say that the issue was raised on the floor of the Senate and that it is the hope of the Senate, as expressed on the floor, that the money be expended for the procurement of American products, and that we hope, in the administration of the law, there will be the least possible use of any foreign commodities. I shall be glad to write a letter to the Director of the Bureau of the Budget to that effect.

Mr. MARTIN of Pennsylvania. I would press the matter for a record vote, if it were not for the fact that I appreciate very much what the distinguished Senator from Arizona has said, namely, that we ought to have as prompt action on the matter as possible, if the joint resolution is to have any effect in relieving unemployment in the various parts of our country.

The PRESIDING OFFICER (Mr. HOBLITZELL in the chair). The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 588) was ordered to a third reading, was read the third time, and passed.

NO RECESSION IN ARIZONA

Mr. GOLDWATER. Mr. President, practically every day since this session opened there have echoed through these Halls vivid descriptions of the poverty and depression that mark this country. Day after day bills have been hastily introduced on the floor aimed at curing the ills that my colleagues find in their States.

Today I wish to inject a happier note into this gloomy atmosphere by relating to the Senate the state of business in Arizona for the first 3 months of this year. I shall not touch on every facet, but shall include a complete survey of business made by the Arizona Republic and Phoenix Gazette, so that my colleagues may see how the youngest State in the Nation is forging ahead day by day by the application of an old formula. That formula is "Man's material welfare is the product of natural resources plus human energy multiplied by tools." To put it in language more typical of the West, "Man's material welfare is the result of man being willing to pull on his own bootstraps."

Nothing in the United States stands out like the 1958 economic record of Arizona. This record did not just happen, and it certainly did not happen because the people in Arizona were content to sit back and wait for Congress in its wisdom to prescribe an economic medicine. Public initiative, optimism, and enthusiasm, including the starch and zip of newcomers who bring in and adopt ideas, add much to our march of progress. Here is a factual story of prosperity in the United States in the midst of groans that the Nation is hard hit. Arizona people have energy, thrift, steadiness, courage, and determination, and they know that business is there if they want to go after it.

This type of activity on the part of Arizona citizens is attracting nationwide attention to my State, and factory after factory is being built on land that a few years ago was desert. These companies like the creative and energized atmosphere of Arizona; they like the weather, they like the people, the men and women with vision and courage, the citizens who rely upon themselves and who believe firmly in the American free-enterprise system, unhampered and unfettered by Government edict and control.

I ask unanimous consent that an editorial published in the Phoenix Gazette of April 16 be printed at this point in the RECORD together with a special report to me on the economy of Phoenix and Arizona, for the first quarter of 1958, and a summary of the report.

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

[From the Phoenix Gazette of Wednesday, April 16, 1958]

ARIZONA HAS A STORY FOR THE NATION

You've probably heard by word of mouth, or read in news interviews with visiting businessmen, that Phoenix and all Arizona are a bright spot economically in a nation plagued by a spotty recession and a feeling of gloom that often goes beyond justification. Just how bright this sun country actually is has now been established in a first-quarter survey of the State by the market analysis and research section of Phoenix Newspapers, Inc.

The report has already made an impact on the National Association of Manufacturers, which plans an early conference of business editors on the Arizona statistics. Similar interest is expected from the United States Chamber of Commerce. It is safe to say, on the basis of the figures revealed, that Arizona is one of the Nation's most encouraging areas in a year of economic doubts and lack of confidence. Obviously, the publicity that should thus come to the State will be invaluable, not only in Arizona's interest but also for its effect on the Nation as a whole.

In almost every business category, the State has registered plus signs for the first 3 months of the year compared with the same period in 1957. Retail sales are up 10.5 percent. At the same time, bank deposits are up 8.7 percent. There are 10 percent more motor vehicle registrations. Nonagricultural employment is up 3.9 percent. Maricopa County tourist business has had a sensational gain of 50 percent.

But of major significance and interest for the rest of the Nation is the composite outlook for manufacturing in the Phoenix area. The industrial committee of the Phoenix Chamber of Commerce has made the following statement: "After checking with Phoenix's major employers, it appears that manufacturing employment will by the end of this year, exceed any highest preceding year."

The statewide figures are in most cases matched or exceeded in the Phoenix trading area, which includes all of the county. This is where the greatest growth in population is taking place—and it is noteworthy that this rate (7.6 percent for the county and 1.7 percent for the State) is often surpassed by the rates of business increase. In other words, additional population is not the sole basis for the State's economic vitality.

Total employment is considerably higher both in the State and the county, despite the accompanying rise in benefits paid to jobless workers. The State's copper crisis and layoffs in some other lines of work reflecting conditions elsewhere undoubtedly provide a major part of the answer to this situation. But there is also much encouragement in the overall employment picture.

There can be no doubt of the State's general prosperity when total Arizona business increased by 4 percent compared with national figures of declining activity. There is an increase in the wholesale distribution of appliances in the Phoenix area; appliance sales have been a national weak spot. The increase in building activity is also significant, for that is a basic indicator of economic soundness. The value of new building in Maricopa County increased by 16.7 percent between the first quarter of 1957

and the first quarter of 1958. The number of Arizona's licensed contractors increased by 20.3 percent.

For an indication of the future, one has only to look at the multimillion-dollar expansion programs of the telephone and gas-electric utilities, as well as at the flow of business inquiries coming into the office of the Arizona Development Board, which reports five times as many industrial queries as in early 1957.

The Phoenix-Arizona story has been a subject of national attention throughout the postwar period. Now, against the background of recession elsewhere, it looks better than ever.

SPECIAL REPORT TO SENATOR BARRY GOLDWATER ON THE ECONOMY OF PHOENIX AND ARIZONA, 1ST QUARTER, 1957, 1ST QUARTER, 1958

Arizona—48th State on top in 1958—Comparison 1st quarters, 1957–58

Economic factors	Phoenix trading area			Arizona		
	1st quarter, 1957	1st quarter, 1958	Percent increase	1st quarter, 1957	1st quarter, 1958	Percent increase
Valley Bank index of total business (millions)	(1)	(1)	----------	$184.5	$192.2	+4.1
Retail sales (millions)	$63.8	$68.4	+7.2	$116.5	$122.1	+10.5
Telephones in service	158,591	179,039	+12.8	289,409	319,672	+10.4
Bank debits (millions)	$525.3	$576.6	+9.7	[2] $837.5	$911.1	+8.7
Motor vehicles (registered)	119,472	138,713	+16.0	(3)	(3)	+10.0
Building permits	3,079	3,776	+22.6	(1)	(1)	----------
Licensed building contractors	(1)	(1)	----------	[4] 221	[4] 266	+20.3
Population	520,000	560,000	+7.6	1,150,000	1,170,000	+1.7
High schools	20,258	21,878	[5] +8.0	41,641	44,972	[5] +8.0
Grammar	76,101	82,189	+8.0	156,537	169,059	+8.0
State college and university (combined)	(1)	(1)	----------	[6] 16,211	[7] 18,407	+13.5
Employment (nonagricultural) (thousands)	132.8	137.8	+3.7	262.6	273.1	+3.9
Tourism (dollar volume, in millions)	$10.0	$15.0	+50.0	(1)	(1)	----------

[1] Not available.
[2] Bank deposits.
[3] Motor vehicle division estimates a 10 percent increase in registrations each year.
[4] Additional.
[5] Estimate.
[6] 1956–57 fiscal.
[7] 1957–58 fiscal.

Sources: Valley National Bank; Mountain States Telephone & Telegraph Co.; First National Bank of Arizona; division of motor vehicles; Arizona Board of Regents and Department of Public Instruction; Arizona State Employment Service; Phoenix Chamber of Commerce; Arizona Development Board; Arizona State College; Arizona State Register of Contractors.

SUMMARY INTERPRETATION OF VITAL ECONOMIC FACTORS REPORTED IN ABOVE TABLE—PHOENIX AND ARIZONA, FIRST QUARTER 1957 COMPARED WITH FIRST QUARTER 1958

Total business in Arizona increased by more than 4 percent, while the retail sales picture for the Phoenix trading area (Maricopa County) jumped 7.2 percent, with a 10.5 percent hike for the State. Other significant indices include a rise of 12 percent in Phoenix telephone installations and a 10 percent boost for the entire State. Phoenix State's bank deposits rose to 8.7 percent. bank debits were up 9.7 percent, while the Motor vehicle registrations boomed by 16 percent for Maricopa County; 10 percent for the State. Wholesale sales in the field of full-line appliances, for example, as reported by 11 Phoenix distributors indicated a definite increase over the first quarter of 1957.

Building permits in the Phoenix area enjoyed a 22.6 percent rise. The number of Arizona's licensed building contractors increased by 20.3 percent. The value of new building (Maricopa County) increased by 16.7 percent.

Population of the Phoenix trading region soared over 7 percent—1.7 percent for the entire State. Grammar and high school enrollments were up approximately 8 percent, consistent for the past 10 years, while Arizona's colleges and universities signed up a roster hike of 13.5 percent.

Employment: The Arizona State Employment Service and Arizona's Current Employment Developments, released by the unemployment compensation division, presents the following table:

Total employment

	1957		1958	
	Maricopa County	Arizona	Maricopa County	Arizona
January	177,800	356,700	192,800	384,300
February	176,800	352,700	183,500	365,900
March	179,200	356,100	183,300	367,600

On the gray side of the ledger, the State Employment Security Commission reported unemployment benefits to jobless workers in Arizona increased from $1,291,802 to $2,215,943. However, the industrial committee of the Phoenix Chamber of Commerce, representing the bulk of major employers in the area, offers the following statement today: "After checking with Phoenix's major employers, it appears that manufacturing employment will, by the end of this year, exceed any highest preceding year."

The future of any region is often measurable by the number and type of inquiries received from outsiders. Arizona Development Board reports significantly that its 1958 inquiry workload has thus far skyrocketed to over 23,000 tourist and over 3,600 industrial inquiries—a five-time boost in the latter as compared with last year's first quarter.

The current tourist season has been the most spectacular in Arizona history. Dollar volume was $15 million in place of the usual $10 million in recent years. Tourist business in the Valley of the Sun this year is expected to top $125 million, or about one-half of the State's total, reports the Phoenix chamber.

Number of visitors was up about 17 percent. Hotels up 8 percent; resorts plus 19 percent; motor hotels up 24 percent; restaurants up about 10 percent. Bus and rail travel up about 25 percent; airlines up 35 percent for this March over March last year.

Another economic index, of course, is newspaper circulation. The daily Republic and Gazette circulation averaged 179,113 for the first quarter of 1957, compared with 190,984 average for the first 3 months of 1958.

YOUNG FARMERS OF AMERICA

Mr. GOLDWATER. Mr. President, on April 16 it was my honor and pleasure to address a meeting of the National Junior Chamber of Commerce in Indianapolis, Ind., at which the four outstanding young farmers of America were properly recognized. This was one of the most inspiring and encouraging meetings I have attended since I have been a Member of the Senate, and I would be remiss in my responsibility to my colleagues if I failed to bring out some of the salient points of that gathering.

From an inauspicious beginning over 10 years ago, the junior chamber of commerce has developed a national program which pinpoints public attention upon the importance of agriculture as a career, and upon young men who have proven farming to be a vital and rewarding experience. Ten thousand young farmers of this country were originally nominated by various chapters of the junior chamber of commerce, covering 47 States, Hawaii, and Alaska. From those 10,000 were chosen the outstanding young farmer in each State, and from this list of 49 were selected the four who received national recognition.

So that my colleagues might know the type of man that these four represent, I ask unanimous consent that a brief outline of the activities of Mr. Cyrille Oddous Faure, of California; Mr. Thomas J. LaChance, of Connecticut; Mr. Felix O. Bullard, of Florida; and Mr. William W. Erwin, of Indiana, be printed at this point in my remarks.

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

CYRILLE ODDOUS FAURE, OF CALIFORNIA

Address, Porterville, Calif.; page, 35; married, yes; children, 3; years as farmer, 15; acres operated, 760.

Crop program: Principally dry-farmed grain, mainly wheat, with surplus acres planted to barley. The production of dry-farmed grain involves a program of sound soil management and conservation practices to maintain soil productivity.

Livestock: Major farming interest and major source of income is livestock. He has developed a registered Polled Hereford herd of about 150 head of females and 5 bulls. In addition, he runs about 100 head of grade Herefords during the grass season and he operates a cattle feed lot with a capacity of 1,400 head.

Outstanding farm-management practices: In his operation he follows closely the latest developments in feeds and antibiotics; he uses Stilbestrol, Sybovex, and Dynfac. He feeds not only his own cattle but the cattle of other producers on a commercial basis. Since acquiring his rangeland, the nominee has tripled the supply of water through drilling of wells and the installation of troughs and storage tanks. While in high school he purchased a registered Polled Hereford heifer; today every female in his registered Polled Hereford herd is a descendant of his first registered heifer. He has experimented with the use of cull melons for silage; he was the first rancher in this area to make potato silage from cull potatoes, an operation that required the designing and construction of a machine to crush potatoes as they are mixed with hay. He is also experimenting this year with broadcasting grass seed on foothill rangeland.

Leadership in farm and other organizations: As chairman of the board of the Porterville Memorial District, an elective office, he has been instrumental in planning and constructing a three-quarter-million-dollar community auditorium in Porterville; as a director of the Porterville Junior Livestock Show and Community Fair since inception, he has helped in making this event the largest of its kind in California. He is active

in the Masonic Lodge, the Congregational Church, the American Legion, VFW, and many local organizations.

THOMAS J. LACHANCE OF CONNECTICUT

Address, Somersville, Conn.; age, 34; married, yes; children, 3; years as farmer, 13; acres operated, 470.

Crop program: Since starting with 30 acres on shares in 1944, he has steadily enlarged and improved his operation, which has been centered around potatoes, with some tobacco. Today his potato crop has grown to 170 acres.

Outstanding farm-management practices: He has followed good cover crop practices, which are essential for this type of specialized farming, and has worked in close cooperation with research agencies, with Soil Conservation Service, and with Extension Service and Farm Bureau; has consistently studied and adopted new practices, methods, and ideas; has improved and adopted machinery to better handle special jobs; and made irrigation systems a permanent part of the farming operation. Coming to Connecticut as a day laborer he has become in a relatively short period of time the owner and operator of this large farming enterprise. He successfully combatted the drought of 1957 by additional irrigation, enlarging ponds, and water storage.

Farm improvements: He has built a pond and bought an irrigation system; cleared 87 acres of land; dug drainage ditches; and built diversion terraces to prevent erosion.

Leadership in farm and other organizations: Applicant is a member of All Saints Church, Knights of Columbus, Farm Bureau, Tolland County Potato Advisory Committee; holds offices in Connecticut Potato Farmers Co-op, Somers Chamber of Commerce, and State Farm Bureau Potato Commodity Committee.

FELIX O. BULLARD, OF FLORIDA

Address, Monticello, Fla.; age, 29; married, yes; children, 2; years as farmer, 14; acres operated, 2,000.

Crop program: The nominee grows and processes seed for wholesale distribution. The primary product is watermelon seed, which is distributed in 25 States and 2 foreign countries. This involves 30 different varieties. The present operation is 2,000 acres in scope with about 1,205 acres of watermelon seed, 300 acres in corn, 350 acres of millet, 25 acres of sweetpotatoes, 20 acres in grasses, and 100 acres of forest with selection cutting program.

Livestock is planned as a new enterprise to begin in 1958, starting with 20 purebred registered cows. This program will efficiently use byproducts of the seed program to advantage and also provide manure for soil-building purposes.

Outstanding farm management practices: All operations are on the contour; terraces are constructed where practical; cover crops and sod-crop rotations are practiced; irrigation is used; some pines have been planted; and muck was brought from a large lake bottom and spread on 65 acres of irrigated land to supply organic matter. Nominee has developed several pieces of machinery on which he plans to apply for a patent.

Farm improvements: A farm shop has proven to be practical. All tractor and truck and machinery repairs are done there providing a savings in money and what is more important, time.

Leadership in farm and other organizations: He is an active member of Sardis Memorial Methodist Church, junior chamber and chamber of commerce, Jefferson County Board of Commissioners, and chairman of county tax commission. He is active in many farm organizations. One of his most important contributions was the securing of a chapter farm for the Future Farmers of America. He is past president of the Florida Seed Men's Association and vice chairman of Southern Hybrid Seed Corn Division.

WILLIAM W. ERWIN, OF INDIANA

Address, Bourbon, Ind.; age, 32; married, yes; children, 3; years as farmer, 9; acres operated, 2,090.

Crop program: Includes corn, grain, and a section where tree planting and harvesting is carried on.

Livestock program: Included 1,000 head of feeder-type cattle and 1,200 meat-type hogs.

Outstanding farm management practices: Strong policy of fertility improvement, insect control, and conservation and erosion control carried on have increased corn yield over 200 percent. Strong health program with cattle and hogs plus unique dual-purpose shelter system for both careful breeding and feeding practices have increased worth of stock. Mr. Erwin also spends at least 1 hour per day studying latest agricultural information. In addition, a planned schedule for both men and machine insures maximum efficiency.

Farm improvements: Through intensive soil test and a high fertilization program, although only corn was planted, the soil increased considerably in fertility and yield. A "minimum labor" winter cattle-feeder experiment is now being conducted. He has also roofed his livestock pens for work in inclement weather.

Leadership in farm and other organizations: Very active in church, where he teaches Sunday school and civic work. President, Lions Club; member, Masonic lodge; and committee chairman, Boy Scouts. In the agricultural field he is chairman, County Agricultural Extension Committee; chairman, County Farm Bureau Administration Committee; a member of the Indiana and the American Society of Farm Managers and Rural Appraisers; and a member of the Indiana Farm Management Association. He was very active in student activities while at the University of Illinois. He is further very active on local, county, State, and National Republican committees, including being president, County Young Republicans, and chairman, Young Republicans of Indiana. Mr. Erwin was also very active in 4-H and FFA work while in high school.

Mr. GOLDWATER. Mr. President, these men are not part-time farmers. They are not windshield farmers. They are farmers who live on the farm and make their living from the soil. These are young men who have a confidence in the future of America and a determined willingness to see that the American systems work. They are not men who are looking to the Federal Government for their support, but they are men who depend upon their own abilities, their initiative, and their confidence in themselves to forge ahead.

To further indicate the type of individual this group represents I ask unanimous consent to have printed in the RECORD at this point a brief outline of the work of John A. Currie, of Tacna, Ariz.

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

JOHN A. CURRIE, OF ARIZONA

Address, Tacna, Ariz.; age, 33; married, yes; children, 2; years as farmer, 4; acres operated, 200.

Crop program: Since this was a Government demonstration farm, the entire acreage of virgin sandy desert was planted in soil improving alfalfa. The third year a small cotton allotment was secured and present rotation includes three-fourths alfalfa and one-fourth small grains. Through use of fertilizers, seed selection and insect control, alfalfa yields have been doubled.

Livestock: At present averages 10 head, mostly beef, to make use of unmarketable alfalfa hay; purchased as calves.

Outstanding farm management practices: The farm was established 3 years before completion of an irrigation project in the area, to find answers to the many problems encountered in this area and keep records in detail for research people.

Farm improvements: Among the projects carried out are: ditch linings, concrete, asphalt, plastic, grasses: slope and length of run studies for maximum efficiency in irrigation water use; windbreak and farm layout practices to reduce wind erosion; alfalfa variety trials and depth of plowing and other methods of applying phosphate to alfalfa.

Leadership in farm and other organizations: Because of the research factors in Mr. Currie's operation, he has assisted many new farmers to establish in his area and met many visitors while operating a full-time working farm unit; helped to promote agricultural research as president of Yuma County Agricultural Research Council. Served as an officer in the Wellton-Mohawk Valley Soil Conservation Bureau. He is a member of the irrigation district research commission, 1957, and helped organize the Farm Bureau Hay Growers Association as vice president and director; local farm bureau; helped 4-H Club members as well as Yuma County Fair board with their annual fair; also is a member of the American Legion and the Veterans of Foreign Wars.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed at the end of my remarks a list of the winners of each State and Territory.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. GOLDWATER. Mr. President, one of the most encouraging experiences which befell me in Indiana during this meeting was to receive the results of a ballot taken among 38 young farmers representing 36 States, Alaska, and Hawaii. The question asked was, "Do you favor higher price supports?" The answers to this were, "Yes", 8; "No", 30. The next question was, "Do you favor more or less Government control of agriculture?" The answers were, "More", 1; "Less", 37.

So that my colleagues might better understand this ballot, I ask unanimous consent that the complete ballot of questions and answers be printed at this point in my remarks.

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

Following is the result of a poll among 38 farmers representing 36 States, Alaska, and Hawaii. The farmers, all between 21 and 35, were polled during the 4 outstanding young farmers national awards program in Indianapolis, Ind., April 13–16. Each farmer was selected as the outstanding young farmer of his State before coming to the national awards program.

The questions and results:

Do you favor higher price supports? Yes, 8; no, 30.

Do you favor more or less Government control of agriculture? More, 1; less, 37.

On the first question, 1 said he was very much in favor of more higher price supports; 2 said they would like to see higher price supports temporarily; 4 had no comment.

Those voting no: 7 said they would like to see supply and demand regulate their production; 3 had no comment; 2 wished subsidies to be wiped out completely; 5 were very much against higher supports; 3 wished supports be gradually eliminated; 3 said Government price supports create inefficiency in farming.

On question 2, 5 said controls are ineffective; 1 said controls are no solution to the farm problem; 5 again voiced opinion that supply and demand should be the control of agriculture production; 7 favored the return to free enterprise system in farming; 3 wanted less political interference; 4 had no comment; 3 said no controls on anyone should be policy.

Mr. GOLDWATER. Mr. President, the encouraging thing in this is that from these young future leaders of American agriculture has come a definite and conclusive stand against the idea that American agriculture must forever rest upon the Federal Government for its existence. Here are men who are making money in agriculture, and who know that under the free operation of the law of supply and demand farmers can best prosper in the long run.

EXHIBIT No. 1

David E. West, age 29, of Dothan, Ala.; Henry N. Gettinger, 34, College, Alaska; John A. Currie, 33, Tacna, Ariz.; Lester R. Banfield, 28, McGehee, Ark.; Cyrille O. Faure, 35, Porterville, Calif.; Jack Bain, 33, Fort Morgan, Colo.; Thomas J. Lachance, 34, Somersville, Conn.; Joseph Penuel, 34, Milford, Del.; Felix O. Bullard, 32, Monticello, Fla.; John C. Wilkes, 34, Lyons, Ga.; Benjamin T. Kodama, 33, Honolulu, Hawaii; John B. Gellings, 30, Idaho Falls, Idaho; Arthur J. Cording, 34, Galena, Ill.; William W. Erwin, 32, Bourbon, Ind.; Eugene Woodcock, 30, Tripoli, Iowa; Lyle F. Morris, 32, Ulysses, Kans.; Billy W. Hurt, 27, Scottsville, Ky.; James E. Larche, 35, West Monroe, La.; William Folsom, 31, Cambridge, Maine; George C. Fry, 32, Derwood, Md.; Antonio J. Malnati, 28, Ashley Falls, Mass.; Tom Greiner, 30, Hart, Mich.; Theodore Wachter, 34, St. Paul, Minn.; Jack W. Lilley, 34, Clinton, Miss.; James H. Veltrop, 32, Jefferson City, Mo.; Robert C. Cunningham, 32, Hysham, Mont.; Wayne Nielsen, 32, Lincoln, Nebr.; Aubrey W. Barrett, 29, Keene, N. H.; Frank Demarest, 23, Lafayette, N. J.; Raymond L. Davis, 29, Hobbs, N. Mex.; Bernard W. Potter, 35, Truxton, N. Y.; Charles A. Forbes, 32, Stokes, N. C., Vincent Rettig, 35, Alexander, N. Dak.; Ralph F. Brause, 32, Sulphur Springs, Ohio; J. Jene Mungle, 35, Atoka, Okla.; Charles F. Dietz, 33, Canby, Oreg.; Lewis F. Dietz, 35, Schuylkill Haven, Penn.; Harold W. Browning, Jr., 33, Matunuck, R. I.; Ralph E. Sutherland, Jr., 35, Anderson, S. C.; Jack E. Hansen, 30, Garden City, S. Dak.; Elmo Smith, 24, Greenback, Tenn.; Johnnie E. Stefka, 27, Caldwell, Tex.; Marion J. Sorensen, 33, Spanish Fork, Utah; Richard A. Moore, 35, Springfield, Vt.; Carl H. Barnhart, 28, Rockymount, Va.; Melvin T. Camp, 32, Lacross, Wash.; W. Glenn Welsh, 32, Martinsburg, W. Va.; Harold C. Gerbing, 35, Sheboygan, Wis.; Thomas H. Page, 35, Laramie, Wyo.

VISIT TO THE SENATE BY JOURNALISTS FROM NATO COUNTRIES

Mr. HRUSKA. Mr. President, the Senate is being visited today by a distinguished group of 34 journalists who represent all of our allies banded together in the North Atlantic Treaty Organization. These gentlemen are military reporters and correspondents for newspapers, magazines, and broadcasters in Europe.

It was my pleasure to act as host earlier this afternoon to these journalists as they began their brief tour of the Capitol. Also present to meet them were: Senators ALEXANDER SMITH, of New Jersey; KARL MUNDT, of South Dakota; and RALPH FLANDERS, of Vermont. Senators SMITH and MUNDT are coauthors of the Smith-Mundt Act, under which the visit of these journalists is made.

Our visitors have been accorded the privileges of the Senate press gallery by its superintendent, Mr. Joseph Wiles, during their stay this afternoon.

The European journalists tour began with their arrival in Washington from Europe Saturday morning.

The purpose of the tour is to give this representative group of journalists from the European countries of the Atlantic Community an opportunity to witness first hand how the United States is responding to the challenge of current world events. While particular stress will be laid on viewing the defense capabilities of the country, the itinerary of the tour also will provide opportunities for these visitors to see the Federal Government in action, to see American industry, and to meet the American "man in the street."

Here in Washington, briefings were arranged at the Departments of Defense and State. After visits to Philadelphia and Wilmington, the group will fly to Lincoln, Nebr., for a 3-day stay.

It is a source of pride to me, Mr. President, that Lincoln has been chosen as a typical American city for our visitors to sample the American way of life.

In Lincoln, they will visit television station KOLN-TV, the plant of the Lincoln Journal-Star, Nebraska Wesleyan University, and the School of Journalism of the University of Nebraska. They will attend a noon luncheon meeting of the Executive Club of Lincoln, a college baseball game, and even a beauty contest—the finals of the Miss Nebraska contest.

At White Sands Proving Grounds, Tex., the Douglas Aircraft Co. in California, Strategic Air Command headquarters at Offutt Air Base in Nebraska, and Eglin and Patrick Air Force bases in Florida, the journalists will have briefings and see demonstrations of American military capabilities.

The European journalists' tour has been arranged by the Governmental Affairs Institute and is sponsored by the United States Air Force, the Department of State, and the United States Information Agency.

It is my hope that our visitors will become better acquainted with America and its role as their fellow partners in the North Atlantic Treaty Organization.

Mr. President, I ask unanimous request that there be printed in the RECORD at this point a list of the journalists who are making this tour.

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

EUROPEAN JOURNALISTS' TOUR: LIST OF PARTICIPANTS AND ESCORTS

Belgium: Maurice Haurez, regular staffer, Le Peuple, Brussels.

Denmark: Knud Damgaard, Danish Home Guard publication.

England: Lenord Beaton, defense correspondent, Manchester Guardian; Gilbert Carter, defense specialist, London Daily Herald; Stephen Barber, correspondent, London News Chronicle; Roy Lewis, defense writer, the Economist (weekly magazine), London; Anthony J. Smith, scientific correspondent, London Daily Telegraph; John Davy, scientific correspondent, London Observer.

France: Alain De Sedouy, military affairs expert, Paris-Presse; Jean-Louis Cuillaud, military affairs editor, Paris-Journal; Etien Antherieu, military affairs editor, Le Figaro, Paris; Pierre Bournaud, military affairs expert, Service De Documentation Economique (news agency), Paris, Georges Galleau, military affairs expert, Agence France Presse (news agency), Paris.

Germany: Adalbert Baerwolf, military expert, Die Welt, Hamburg; Dr. H. Herbert Koch, military expert, Koelnische Rundachau, Cologne; H. Olaf Von Wrangel, chief military expert, Nord Deutscher Rundfunk (radio), Hamburg; Otto Merk, editor, Muenchner Merkur, Munich; Emil A. Oberman, military expert, Sud Deutsche Rundfunk, Stuttgart.

Greece: Constantinos Triandafyllides, military editor, Akropolis-Apogevmatini, Athens; Ioannis Vandoros, reporter, Vima-NEA (radio), Athens; Panagiotis Papayannopoulos, director, Stratiotika NEA (official military Gazette); Demetrixs Chronopoulos, director of Newsreel Services, National Broadcasting Institute, Athens.

Italy: Dr. Fabio Maria Crivelli, director, L'Unione Sarda; Armando Silvestri, director, Ali Nouve, and, Oltre il Cielo (magazines).

Luxembourg: Andre Pierre Claude, press attaché, Government of Luxembourg.

The Netherlands: Hendrik E. Janszen, general correspondent, Grote Provincial Dagblad Pers (news syndicate); Pieter J. Dorrenboom, general reporter, Nieuwe Rotterdamse Courant, Rotterdam.

Norway: Terje Baalsrud, military editor, Norges Handels og Sjofartstidende, (Norwegian Journal of Shipping and Commerce), Oslo; Hans Kristian Skou, foreign editor, Morgenposten, Oslo.

Portugal: Monsignor Antero De Sousa, director, O Brado (official Air Force Journal), Lisbon; Dr. Jose Da Cunha Motta, special writer, Defesa Nacional (official publication of the Ministry of Defense), Lisbon.

Spain: Rafael Salazar, foreign editor, Ya, Madrid.

Turkey: Hikmet Feridun, Hayat (magazine); Turhan Selen, Anatolian News Agency.

Escorts: Robert Behrens, Office of the Regional Public Affairs Advisor, Paris; Donald Taylor, USIS/London; Lt. Col William J. McGinty, Headquarters, United States Air Forces in Europe; Richard Crone, Office of Information Services, Headquarters United States Air Forces in Europe. This tour is sponsored by the United States Air Force, the United States Department of State, and the United States Information Agency.

Mr. SMITH of New Jersey. Mr. President, I rise briefly to comment, following the statement made by the distinguished Senator from Nebraska [Mr. HRUSKA], on the visit today to the Senate by the distinguished group of journalists who represent all our allies in the North Atlantic Treaty Organization. They are in this country to make a month's trip throughout the United States, in order to obtain a better understanding of the people of this land. Their trip is in line with the policy of our country to have groups from abroad visit the United States.

Mr. President, as coauthor with the distinguished Senator from South Dakota [Mr. MUNDT], who is not in the

Chamber at this time, of the Smith-Mundt Act, I am happy to join in the announcement of the visit to this country by this distinguished group. We are very glad they are visiting the United States. We hope their visit will have the effect—in accordance with the policy announced by our State Department—of improving relationships and understanding between the people of the United States and the people of the other countries of the world.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATION, 1959

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of H. R. 11767.

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

The LEGISLATIVE CLERK. A bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. RUSSELL. 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. RUSSELL. 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. RUSSELL. Mr. President, the bill making appropriations for the Department of Agriculture is now under consideration. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text, for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

Under the heading "Department of Agriculture—Title I—Regular Activities—Agricultural Research Service," on page 3, line 6, after the word "stations," to strike out "$58,444,890" and insert "$59,362,390."

On page 3, at the beginning of line 14, to strike out "$41,732,000" and insert "$47,-132,000."

On page 3, line 20, after the word "meat," to strike out "meat-food products, and poultry, and the applicable provisions of the laws relating to process or renovated butter; $24,-326,000" and insert "and meat-food products, and the applicable provisions of the laws relating to process or renovated butter; $17,326,000."

Under the subhead "State Experiment Stations," on page 4, line 7, after the word "Agriculture," to strike out "$29,853,708" and insert "$31,053,708," and in line 10, after the words "in all," to strike out "$30,353,-708" and insert "$31,553,708."

Under the subhead "Extension Service—Cooperative Extension Work, Payments and Expenses," on page 5, line 19, after "(7 U. S. C. 347a)", to strike out "$49,220,000" and insert "$52,220,000," and in line 22, after the words "in all," to strike out "$50,715,000" and insert "$53,715,000."

Under the subhead "Agricultural Conservation Program," on page 12, line 5, after the word "community," to insert a colon and *"Provided further,* That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in the 1958 program, unless such change shall have been recommended by the county committee and approved by the State committee."

Under the subhead "Agricultural Marketing Service—Marketing Research and Service," on page 15, line 1, after the word "estimates," to strike out "$14,095,000" and insert "$14,287,000."

On page 15, line 14, after the word "States," to strike out "$14,097,000" and insert "$21,272,000."

Under the subhead "School Lunch Program," on page 16, at the beginning of line 9, to strike out "$100,000,000" and insert "$125,000,000", and in line 11, after the word "Act", to strike out the colon and *"Provided further,* That $55,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Under the subhead "Soil Bank Programs—Conservation Reserve Program," on page 17, at the beginning of line 18, to strike out "$250,000,000" and insert "$200,000,000"; at the beginning of line 19, to strike out "$15,000,000" and insert "$17,000,000"; in line 20, after the word "than", to strike out "$12,000,000" and insert "$13,500,000"; on page 18, line 3, after the word "of", strike out "$300,000,000" and insert "$450,000,000"; in line 9, after the word "participants", to strike out the colon and *"Provided further,* That no part of these funds shall be paid on any contract where payments are made for land rental at rates in excess of 20 percent of the current value of the land rented or where payments are made for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program", and in line 15, after the amendment just above referred to, to insert a colon and *"Provided further,* That in determining the amount of rental payments the Secretary shall give due consideration to the value of the land and the rental value thereof."

Under the subhead "Sugar Act Program", on page 19, at the beginning of line 18, to strike out "$71,000,000" and insert "$76,000,-000."

Under the subhead "Loan Authorizations", on page 20, line 13, after the word "program", to strike out "$300 million" and insert "$317 million", and in line 14, after the word "program", to strike out "$60 million" and insert "$67,500,000."

Under the subhead "Farmers' Home Administration—Loan Authorizations", on page 23, line 1, after the numerals "1952", to strike out the colon and *"Provide further,* That an additional amount, not to exceed $20 million, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan program under title II of the Bankhead Jones Farm Tenant Act as amended", and in lieu thereof to insert ": *Provide further,* That additional amounts, not to exceed $20 million, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1959, under the then existing conditions, for the expeditious and orderly conduct of these programs."

Under the subhead "Office of the General Counsel—Salaries and Expenses", on page 24, line 5, after the word "service", to strike out "$2,943,000" and insert "$3,043,000."

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CARLSON. Mr. President, I should like to call the attention of the Senator from Georgia to one item.

First, I wish to say that I regret even to bring up this matter, because I have such high regard for the chairman of the subcommittee and the other members of the subcommittee who hear the testimony and the requests of the Department of Agriculture.

But I am concerned about an item of $10 million for the Great Plains conservation program. I mention this matter for two reasons: First, I have before me a letter from a former Member of the House of Representatives, and the former chairman and ranking member of its Committee on Agriculture for probably 30 years, the Honorable Clifford R. Hope. I wish to read several paragraphs of his letter, as follows:

DEAR FRANK: I have been following the Great Plains program rather closely. They were a little slow in getting it started, but since farmers have learned more about it there is quite a great deal of interest. So much so that it seems to me that the $10 million which were included in the Department of Agriculture appropriation bill this year will probably not be nearly enough to take care of all the applications.

I have checked with Fred Sykes on this, and also with the area conservationist for this area. They both feel certain that the applications will far exceed the amount of money available. This is true notwithstanding the fact that only 31 of the 62 Kansas counties which are eligible for the program have been included in it so far. Just thought I would mention this to you on the chance that there might be an opportunity to increase the appropriation when the bill is considered in the Senate.

The weather reports early this morning were for a 40-mile wind and blowing dust; however by the middle of the forenoon it was snowing, and by noon it was raining—and there is no telling what it will do next.

I am sending a copy of this letter to Concordia.

With kind regards, I am

Very cordially yours,

CLIFFORD R. HOPE.

I know that the distinguished chairman of the subcommittee made a study of this matter, and I should be glad to have him state his views regarding it.

Mr. RUSSELL. Mr. President, of course any information I may have would be that which was available to the Department approximately 4 weeks ago, when it presented this matter to the subcommittee.

The distinguished Senator from Kansas will recall that last year the Congress appropriated $10 million for the current fiscal year's operation of the Great Plains program.

The information we had was to the effect that, as of the date of the hearings, the plans which had been submitted called for the expenditure of only approximately $1,100,000 of the $10 million.

Several members of the subcommittee are greatly interested in the Great Plains program. The Senator from North Dakota [Mr. YOUNG], the Senator from South Dakota [Mr. MUNDT], and other Senators have always strongly supported and promoted the legislation looking forward to this super-conservation program in the Great Plains area.

The testimony of the Department was to the effect that there would be a considerable carryover from the $10 million which was available in the present year, in addition to the $10 million which the bill would make available for that work during the next year.

Of course, I know personally, and have very high regard for, the writer of the letter the Senator from Kansas has read. Former Representative Hope was at one time chairman of the House of Representatives Committee on Agriculture, and for many years was the ranking member of the committee; a number of pieces of legislation bear his name, and other laws have felt the impress of his activities.

If sufficient funds are not available, there are other authorizations which would enable the making of supplemental appropriations at a later date. Of course, I cannot speak for the committee as to whether it would approve such appropriations.

I appreciate the very high compliment the Senator from Kansas has paid the subcommittee. We do the best we can but we have not yet been able to give everyone everything desired or requested in his field.

Mr. CARLSON. Mr. President, I appreciate very much the statement the Senator from Georgia has made. As he well knows, this program is a new one. I understand that the first contracts were signed late in December. So there has been only approximately 3 months' experience in obtaining contracts under the program.

I have received the following letter from the State director of the Great Plains development program—or action group, as it is called in Kansas:

MEADE COUNTY SOIL
CONSERVATION DISTRICT,
Meade, Kans., April 17, 1958.

FRANK CARLSON,
Senator from Kansas.

DEAR MR. CARLSON: At the national meeting in Minneapolis, we were confident that a $10 million annual Great Plains appropriation would not be adequate, but that was only a guess. Now we know.

Recent reports clearly show that this year's appropriation will be exhausted before June 30. That's $10 million worth of business in the first 6 months. The number of signed contracts has jumped 50 percent in the last 3 weeks.

The present bill of $10 million for fiscal 1959 at the present rate will be exhausted in 6 months. We must have at least $20 million to keep the program moving for a year. Thirty-six additional counties have now applied for designation.

As chairman of the NASCD Great Plains action group for Kansas I urge you to increase this appropriation for this worthwhile conservation program.

Truly yours,
WILLIAM H. PAINTER,
Chairman, Kansas NASCD Great Plains Action Group.

I bring this matter up because I have read the testimony contained in the hearings. I have no doubt the committee provided for every dollar which it could under the circumstances. I urge the committee, and the Congress, to keep in mind that if additional funds are needed, there may be an opportunity to bring in supplemental requests before the session ends, in order to take care of contracts that will be submitted, based on letters from Representative Hope and the chairman of the Great Plains action group in Kansas.

Mr. RUSSELL. I assure the Senator the Committee on Appropriations will give careful consideration to any supplemental requests that may be made.

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

Mr. RUSSELL. I yield to the Senator from Vermont.

Mr. AIKEN. I was interested in the colloquy. I think the Committee on Agriculture and Forestry should look into the situation somewhat, because it has been reported there are two rates of payments for conservation work in the area covered by the Great Plains program. In some instances practices are permitted under the Great Plains program that result in a better rate of payment than is true under the ACP program. If that is so—and I have not looked into it to know whether it is, but I can conceive that it would be so—it is only natural that farmers will sign up under the Great Plains program rather than under the ACP program, if they can get greater payments for doing the same thing.

I think there should be some uniformity of payments under the conservation reserve, the ACP, and the Great Plains programs, and also some uniformity of practices under those three programs, because we cannot have them competing with each other to see under which program a farmer can sign up and get the most. I am not saying that is the case in the Great Plains area, but I also say it could conceivably be the situation there. I think the committee should make a study of that subject, to assure that a farmer who signs up under one program will get equal treatment with one who signs up under another program.

Mr. CARLSON. I am in complete accord with that statement. The Great Plains program is new. If changes are to be suggested, we ought to know of them before many contracts for 10-year periods are signed. Under the ACP, annual contracts are entered into, which would make a great deal of difference.

Mr. AIKEN. We want to make sure we get coordination rather than competition.

Mr. RUSSELL. I hope the committee will look into the matter. These acts all find their parentage in the standing Committee on Agriculture and Forestry. I hope the committee will investigate the matter and see whether there is a proper relationship between the three programs.

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

Mr. RUSSELL. I yield.

Mr. THYE. Does the act provide that the Great Plains program be extended to certain States of the country, such as Kansas, Texas, and Oklahoma, or is it general or national in scope?

Mr. CARLSON. I believe 17 States in the Midwest are eligible under the program.

Mr. THYE. The term "Great Plains" means what it implies, then?

Mr. RUSSELL. That is correct. It is my recollection the act affects 17 of the 48 States.

Mr. THYE. Inasmuch as it is a new program, and inasmuch as there is a question as to whether one program allows greater compensation per acre than another, if it should prove to be needed I personally would support a supplemental appropriation at a later time this year, or even a deficiency appropriation, if the need should manifest itself by next January.

Mr. KNOWLAND. Mr. President, will the distinguished Senator from Georgia yield?

Mr. RUSSELL. I am happy to yield.

Mr. KNOWLAND. The printed report of the hearings on this bill contains, on pages 1065–1068, letters to the chairman of the Appropriations Committee [Mr. HAYDEN] from Representatives BALDWIN and TEAGUE of California, Representative JENKINS, of Ohio, and the distinguished senior Senator from Ohio [Mr. BRICKER]. These letters concern pilot watershed projects authorized in the Agriculture Appropriation Act for fiscal year 1954. Financing of these pilot projects during the coming fiscal year is included in this bill under the watershed-protection item for the Soil Conservation Service. These letters make representations that local flood-control districts sponsoring 2 projects in California and a conservancy district sponsoring a similar project in Ohio are being required to bear a larger percentage of the construction costs of flood-control improvements than is required on any other of some 60 projects included in this program. They point out that the local organizations are currently providing funds to the limit of their tax-raising authority. They ask for a readjustment in cost sharing so that the Federal funds will be made available in at least the same ratio to construction costs as the average for other projects in this program. They note, moreover, that these projects are in areas of critical unemployment.

I find, on pages 458–459 of the hearings, that Department witnesses were questioned on this matter. They testified, in substance that, if a readjustment in cost sharing were made, no additional funds would be required in the 1959 appropriation.

Now I should like to ask the distinguished Senator from Georgia, first, if, in his opinion, the Department has the

authority to make an adjustment to provide greater equity in cost sharing among the pilot watersheds. Such action would permit acceleration of construction, thereby aiding in the relief of unemployment.

Mr. RUSSELL. This matter was investigated at some length in the committee. The distinguished chairman of the full Committee on Appropriations expressed interest in some adjustment of the very unusual situation which has arisen with respect to the three projects. We discussed it with the witnesses from the Department when they were before the committee. The departmental witnesses testified they had authority to make adjustments and had authority to make a contribution of a larger percentage of Federal participation in the three projects. They stated that the legislative history of the original 60 projects, which, of course, found their origin in the appropriation bill rather than in general legislation, indicated, particularly in the other body, a desire that the cost-sharing be limited to 50 percent of Federal participation. I have investigated the list of the projects. I have found Federal participation runs anywhere from 20 to 75 or 80 percent on the various projects, but the overall participation is about 50 percent. It is my opinion that the Department would have authority to make adjustment with respect to these specific projects. It may have some impact on other projects, but the Department undoubtedly would have the authority to do it.

Mr. KNOWLAND. I thank the Senator from Georgia.

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

Mr. RUSSELL. I am glad to yield.

Mr. MUNDT. I should like to invite the attention of the chairman of the subcommittee and the Senate to the language which appears in the House report, and the interpretation placed on that language by the Senate subcommittee and by the Senate with regard to the export program as it applies to corn and small grain.

On page 8 of the House committee report we find the following language:

> The committee would point out that section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:
>
> "The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price-support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it."
>
> That directive is clear, and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the act and would, therefore, be illegal.

In the Senate committee report on page 5, under a subhead, "Combined competitive bid sales and export subsidy program for corn and other feed grains," we find this language:

> The report of the House Appropriations Committee on the agricultural appropriation bill for 1959 argues insistently that competitive bid sales for export on not only cotton but other commodities should be continued if export subsidy programs are undertaken.
>
> If this advice were to be followed, it would mean that the Department would have to continue to offer for sale on a competitive-bid basis for export not only cotton but also corn and other feed grains while at the same time carrying out the President's direction in his veto message on Senate Joint Resolution 162 that export subsidies in kind be paid on these commodities.
>
> Such a combination program just would not work for corn and other feed grains.

Mr. President, I am directing my colloquy solely to the subject of corn and other feed grains, with no relationship to the cotton program whatsoever.

> CCC stocks of these grains are so large that an export subsidy would be relatively ineffective if the export trade had to compete with the Government for foreign markets. In order for this export subsidy program to work, the trade has to carry stocks which it can export. If the trade were to be faced with the huge stocks held by CCC for export, it would not know what kind of a position to take. These uncertainties would certainly add up to tremendous confusion and probably little in the way of beneficial effects.

I simply wish to establish for the record, with the chairman of the subcommittee, the fact that the position of the Senate Subcommittee on Agricultural Appropriations in this connection is twofold. In the first place, we did not hold any hearings on this very complicated subject. We felt that by attempting to rewrite the legislation or by establishing a directive in such an area we would be invading the jurisdiction of the respective legislative committees of the Senate and the House in the field of agriculture.

Mr. RUSSELL. That is my understanding of the position of the subcommittee. We did not approve of the House position, nor did we adopt the position of the Department.

Mr. MUNDT. That is correct.

Mr. RUSSELL. We were of the opinion that there was an overall matter of policy which would have to be determined by the standing Committee on Agriculture and Forestry.

Mr. MUNDT. And we at no time approved of the language. We did not concur in the language. We did not try to establish a selling mechanism of our own. For the information of Senators, we had printed the position and the recommendation of the Department.

Mr. RUSSELL. That is my understanding of the position of the subcommittee.

Mr. MUNDT. Therefore, it could not be construed that by the committee reports we were establishing a barrier to the type of program which the Commodity Credit Corporation is endeavoring to operate and which the Department of Agriculture is endeavoring to operate by utilizing payments in kind. We say that if there is to be any legislative mandate in that area of activity, it is something which should grow out of a recommendation of the legislative committee.

Mr. RUSSELL. That is my understanding of the position of the subcommittee.

Mr. MUNDT. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield at that point?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. First, I wish to thank the distinguished Senator from South Dakota [Mr. MUNDT] for bringing this item to the attention of the Senate, and for developing the legislative history.

Let me see if I correctly understand the matter. Neither the language in the House committee report nor the language in the Senate committee report shall be controlling, but rather the Department shall be on its own in terms of proceeding with the announced position of the President in the veto message with regard to an export program, to proceed with subsidies in kind. Is that correct?

Mr. RUSSELL. I do not understand that the Senate committee took any position on the matter.

Mr. HUMPHREY. I understand.

Mr. RUSSELL. We undertook to demonstrate in the report that we did not concur with the long recommendations of the House. We set forth the views of the Department, and said that the matter of the export policy was something to be directed by the standing committee.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. We did not feel that the Committee on Appropriations should undertake to approve or disapprove of the present program, or of the program proposed.

Mr. HUMPHREY. The Senator is correct. Am I correct in interpreting what the Senator has just said, and what the reports state, to mean that this action in no way bars the Department of Agriculture from proceeding with an export program with subsidies in kind?

Mr. RUSSELL. No; we did not intend to do that, any more than we intended to bind them to the program carried on in the past.

Mr. MUNDT. Which is precisely my reason, if the Senator will permit me to say so, for raising the question with respect to legislative history. The House report did enter into the field, and I wanted it particularly made clear that we did not concur and did not establish any restraining order.

Mr. RUSSELL. The Senate committee, in my opinion, would not have gone into the matter at all, nor would it have directed any parts of its report to it, had it not been for the fact that the House dealt with the matter in lengthy terms. We did not wish to approve what the House directed, nor did we completely adopt the policy set forth in the President's veto message.

Mr. MUNDT. We went even further. We say in our report that we believe language of this kind is an intrusion into areas reserved for legislative committees.

Mr. RUSSELL. Indeed. That was, in brief, the position of the committee. If we had thought the matter was within our jurisdiction, we would have taken a very firm position on it.

Mr. MUNDT. That is correct.

Mr. RUSSELL. On one side or the other. We would have conducted lengthy hearings. We would have heard witnesses and attempted to establish what in our opinion was the proper policy. We did not deal with the matter because we did not believe it was within our jurisdiction.

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

Mr. RUSSELL. I yield.

Mr. HUMPHREY. The language on page 6 of the Senate report, in the 2 paragraphs at the top of the page, states:

> There are no better grain salesmen alive than those in the commercial export business, and they will do a good job of maintaining and creating foreign markets if the relatively simple mechanism of an export subsidy can place them in competition from a price standpoint.
>
> The subsidy-in-kind program for wheat has worked well. There is no reason to believe it cannot work effectively on corn and other feed grains if it is permitted to do so.

That happens to be the view of the junior Senator from Minnesota. While I realize the report does not either applaud or reject——

Mr. RUSSELL. That was the view of some members of the committee, as individuals.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. But the committee as a committee did not take any position on the matter. We included the language so that the Members of the Senate might have the contrary view to that which appeared in the House committee report.

Mr. HUMPHREY. I thank the Senator for the helpfulness of the Senate subcommittee of which the Senator is chairman in bringing this matter to our attention again. I surely want to encourage the Department of Agriculture to proceed with a program of export, and export subsidies in kind.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. MUNDT. I also wish to encourage the Department of Agriculture to move fast and to move definitely in the direction of a program which has demonstrated its capacity to utilize American agricultural products abroad, consequently decreasing the supplies and thereby increasing the price for such products at home.

In order that the report may be abundantly clear for those who read it, Mr. President, may I point out that the very fact that we did not concur should be abundant evidence to those who read the RECORD that we are not joining in the language of the House, because with regard to those measures where we did find ourselves "sympatico" with the House, we specifically concurred.

For instance, on page 2, with regard to the agricultural conservation program, we say in the report:

> The committee concurs in the House committee's commendation.

Our silence certainly does not indicate concurrence. When we concurred we concurred in print. I want that specifically in the RECORD in this instance, to show we did not concur.

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

Mr. RUSSELL. I yield to the distinguished Senator from North Dakota, ranking minority member of the committee.

Mr. YOUNG. I invite the attention of the distinguished chairman to the language in the report on page 2, reading as follows:

> ALLOCATING AND REPORTING OF AGRICULTURAL EXPENDITURES
>
> The committee does not feel that the Department performs an adequate job of allocating and reporting on program expenditures. This is particularly the case in regard to price-support and foreign-aid programs administered by the Department. Other large amounts should be classified and reported as consumer benefits.
>
> The committee requests the Secretary to restudy this matter and report his findings and recommendations to the committee early in the next session of the Congress.

Does the chairman feel that the Department of Agriculture will come forward with a different budget next year, which will more accurately reflect the cost of price support and other farm programs? When the Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry earlier this year, he listed under the broad headline of "Price Supports" such things as school lunch, famine relief for foreign countries, food packages distributed by religious organizations and CARE, as well as drought relief.

Under the drought relief program there was $17 million of hay provided for the drought-stricken farmers, mostly cattle raisers. There is no price support on hay at all, but still this program is listed as a price-support operation.

Does the Senator feel that such programs should not be charged to the price-support program?

Mr. RUSSELL. For several years the distinguished Senator from North Dakota has undertaken to correct this situation, which is manifestly unfair to the farmers of the United States, who have charged up to them, in appropriations for the benefit of farmers, almost every conceivable item, from foreign aid to the protection of the health of all the consuming public in the United States.

Up until now we have not been able to secure the sympathetic cooperation of the Department of Agriculture and the Secretary of Agriculture in this field.

I understand that the standing committee has made some study of the subject, and that it indicated that, of the $1,760,000,000 in this bill to restore the capital impairment of the Commodity Credit Corporation, only $786,500,000 is directly chargeable to losses in connection with price supports.

Mr. YOUNG. Much of this really should be charged to foreign aid.

Mr. RUSSELL. Indeed. More than $500 million goes for food donations for domestic and foreign aid, and for emergency feed assistance. About $500 million goes to storage, transportation, and related expenditures. I do not have the exact figures before me, but it is my recollection that under Public Law 480, some $1 billion of losses have been incurred by the Commodity Credit Corporation in connection with shipments abroad of agricultural commodities, which certainly constitutes an important part of the foreign-assistance program.

Nevertheless, such operations are not charged up to international relations. If we appropriate funds for the State Department, or for any subdivision of the State Department, it is called foreign aid. But if we appropriate funds for the Department of Agriculture, such appropriations are charged up to the farmers of the United States, and made to appear as a part of the great burden of supporting the agricultural economy.

Mr. YOUNG. If we did not have any farm surplus disposal program at all, we would still be giving many foreign countries some relief in the form of food.

Mr. RUSSELL. Even before we had a price support program, this country always contributed generously to the peoples of the world everywhere in times of great distress. I do not know to what program the relief was charged back in the days of the potato famine in Ireland, which happened more than 100 years ago, but we sent food over there then. However, we did not have this convenient vehicle of the price support program by means of which to charge it up to farmers.

Mr. YOUNG. Unfortunately, now practically all the assistance we give to foreign countries in the form of food is charged up to agriculture, and the average person in America today believes that these large expenditures are given as cash subsidies to farmers, when at least $1 billion or $1½ billion is actually in the form of assistance to foreign countries.

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

Mr. RUSSELL. I shall be glad to yield if the Senator from North Dakota has concluded.

Mr. YOUNG. I have one further item.

The Department of Agriculture listed as expenditures all the loans to REA, RTA, and FHA. The REA has almost a 100 percent repayment record, yet all such loans are listed as expenditures. I am hoping that the Department, when it comes forward with its budget the next time, will at least make a notation that there is a repayment record of almost 100 percent in connection with these loans.

Mr. RUSSELL. The same is true with respect to part of the programs under the Farmers Home Administration. It is particularly true of the tenant purchase activity. That program has never shown a dime of loss to the Federal Treasury. There is really a profit on such loans.

Mr. YOUNG. It is amazing, because most of the loans are made to people who cannot obtain credit elsewhere.

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

Mr. RUSSELL. I yield.

Mr. THYE. It is also true, is it not, that surplus agricultural commodities are paying for military base construction? That is the case in Spain. Surplus wheat and oil go to Spain to establish credit for the United States, which is used in paying for bases over there.

The latest figures which I have seen indicate that surplus agricultural commodities to the extent of some $187 million had been used to pay for military construction in Spain. That is a defense measure, but it was charged to the agricultural program.

Mr. RUSSELL. The same thing is true of a considerable number of housing projects in France, to house military personnel. They were paid for with agricultural commodities. Such expenditures, at least in the public's mind, are not charged up to the defense program, but they are charged to the agricultural program.

Mr. THYE. The Senator is entirely correct.

Lard and fat from our surplus stocks went to Finland and established a credit to the United States, to pay for lumber and labor which went into prefabricated housing, which was shipped back to France to serve as housing for military personnel. Ultimately such expenditures are listed as a subsidy to agriculture, and as a part of the cost of the support program, and the taxpayer immediately looks upon the farm program as another terrific drain on the Treasury. That is the reason I mention the subject.

I wish to commend the distinguished chairman of the subcommittee of the Committee on Appropriations, and also the minority member, the distinguished Senator from North Dakota [Mr. YOUNG], for coming forward with a most constructive appropriation bill for agriculture. Because the Senator from North Dakota and his associates on the subcommittee did such an effective job, when the bill came before the full committee it was able to approve it in every detail, because the subcommittee had prepared the way. The hearings had been complete, and every recommendation of the subcommittee was in balance with what the program needed, to such a degree that there was very little left for those of us who did not serve on the subcommittee to suggest.

I particularly commend the members of the subcommittee for the increases made available for plant and animal disease and pest control. The bill would greatly aid in stepping up the eradication program in connection with brucellosis, and also in connection with some of the other programs in the plant field.

The subcommittee is to be highly commended for developing a very fine agricultural appropriation bill.

Mr. RUSSELL. I thank the distinguished Senator from Minnesota. No Member of this body is a harder fighter for justice for the American farmer than is the distinguished Senator from Minnesota, and I am delighted that the bill meets with his approval.

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

Mr. RUSSELL. I am glad to yield to the Senator from Delaware.

Mr. WILLIAMS. In the bill as passed by the House, under the item covering funds for poultry inspection, the House provided $7 million, by transferring the amount of the estimate from the Agricultural Marketing Service, and by recommending the combination of the meat and poultry inspections. It is my understanding that the committee in reporting the bill, adopted the suggestion made by several poultry organizations throughout the country, that the poultry inspection be kept in the Agricultural Marketing Service, as proposed in the budget request, and in line with the legislative history of the enactment of the mandatory Poultry Inspection Act. Am I correct?

Mr. RUSSELL. The Senator is correct. The distinguished Senator appeared before the committee when he heard that these two items had been combined in the other body. He was generally supported by the representatives of the poultry industry, and had the cooperation of other Senators who had participated in the writing of the Poultry Inspection Act. He pointed out that it would be most unfortunate, in the first year of the operation of the act, to go contrary to the express legislative intent of that act.

The committee therefore separated the items, leaving the meat inspection in the Agricultural Research Administration, and putting the poultry inspection in the Agricultural Marketing activity, as provided in the new act.

Mr. WILLIAMS. I appreciate that very much, and thank the committee for handling the matter in this way. I say that because to have done otherwise would have been a breach of faith on the part of Congress with the poultry industry, due to the fact that the industry had indorsed the bill on that basis, with that understanding. The bill does not go into effect until January 1st on a mandatory basis, and not until next month on an optional basis. I believe that this is a much better way of handling the matter. It is in accord with the intention of the original bill. I thank the committee for the support not only of my views but of those of the industry as a whole.

In order not to take too much time, I ask unanimous consent to have printed in the RECORD at this point a brief statement I have prepared on the subject.

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

STATEMENT BY SENATOR WILLIAMS

Last year when Congress enacted for the first time a mandatory poultry inspection bill, the poultry organizations and the farm organizations were unanimous in recommending that the poultry-inspection service should remain under the Poultry Division of the Agriculture Marketing Service, which division for years prior thereto had conducted the poultry inspection on a voluntary basis.

The reasons for this request by the poultry organizations to keep this inspection service in the Poultry Division were:

1. A strong feeling by the poultrymen that poultry as a farm product was important enough to rate its own division.

2. The Poultry Division of the Agriculture Marketing Service has for the past several years handled all poultry inspection and thereby not only is better qualified to continue the operations but also has in the field a series of regulations understood by the industry.

3. When Congress enacted the mandatory poultry inspection bill last year we overwhelmingly rejected both in the Agriculture Committees and in the Senate the suggestion from some quarters that this inspection service for poultry be placed in the red meat inspection division. It was with the definite understanding that the poultry inspection service was to remain under the same division in the Department of Agriculture as it had been prior thereto, that the farmers endorsed the mandatory inspection bill, and for Congress now by indirection to transfer this inspection service to the red-meat section would be a breach of faith on our part.

The mandatory poultry inspection law goes into full effect on January 1, 1959; however, on an optional basis after May 1, 1958, any plant can qualify and begin operating under the inspection service.

This optional date is only 30 days hence, and many plants throughout the country either have already qualified or are in the process of meeting the qualifications. Regulations are in the field, and for months the industry has been becoming acquainted with these regulations; and to make this change as suggested in the House bill would not only be a breach of faith but also unquestionably seriously disrupt the implementation of the mandatory inspection bill.

I compliment the Senate Appropriations Committee for transferring this $7 million appropriation back to the Poultry Division of the Agriculture Marketing Service, where it has always been and where it should remain and where the Department of Agriculture is on record as requesting that it remain.

CONSIDERATIONS INVOLVED IN THE ADMINISTRATION OF THE POULTRY PRODUCTS INSPECTION ACT BY THE AGRICUTURAL MARKETING SERVICE

The assignment of responsibility for administering the Poultry Products Inspection Act was given very careful consideration by the Department prior to and following the enactment of the act. There are several basic reasons for assigning this activity to the Agricultural Marketing Service; namely:

1. An excellent permissive inspection program, developed by the Poultry Division, Agricultural Marketing Service, has been servicing industry for better than a quarter of a century. The present employees, constituting about one-half of the estimated needed employment for the new program, will constitute the basic corps for staffing the mandatory program.

2. The Poultry Division, Agricultural Marketing Service, is staffed by excellent, well-qualified administrative and technical personnel serving this and other poultry programs, wherein a natural community of interest exists, and is fully conscious of public health responsibilities.

3. The administrative servicing of the poultry inspection program is performed by personnel servicing this program among many other programs of the Agricultural Marketing Service, such as other commodity grading and inspection programs.

4. Transition from the permissive program to the mandatory program can be accomplished with a minimum of confusion and cost by the Agricultural Marketing Service because of its responsibilities for the voluntary inspection program, as well as other related activities.

5. The assignment of the administrative responsibility for this program was taken up in considerable detail by the various legislative committees of the Congress before the legislation was enacted. This was discussed very fully by the various committees because there were numerous bills introduced in both Houses of Congress which would have assigned this responsibility to the Agricultural Research Service. The conclusion after consideration of the sentiment and evidence presented at that time was that the assignment of this activity should be left discretionary with the Secretary.

6. The poultry industry is a separate industry dealing basically with a different clientele than that involved in the meat inspection program.

7. Poultry plants are generally concentrated in different geographical locations than red meat packing plants. Therefore, the opportunity for combining supervisory functions is limited.

8. Separate staffs of inspectors are necessary since inspectors must be located in plants in sufficient numbers to provide for proper post mortem and ante mortem inspection procedures, with post mortem on a carcass-by-carcass basis as required by the law. It is essential that veterinarian supervisors be provided in close proximity to operating plants.

9. Presently, of approximately 350 plants operating under the voluntary poultry inspection program, in which about 270 are processing poultry from live to ready-to-cook form, better than 185 are also using the voluntary grading program. Under the two programs presently personnel are cross licensed to perform both functions to the fullest extent possible. There are potentially greater savings to Government and industry through combining the administration of these two programs than might be affected through the administration of the two inspection programs by one agency.

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

Mr. RUSSELL. I am glad to yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Of course I know that the Senator from Georgia knows how appreciative I am, and how appreciative all our people in Florida are, of his sympathetic attention to our agricultural problems; and all of us know that he is equally sympathetic and equally fair toward agriculture throughout the United States.

I should like to ask the distinguished Senator several questions with reference to three items in the pending bill, which I should like to have mentioned in the debate.

First I refer to the item found at page 7 of the committee report, in the item designated (7), which appropriates $50,000 for naval stores research.

The distinguished Senator from Georgia knows more about this field than perhaps any other Senator. His own State is the producer of about 70 percent of all the naval stores of the Nation.

It seems to me that perhaps it would be wise for us to show in the RECORD affirmatively just what this item covers, since it represents somewhat of a departure from the usual and main production research methods, and so forth, which have been practiced so helpfully by the research stations up to this time.

Will the distinguished Senator from Georgia give us his views as to what the $50,000 item covers?

Mr. RUSSELL. As I understand, the $50,000 is to be appropriated for the purpose of undertaking a program of research which will result in a wider usage and a greater utilization of the products and byproducts of the raw gum that flows from the tree. That was the original basis of the term "naval stores," and the only source of naval stores that we had for several hundred years.

Those who are interested in this industry appeared before the committee and stated that the naval stores research station at Olustee, Fla., had contributed greatly to the means of harvesting the gum, and had developed acids which brought down the gum in larger quantities than had been known heretofore, and had developed improved cups for gathering the gum.

However, they said adequate research had not been had which would enable this industry, which is one of the oldest, if not the oldest, export industries of this continent, to keep pace with synthetics and with gums that were collected from pine trees processed by the paper mills.

Therefore, the purpose of this item is to inaugurate a program of research that will develop new uses and a wider utilization of the raw gum which flows from the pine trees.

Mr. HOLLAND. I thank the distinguished Senator. He has very clearly shown for the RECORD just what the subcommittee, headed by the distinguished Senator from Georgia, had in mind in supplying this additional item. I may say that the distinguished Senator from Georgia is himself entitled to the major part of the credit for this item, in which the rest of us on the committee gladly supported the Senator.

Mr. RUSSELL. I was very glad to make the motion with regard to the item, but I know that every member of the subcommittee was greatly impressed with the need for the item.

Mr. HOLLAND. Another item to which I should like to make reference is an item which could not appear in the budget because the cold weather from which my State suffered came long after the budget had been drawn and produced some problems so unusual that they justified the committee—and I am sure the committee so felt—in including the items that I shall mention.

I refer to item No. 5 on page 7 of the committee report. It is an item of $140,000 for cold-hardiness research on citrus.

I know that $140,000 was allowed, although the combined citrus industry in the States of California, Arizona, Texas, and Florida would have liked to have had a somewhat larger amount.

Am I correct in my understanding that this is the amount shown by Assistant Secretary of Agriculture, Mr. Peterson, as the appropriate amount which could be properly utilized in this important project in the fiscal year for which we are providing, 1959?

Mr. RUSSELL. If I recall correctly, the gentlemen representing the citrus-producing States, in their appearance before the committee, suggested the sum of $185,000 to carry on this work. When the Assistant Secretary of Agriculture, Mr. Peterson, who is in charge of the work, was before the committee, he was asked, I believe by the distinguished senior Senator from Florida, as to that amount the Department thought would be necessary to carry on and expand the research to develop a type of nursery stock in the citrus industry which would have a greater resistance to cold.

At the request of the senior Senator from Florida, Mr. Peterson submitted a complete breakdown, which indicated that $140,000 could be properly expended in this field, and suggested that that sum was adequate.

As I recall the division of funds, he suggested that $75,000 be expended at the Citrus Research Laboratory in Orlando, Fla., $40,000 at the station at Weslaco, Tex., and $25,000 at Indio, Calif.

Mr. HOLLAND. I thank the distinguished Senator from Georgia. As I understand it is the intent of the bill and of the committee to have the distribution of the $140,000 made in accordance with the suggestion and recommendation of the Assistant Secretary of Agriculture. Is that correct?

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. I particularly thank the distinguished chairman of the subcommittee for this item, which I believe to be of great importance. I should like to call his attention to the fact that not only is involved here the matter of nursery stock, but also the various methods of fertilization and the use of insecticides that might make a tree more resistant to cold.

I have just one more question that I should like to ask the distinguished Senator. It relates to the last paragraph in the first section at the top of page 8 of the report, which relates to various increases of the budget amounts for several programs, the largest of them being a program for the eradication of the screw worm.

The unusual cold weather in Florida resulted in eliminating the adult flies in all of the northern part of the peninsula and in south Georgia and south Alabama, where the flies are customarily found, so as to give an unusually good opportunity for the eradication of the fly. As I understand, the item of $300,000 omitted by the House from this particular appropriation was restored by the Senate committee and is included in the total restoration of $400,000. Is that correct?

Mr. RUSSELL. That is correct; and it so appears in the committee report.

Mr. HOLLAND. It is also true that the other items making up the total of $400,000 restored, which brought about the full restoration of budgeted amounts, applied to the taking care of the quarantine inspection service for the greatly increased movement of persons and things coming into the country at the point of greatest exposure, principally Miami, Fla., to which the inspection service addresses very great attention in seeking to keep out various diseases and pests.

Mr. RUSSELL. Miami, of course, is one of the primary ports of entry from southern regions, which have caused the visitations of some very expensive pests and insects in the past.

This item, of course, is not limited to Miami. The inspection station in Hawaii is also one of the most important stations. A large number of planes arrive there from the Orient, en route to the west coast.

This item is to strengthen the inspection service generally, although $25,000 of the $100,000 is particularly for the enforcement of the quarantine in Florida. Florida had occupied the unique

position of having made a State contribution to quarantine work. For some reason, Florida decided that it wanted to spend the money for something else, so the Federal Government, with thanks to Florida for what it has done in the past, has agreed to defray the costs of inspection in Florida, as well as everywhere else.

Mr. HOLLAND. I thank the Senator from Georgia, particularly for the twinkle in his eye, because Florida was one of the two States which paid any part of the quarantine-inspection service heretofore.

Particularly since Florida was putting up $3 million of its own money for the eradication of the screwworm, we felt justified in asking to be relieved of the relatively minor item of $25,000, which we had gladly paid before.

I thank the chairman of the subcommittee for his great sympathy for and understanding of our problems.

Mr. DIRKSEN and Mr. MUNDT addressed the Chair.

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

Mr. RUSSELL. I yield first to the Senator from Illinois, who was first on his feet; at least, I think he was; if the Senator from South Dakota rose first, I did not observe him.

Mr. DIRKSEN. Ever since I can remember, the very distinguished senior Senator from Georgia—I have known him for almost 25 years—has been either the chairman or the ranking member of the Subcommittee on Agriculture Appropriations. I recall those delightful days when he and I were opposite numbers; when I was the chairman of the subcommittee in the House, and he was the chairman of the subcommittee in the Senate. With the passing of the years, he has developed a grasp of this whole subject which is probably unequaled by any other Member of the Senate or the House. He presides with rare grace and impartiality, and approaches his responsibility in a judicial fashion. I would be less than candid, and I think I would be recreant in my duty, if I did not compliment him for the splendid work he has always done in the field of agriculture.

If the Senator from Georgia does not mind, I wish to say something about our clerk. No one realizes the amount of work which the clerk does in assembling data, verifying figures, developing precise lists, and making them infinitely easier for Senators to examine in the subcommittee, and then in the full committee, so that we can get an excellent estimate of every item in the bill.

So I compliment Mr. Ray Schafer, the clerk of the subcommittee, who has spent long hours on what are not the easiest chores in the world. I have some notion of how hard the clerks of the committee work, so I compliment Mr. Schafer. I think I should thank him also for the gracious way in which he has always run down information and data whenever it has been requested.

In addition, long hours mean nothing to him. He has telephoned me many times after hours in order to verify something in the report or in the bill. So I bestow an accolade on him now while I compliment our distinguished chairman, also.

Mr. RUSSELL. I am profoundly grateful to the Senator from Illinois for his commendatory references to the Senator from Georgia. Of course, the Senator from Illinois is a repository of knowledge in this particular field, because he handled the Agriculture appropriation bill in the other body for many years. I personally thank him for his diligent attendance upon the sessions of the subcommittee.

On behalf of our very efficient clerk, who is not permitted to express himself on the floor of the Senate, I say, "Thank you for your very justified commendation of his fine service. I associate myself with all you have said."

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

Mr. RUSSELL. I yield.

Mr. MUNDT. First, I associate myself with wholehearted emphasis in everything said by my distinguished colleague from Illinois. It is a priceless pleasure to work in the committee room with the distinguished senior Senator from Georgia, who has a vast knowledge of agricultural problems, and who applies himself to their solution without partisanship.

I think that no Member of the Senate who is informed on agricultural problems demonstrates any better than does the Senator from Georgia the fact that these are economic rather than political problems. The Senator from Georgia seeks to cure them with economic rather than political solutions.

Mr. President, will my colleague from Georgia be so kind as to yield to me for 2 or 3 minutes, without losing the floor, so that I might discuss another matter?

Mr. RUSSELL. I thank the Senator from South Dakota for his comment, and I express to him my appreciation for his very valued service on the subcommittee. He has been most helpful in the hearings, and particularly in the mark-up of the bill.

Mr. AIKEN. Mr. President, if I may add a word, I think the chairman and the other members of the Subcommittee on Agriculture appropriations, the full committee, and the staff, as well, did a good job.

Mr. RUSSELL. I thank the Senator from Vermont. I appreciate his statement.

In the more than 20 years during which I have been privileged to be the chairman of the subcommittee, I have never seen any evidence of partisanship from Senators on the other side of the aisle or on this side of the aisle. If any single measure has been handled from year to year with the aim of undertaking to serve the group of people to whom we are responsible, it has been the agriculture appropriation bill. I have never seen any evidence of partisanship.

I yield to the Senator from South Dakota.

AUTOMOBILE PRICES

Mr. MUNDT. Mr. President, I call the attention of the Senate to a bulletin which has just come from the news ticker, and which is both encouraging and alarming. The news bulletin, which is a United Press dispatch, reads:

> The American Automobile Association today endorsed legislation to require labels on new automobiles to show their exact prices.
>
> Ross D. Netherton, legislative counsel for the Triple-A, told a Senate commerce subcommittee there is "a definite need for more complete disclosure of information about the elements of cost involved in the purchase of automobiles, and a particular need for presenting this information in a form which makes it readily available to both buyer and seller, on an equal basis, as they negotiate with each other."
>
> Netherton said "efforts to achieve this objective are clearly in the public interest."
>
> The AAA official and John L. O'Brien, president of the Akron, Ohio, Better Business Bureau, were the first witnesses as the Subcommittee on Automobile Marketing opened hearings on a bill to require the price labeling.
>
> The measure is sponsored by Chairman A. S. MIKE MONRONEY (Democrat, Oklahoma) and Senator STROM THURMOND (Democrat, South Carolina).
>
> O'Brien and Netherton both contended that some method is needed for enabling a buyer to find out exactly what the car he wants to buy will cost.
>
> At the outset, MONRONEY said buyers today can find out everything about a car except what it costs.
>
> Remedying the situation is important, he said, because "no industry has a greater bearing on American prosperity and the current recession than the automobile industry."

Mr. President, that is both encouraging and alarming. It is encouraging, because I quite agree with the contention that one of the reasons for the slump in automobile sales is the normal, natural reluctance on the part of the buying public to buy a cat in the bag without a price tag on the bag. This situation should be corrected.

It disturbs me, however, to contemplate that political paternalism may have developed in this country into such a large concept that the powers of Congress must be utilized in order to put prices on automobiles so that they may be sold to the general public. It seems to me that if we have reached the stage where the normal prudence and good judgment of the automobile manufacturers and dealers is such that they refuse to give information to the public concerning the value of the product which they sell, and it becomes necessary for Congress to legislate on the subject, we have moved a sorry step and a long one in the direction of some kind of Government authoritarianism.

I believe that the so-called economic recession in which we find ourselves is largely made in Detroit. I believe it is largely an automotive recession. I believe it is an automotive recession which grows out of the fact that the American public is not buying the 1958 cars in the way in which they were expected to buy them or the way in which it was hoped they would buy them. As a consequence, that gigantic and very strategic industry in the United States has been slowed down; and as it has been slowed down, it has slowed down, in turn, a great many suppliers of the automotive industry around the nation.

It seems to me something should be said to the automotive industry in the

direction of getting them to clean up their own house, without having to ask Congress to pass a bill to require the manufacturers of Fords, Chryslers, Buicks, and other cars to put price tags on their automobiles.

I believe there is certainly a great deal of legitimacy in the contention of the witnesses that the reason why the automobiles are not being sold is that a buyer, especially in a large city, is afraid to spend his money for an automobile because he realizes that if he goes to another dealer, down the street, the latter will ask for the same car $400 more or $500 less, and so forth. On the other hand, in the good, old-fashioned days, when automobiles really were sold, they were advertised f. o. b. Detroit at a certain price, and thus the purchaser had some idea of what a fair price was.

But today when an American goes to an automobile dealer, to write a check for $3,000, $4,000, $5,000, or $6,000 for an automobile, the purchaser does not like to be compelled to buy his automobile on the same basis on which he would purchase a copper kettle in an oriental bazaar. In the latter case, a purchaser expects to have to dicker and bargain, and expects that the asking price will have little relationship to the sale price. Many of us have had the experience of going to an oriental bazaar and trading and dickering until finally a meeting of the minds was reached. That is all right if one is prepared to spend $10 at an oriental bazaar, during the course of one's travels. But it is not all right when one is preparing to spend thousands of dollars for the purchase of an automobile.

I agree that the purchasing public has a right to know what an automobile will cost. I agree that something is wrong when I was told that a prospective purchaser of an automobile in Washington went to five different dealers and was quoted five different prices for the same model of automobile. He decided not to buy an automobile in 1958; he did not know who was trying to gyp him or who was trying to give him a bargain. So he continues to drive his old car.

If the automobile manufacturers are interested in the sale of automobiles and in stimulating the Nation's economy, I believe they should decide, once again, to advertise the price of the various models f. o. b. Detroit, so that the prospective purchasers will be able to know what the automobiles are worth. Then the dealers will have some basis on which to quote prices to the purchasers, and the purchasers will have some basis on which to know how much the automobiles will cost them.

I believe it is important that the automobile industry be stimulated, and I believe stimulation of the automobile industry can help stimulate economic recovery and prosperity, and can produce jobs all over America.

But it is very difficult to induce John America, when purchasing so expensive an article as an automobile, to make the purchase blind.

This morning one of my friends who lives in the Midwest, and who at this time is in Washington, D. C., and is interested in buying an automobile, told me he was afraid to buy an automobile in Washington, D. C., because, when he went to an unknown, big-city automobile dealer, he had no idea whether the price the dealer would charge for a Buick, a Mercury, or a Chrysler would be $500 too much or $200 too little or "on the nose." On the other hand, he can go to his hometown, where he knows his automobile dealer intimately, and where both of them belong to the same Rotary Club, and can visit with him, get his friendly personal guidance, and can obtain a square deal.

Mr. President, to hide the price from the purchasers and to give them no idea of what the automobiles will cost, is no way to encourage the purchase of automobiles.

On the other hand, I do not think the proper course is to request Congress to pass a bill to compel that prices be placed on the automobiles by Federal law.

Mr. President, at one time we had a long debate on a so-called fair-trade bill, as it was called. Druggists, hardware dealers, clothiers, and department-store managers thought it would be a good idea to have the Congress enact into law a bill which would compel them to put the prices on the various commodities they sell, and then deny them the privilege of selling the articles below those advertised prices. The situation then existing gave rise to much confusion and much opposition on the part of wholesale houses to the marketing practices then current. That situation afforded opportunity for much evasion. But I think that is a far cry from the situation existing today in the automobile business, in which the manufacturers do not put a firm price on any automobile, and the potential purchaser has no way of knowing whether he is getting a bargain or whether he is getting taken for a hay ride.

Mr. President, I hate to see the Congress have to move so far in the direction of a paternalistic government that, in order to stop such a practice, the Congress will find it necessary to pass a law which will require that price tags be placed on automobiles. The next step would be the enactment of a law to provide the amount that could be offered for secondhand automobiles, to limit profits, or to specify service requirements.

Mr. President, this situation could be corrected at a luncheon of the automobile manufacturers in Detroit. All they need to do is to start advertising prices f. o. b. Detroit in the manner they did when the automobile industry was enjoying its greatest growth.

I believe the Congress has more important business than the enactment of such legislation. But I certainly agree with the witnesses whose testimony clearly indicates that one of the major reasons—and perhaps the major one—for the decline in the sale of automobiles is the failure of the manufacturers to make an honest declaration of what their merchandise is actually worth. Surely this should be corrected without the necessity of an act of Congress.

AMENDMENT OF THE PACKERS AND STOCKYARDS ACT

Mr. HOLLAND. Mr. President, will the distinguished senior Senator from Georgia yield to me, in order that I may submit a matter which is not related to the agricultural appropriation bill?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Mr. President, on March 24 the Senate entered an order, by unanimous consent, at the direction of the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], which referred to the Committee on Agriculture and Forestry and the Committee on the Judiciary, Senate bill 1356, a proposed amendment of the Packers and Stockyards Act. The order contained the following direction:

> With instructions that Senate bill 1356 be reported back to the Senate Calendar with the recommendations of the Committee on Agriculture and Forestry not later than Monday, April 21, 1958—

Which is today.

Mr. President, since the distinguished Senator from Maine, the ranking minority member of the committee, is now in the Chamber; and since he understands perfectly the situation; and since the distinguished chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER], has requested me to handle the matter, I wish to bring it up at this time.

The committee conducted hearings. The committee has directed that the bill be reported to the floor of the Senate with the recommendations of the Committee on Agriculture and Forestry.

It happens that the matter is a somewhat complex one; and the legal staffs of the Committee on Agriculture and Forestry and the Committee on the Judiciary, assisted by legal representatives from the Department of Agriculture and the Federal Trade Commission, are now drafting the proposed report, which apparently will not be here during the time the Senate is in session today.

With that predicate, I ask unanimous consent that since the labors of the committee have been fulfilled, that the Senate grant the Committee on Agriculture and Forestry an extension until the session on tomorrow, April 22, of the time in which it is to file its report and recommendations.

Mr. AIKEN. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Maine.

Mr. AIKEN. Mr. President, if the Senator from Florida will kindly move me back to Vermont, I shall be very glad to join in the request he had made. [Laughter.]

Mr. HOLLAND. Mr. President, I shall be very glad to "move" the Senator back to the State which contains such wonderful apple orchards as does the State in which the Senator makes his home.

Mr. AIKEN. Of course, Maine is a wonderful State, and Maine has two wonderful Senators in this body. But I

still like Vermont just a little better. [Laughter.]

Mr. HOLLAND. Mr. President, I apologize to the distinguished Senator from Vermont, and also to the distinguished Senators from Maine, neither one of whom happens to be on the floor at this time.

I wanted the Senator to be present, so that if he wished to make any amplification or correction of my statement he would have an opportunity to do so.

I now ask unanimous consent that the report which contains the recommendations of our committee may be filed tomorrow, rather than today, as directed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding to me.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. NEUBERGER. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. NEUBERGER. Some remarks were made earlier on the Senate floor by Senators from some of the great farming States, expressing gratification and approval over the fact that the committee has made merited and justifiable increases in funds provided for the eradication of brucellosis. Because this has been a major and very alarming problem in my State, I should like to concur in those expressions of approval.

In a number of counties in Oregon, a splendid beginning has been made with respect to the eradication and control of brucellosis. With Federal funds decreased, this great progress would be wiped out and the advances would deteriorate. For that reason, I desire to thank the committee for the increases which have been provided for the eradication of brucellosis, which is such a critical problem wherever cattle are raised.

There is one other matter about which I should like to ask the chairman of the subcommittee. I have had a great deal of correspondence with leaders in conservation, agriculture, marketing, education, forestry, and research in my State about appropriations for State experiment stations. I have a number of comparatively brief letters on the subject, and I ask unanimous consent that they appear in the RECORD at this point.

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

OREGON WILDLIFE FEDERATION,
April 11, 1958.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: We are concerned over the possible effect of H. R. 11767—the appropriation bill for the Department of Agriculture.

As you know, this bill contains some provisions modifying the Soil Bank Conservation Reserve Act. I expect we will all agree there are some bad features in this act. On the other hand, there are some good features that as yet have had little chance for proper evaluation.

We hope the Senate will do its best to preserve the features of this act which would perpetuate vital marsh areas and wildlife food and cover plantings which might be largely nullified by the language of H. R. 11767.

Yours sincerely,
CHARLES S. COLLINS,
Executive Vice President.

AMERICAN POTASH INSTITUTE, INC.,
Portland, Oreg., March 31, 1958.

The Honorable RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Recently I have had the opportunity to review the total soils and water research program for the State of Oregon, and it is apparent that without the Federal grant-in-aid of $6 million to the experiment stations, the program of soils and water is quite inadequate in this State.

Since soils and water are basic to agriculture and forestry, which in turn are the mainstay of our economy in the State, and since further knowledge in regard to better utilization of our soils and water will enhance the economy in our State, I do not believe a long dissertation on the importance of this subject is necessary at this time.

It is my understanding that even though the past appropriation of $6 million for grants-in-aid to the Oregon experiment stations was omitted in the Presidential budget, it is possible to have these funds restored to the budget through committee action. I wish to strongly urge that such action be taken to restore these funds.

Yours truly,
GRANT H. BRAUN,
Chairman, Soil Improvement Committee.

CASCADE TRACTOR & IMPLEMENT CO.,
McMinnville, Oreg., April 4, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: As farm equipment dealers in the Willamette Valley of Oregon, we have definite interest in the affairs of our local agriculture, and a sincere understanding of the problems of soil conservation research, we wish to appeal to you for some special consideration concerning research in our State.

Being as close to agriculture and the local farm picture as we are, we fully realize and are quite sure you do, too, the importance of continuing development in the research program on soil and water, seed cleaning, and drainage. It is our understanding that some additional funds at this time could greatly enhance the State's research program, particularly in the categories listed above.

Any consideration and efforts which your office can direct toward some additional moneys for the above-mentioned research work will certainly mean a lot toward the development of Oregon State agriculture.

Yours truly,
ROBERT M. MORGAN, *Manager.*

UMATILLA CANNING CO.,
Milton-Freewater, Oreg., March 25, 1958.

Hon. RICHARD L. NEUBERGER,
Senator of Oregon,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We have learned today that there is a bill coming up before the Senate that will provide Federal funds for State experiment stations. We are not familiar with the background of this bill, and if the funds are to be used for the assistance in marketing, we certainly feel there is a need. If the funds are to be used to show farmers how to produce more, we're not so sure.

It might be in order at this time to reemphasize our position here in the Northwest. We seem to have very few production problems, but we certainly have more than our share of marketing problems. This has been multiplied many times by two factors. One is the increased costs of transportation which has eliminated us from many of the Nation's markets. The second factor is that many of the customers on the east coast that formerly looked to the Northwest as a source of supply are now able to purchase their needs closer to home.

An example of this is apples. During the past few years, new modern methods of production and handling that were originated in the West have been developed in the Midwest and eastern parts of the Nation and our advantages are gone. Another example would be green peas. For several years, our industry in the Northwest led the Nation in the development of mass production techniques for the production and processing of both canned peas and frozen peas. Methods that we originated are now being adopted throughout the Nation and, here again, our advantages are lost.

I'm sure that we could go on and on with many other examples, but you are no doubt very familiar with these problems. What we should discuss is a means to find new ways to market the commodities that we can produce on these lands in the Northwest.

Many of us feel that our grain must be converted into meat or into commercial products other than foods. A few weeks ago we requested that our State college provide us with an expert in the marketing field to show us how we might better market meat produced with northwestern grain. It seems very possible that we could increase the consumption of meat if we could learn to produce it cheaper through the utilization of more of our byproducts.

We are enclosing a report from some of our recent feed trials that indicates that substantial savings can be made in producing meat where byproduct feeds are used wisely.

The problem now comes in marketing. The problem of finding new uses for agricultural commodities has been discussed at every farm organization meeting for many years. It seems to be our No. 1 perennial problem and the only answer to date is simply more research.

We are already sure of your support on this vital matter and we wish to be on record as supporting you 100 percent.

With kindest regards.

Yours very truly,
W. S. MILLER, *General Manager.*

P. S.: This same letter is being sent to Senator MORSE.

PORTLAND, OREG., *March 27, 1958.*

Hon. CLARENCE CANNON,
Chairman, Appropriations Committee,
House of Representatives, Washington, D. C.

DEAR MR. CANNON: The Oregon division of the Izaak Walton League of America urges that favorable consideration be given to the request for $6 million increase in grants to the State experiment stations for research

in agriculture and forestry, as proposed before the House Appropriations Subcommittee.

An increase in funds is vitally needed to strengthen existing research at Oregon State College in water use and conservation. I understand that Oregon's share of this increase would be about $100,000.

Farm fishing ponds are now being used in Oregon and Washington to raise silver salmon fry to a size when they can be released to the ocean via streams. The Alsea River watershed studies are a unique piece of research, which is not being done any other place in the United States. It comprises studies of effects of logging and farming in relation to siltation and fish life. Both projects are well under way, but more funds are needed to bring the studies to a conclusion.

Currently, the department of fish and game management at Oregon State College, with some funds from the Oregon Agricultural Experiment Station, is conducting studies in water-pollution problems (marine and fresh water) and farm fishponds; and actively cooperating in the Alsea Basin study.

We are constantly looking for more research in conservation problems. We have the trained personnel in Oregon with the ideas, imagination, and desire to work. We hope that your committee will look favorably on this request.

Very sincerely,

A. J. KREFT, M. D.,
State President, IWLA.

CORVALLIS, OREG., *March 24, 1958.*

Dr. A. J. KREFT,
President, Oregon Division, Izaak Walton League of America,
Portland, Oreg.

DEAR DR. KREFT: We would appreciate having your assistance in recommending to members of the Oregon Congressional delegation that they support the $6 million increase in grants to the State experiment stations for research in agriculture, forestry and home economics, as proposed before the House Agricultural Appropriations Subcommittee. Although Oregon's probable share would be about $100,000 from the proposed increase, a portion would be used to strengthen existing research at Oregon State College in water use and conservation.

Currently, the department of fish and game management here at the college, operating on funds from the Oregon Agricultural Experiment Station, is conducting studies in water pollution problems (marine and fresh water) and farm fishponds; and is actively cooperating in the Alsea Basin study. Additional research funds are greatly needed in these areas.

We are enclosing a suggested telegram which you might send. Please feel free to change the wording and to select the Congressmen to whom it should be sent.

Andy Landforce joins us in soliciting your help. He had to leave town before this letter was typed, otherwise he would have also signed.

Sincerely,

R. E. DIMMICK.
DONALD W. CHAPMAN.

HOOD RIVER FARM BUREAU,
Hood River, Oreg.

Whereas research is vital to the very life of agriculture; and

Whereas funds for research in agriculture have not been sufficient in the past years; and

Whereas both parties had expanded agricultural research in their national program: Therefore, be it

Resolved, That the Hood River Farm Bureau, at its regular monthly meeting, March 24, 1958, go on record as urging the Congress of the United States to reinstate the planned appropriation of an additional $6 million annually for 5 years to the appropriations to the Hatch Act; and be it further

Resolved, That a copy of this resolution be sent to our Senators and Representatives and to the chairman of the Senate Subcommittee on Agriculture and to the chairman of the House Subcommittee on Agriculture.

GERHARD WERTGEN, *President.*
JOHN W. ARENS, *Secretary-Treasurer.*

Mr. NEUBERGER. Mr. President, the gist of these communications can best be epitomized by a telegram I have received on this subject from Mr. Larry Williams, president of the Oregon Agricultural Research and Advisory Council. The telegram is brief, and reads as follows:

The Oregon Agricultural Research and Advisory Council urges your vigorous support of $6 million increase in grants to State experiment stations for research in agriculture, forestry, and home economics as proposed in March 11 hearing before House Agricultural Appropriations Subcommittee. Research has been neglected.

An $80 million labor payroll in Oregon is completely dependent on maintenance of a healthy agricultural industry. Supporting material will follow via airmail.

In addition, when I was in Oregon recently during the Easter recess of Congress, I had an extended and very informative discussion about this problem with Dr. R. W. Henderson, who is the able acting director of the Oregon Agricultural Experiment Station at Oregon State College, Corvallis, where so many epochal and important experiments have been carried on in the field of farming, marketing, and agriculture. I should like to ask the distinguished Senator from Georgia what happened to this urgent request? What was the action on the proposed $6 million increase in grants for State experiment stations?

Mr. RUSSELL. I may say to the distinguished Senator from Oregon that, of course, he knows the committee allowed $1,200,000 above the budget estimate for this very important activity.

Mr. NEUBERGER. I am aware of that, and grateful for it.

Mr. RUSSELL. I may say to the Senator that last year identically the same request was made. We undertook to increase the item in the Senate, and we allowed an additional $1 million. When we got into conference we almost lost the whole item by insisting on the $1 million, and had to take a reduction in order to avoid losing the entire item.

The Senator, of course, is aware of the fact that there is a considerable difference in the two Houses of Congress with relation to activities of this kind. Every Senator has in his State agricultural activities, land-grant colleges, State experiment stations. When we consider the other body of Congress, whose approval is necessary before an appropriation can be had, we find that only about 25 percent of the Members there have located within their districts any of those activities, and about half of the Members have very little interest in agriculture.

We have learned from experience in the past that if we ask too much for a certain item, it can mean almost certain death for that particular item. If we ask for a reasonable amount, we can generally come out of conference with some increase.

I point out to the Senator that we have not neglected this work.

Mr. NEUBERGER. I realize that.

Mr. RUSSELL. There has been no item of appropriation in the bill that has had a greater increase since 1952 than the State experiment-station item. In 1952 the appropriation for State experiment stations was $12,670,308. For the year 1958 the appropriation was $30,353,000. We have almost tripled the appropriation over the past 6 years. If all of the $1,200,000 increase stays in the bill that will be finally enacted, we shall have tripled the appropriation over the past few years. That represents a substantial increase.

I do not know of any activity of Government that justifies an appropriation more than does State experimental work; but in the light of all the circumstances as they appeared to the committee—and we all have a great interest in this subject—we decided that an increase of $1,200,000 was about the safest amount we could expect to have adopted.

With respect to the Extension Service item, we have increased it $3 million, which is half of the request. I hope when this bill is finally presented to the President and signed, we shall have a substantial part of those two items in the measure.

Mr. NEUBERGER. It is my hope these increases which the Senator from Georgia and his associates in committee have so wisely provided for the Extension Service and for the State experiment stations can be held in conference. I can appreciate that sometimes if one tries to reach for too much, like the dog that saw the bigger piece of meat in the water, he will be in peril of losing everything he might otherwise have had.

Mr. RUSSELL. We have found that from experience.

Mr. NEUBERGER. Of course, I lack the long experience of the Senator from Georgia, and I have had none of his experience on the Appropriations Committee.

I wanted to ask one further question of him, however, because I think our people at home tend to become discouraged when they seek a $6 million increase for State experiment stations and then see an approval of only $1,200,000, and they then realize that not all of that amount may be held in conference. Does the Senator from Georgia, who is the leader of the bill on the floor, realize that the pressure, if I may call it that, which we receive from deans of agricultural colleges, leaders in forestry and agriculture, and from marketing groups is vital even to the modest increases we hope to make each year, as the years go by?

Mr. RUSSELL. Of course, the deans of the agricultural colleges and the heads and directors of the State experiment stations naturally ask for the amount they believe necessary. I would be less than frank if I did not say I think the heads of the land-grant colleges should be highly pleased if we come out with the increase the Senate committee has provided.

Mr. NEUBERGER. I want to thank the Senator from Georgia for the explanation he has furnished me. I agree with him that we will be grateful if we can keep the amounts in conference and on the floor of both Houses which the committee has recommended.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for a moment?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Texas. The senior Senator from Oklahoma [Mr. KERR] has submitted a statement and asked that it be printed in the RECORD in connection with the allowance by the Committee on Appropriations of $1½ million more money for the watershed program than was recommended by the Bureau of the Budget. The Senator from Oklahoma felt that the committee, in allowing such amount, approved the Secretary of Agriculture's using some part of it for additional planning parties.

I wish to ask the chairman of the subcommittee if that is a correct understanding.

Mr. RUSSELL. I know of no limitation on the Secretary of Agriculture as to using the increase or any part thereof for planning purposes. I had assumed some part of the increase would be used for planning purposes.

Mr. JOHNSON of Texas. I thank the distinguished chairman of the subcommittee.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD the statement of the senior Senator from Oklahoma [Mr. KERR].

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

STATEMENT BY SENATOR KERR

It is with deep gratitude that I note the Appropriations Committee has allowed $1½ million more money for the watershed program than was recommended by the Bureau of the Budget. I only regret that the $1½ million was not increased by $3 million.

However, since the wisdom of the Senate committee has seen fit to hike the Bureau of the Budget figure for the watershed program by only $1½ million above the Bureau of the Budget request, I would hope that the record would be clear that the Secretary of Agriculture and the Soil Conservation Service would feel free to increase the amount of money from this fund for planning of the watershed projects by a minimum of $300,000.

In my State and in neighboring States the upstream flood-control program of the Department of Agriculture is being held up for lack of adequate planning parties. If the Secretary of Agriculture and the Chief of the Soil Conservation Service will use $300,000 of the additional $1½ million allowed for this program for planning, I feel confident that this worthy program can begin to catch up, and construction can advance at the rate that Congress has expressed a desire to see maintained in this worthy program.

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

Mr. RUSSELL. I yield.

Mr. HUMPHREY. The Senator from Minnesota is interested in the item relating to the appropriation for the meat inspection service. As I understand, that sum is $17,326,000. Is that a correct understanding?

Mr. RUSSELL. That is my recollection.

Mr. HUMPHREY. The committee, according to the report, was requested to increase the funds for this item by many groups, or at least by several groups of organizations and persons. It is understood from the testimony given by the departmental official that additional funds will be required.

Is it the intention of the committee in its report to indicate that if the inspection service does not have adequate funds the committee will favorably entertain a supplementary request?

Mr. RUSSELL. We would certainly view such a request sympathetically. I would not wish to commit myself in advance to any estimate which might come down. There will undoubtedly be a neessity for additional funds for the carrying out of meat inspection activities in the next fiscal year. We had a number of witnesses who testified in this regard.

This was one of those happy instances where the labor organizations and owners of the plants saw eye to eye. Both combined in the effort to obtain additional funds to carry on meat inspection. They stressed the importance of the activity for the man who pays the taxes, who is also the consumer of the meat products.

We had different requests for funds. Some witnesses thought there would be required substantial increases, but others requested lesser amounts. We had a suggestion from the Department that it was considering a supplemental, and we thought the submission of the supplemental request would be in the next supplemental bill, which will probably be before us in the next few weeks, before the beginning of the next fiscal year. By that process we can get their estimate of the sum which will be necessary, and can take appropriate action to provide for the meat inspection service.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a brief statement which I have prepared with regard to the subject of meat inspection, supporting the committee's action and encouraging further consideration of appropriations, if necessary, be printed in the RECORD at this point.

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

STATEMENT BY SENATOR HUMPHREY

There appears to be a general agreement, including agreement among the members of the Agriculture Appropriations Subcommittee, that the meat-inspection program needs more funds than are recommended in the bill now before us.

The committee seems to make that clear in its report. It says:

"The committee recommends an appropriation of $17,326,000, the budget estimate and the amount in the House bill, which is an increase of $500,000 over fiscal 1958.

"The committee was requested to increase this item by several interested persons and organizations. It is understood from testimony given by departmental officials that additional funds will be required, and requested in the proposed supplemental for fiscal 1959. Pending this study by the Department, the committee does not recommend additional funds at this time."

I take this language to mean that the committee will give sympathetic consideration to the supplementary appropriations for meat inspection when it is sent to Congress by the administration. I want both to thank and congratulate the members of the committee for their deep concern that this vital consumer-protective program function effectively and adequately.

It is extremely unfortunate that the Eisenhower administration does not share this concern. During the past year, the administration has, on at least two occasions, shortchanged this vital program.

Last June, several Senators, including myself, sought to restore some $1,800,000, which the committee had cut from the fiscal year 1958 request for the meat-inspection program. The very distinguished Senator from Georgia would agree to only a small part of this restoration. But he invited the administration to send a supplementary request to his subcommittee.

As usual, the distinguished Senator from Georgia was extremely fair. He did not believe that the need for one item in the request for meat inspection had been adequately shown. He suggested that the administration send a supplementary request and discuss it in more detail.

The administration did not do this. Even though the meat-inspection program continued to suffer from a severe shortage of inspectors, it refused to send a supplementary appropriation to Congress, as the chairman of the subcommittee had suggested.

This year, the administration compounded its pennypinching folly. The Meat Inspection Division of the Department of Agriculture was already unable to fulfill all of its commitments adequately. The number of plants it must inspect will increase by 3 percent in fiscal year 1959. Yet the administration requested less money than it did for fiscal year 1958. Last year it had sought $18,618,000. In fiscal year 1959, when the work of the Meat Inspection Division will increase sharply, the administration cut its request by $1,392,000.

This is an example of what President Eisenhower means when he says he is conservative in money matters, but liberal in matters concerning human beings. The consumer, the farmer, the worker, the meat industry, all of whom depend upon the effective functioning of this program, can suffer, as far as the administration is concerned.

But this tragic comedy of pennypinching is not over yet. More than a month ago, many of us here heard rumors that the Department of Agriculture had sent a request for a supplemental appropriation for meat inspection to the Bureau of the Budget. Soon this oft-repeated rumor became on open secret.

Two weeks ago, when the Secretary of Agriculture appeared before the Agriculture Appropriations Subcommittee, he confirmed that a supplemental request of more than $2 million was now before the Bureau.

But, unfortunately, the Bureau has said nothing yet. Apparently, the processing of this important supplemental request is taking a long time.

I sincerely trust the Bureau of the Budget will not turn down this request by the Department of Argriculture. It would have to bear the responsibility for the consequences of increased curtailments of meat production due to the shortage of inspectors.

The committee report states, "The committee was requested to increase this item by several interested persons and organizations." Here we have an amazing situation—one which speaks well of the importance of the meat inspection program.

Such diverse groups as consumer organizations, labor unions, industry groups, farm organizations and public health groups, all agreed in urging that some $2 million be added to the administration request.

A joint "Appeal To Save the Meat Inspection Program" was sent to Senators and Congressmen by the top officers of the Amalga-

mated Meat Cutters and Butcher Workmen (AFL–CIO), American Meat Institute, American National Cattlemen's Association, the National Farmers Union, the National Grange, National Independent Meat Packers Association, United States Livestock Sanitary Association, and the Western States Meat Packers Association.

Many additional organizations, which do not sign joint statements, agree with the stand of the above organizations. For example, the AFL–CIO testified to that effect before the Agriculture Appropriations Subcommittee.

This demonstrates the widespread public support for adequate appropriations for meat inspection. It is heartening to see so many groups take up the cause of this important program for public health.

I hope and expect that the Bureau of the Budget will quickly approve the supplemental request and the Appropriations Committee will speedily report it to the Senate.

Mr. HUMPHREY. There is one final point which I should like to discuss with the distinguished Senator from Georgia. May I say, in passing, I am extremely grateful, as one Senator, for the dedicated work and leadership of the Senator from Georgia in this all-important area of agricultural appropriations. I was particularly pleased with regard to the funds which were made available for the soil conservation program, for the school lunch program, for rural electrification, and of course for the many services which are conducted by the Department of Agriculture as to watershed protection, flood prevention, and so forth

As to the research items, I should like to have the observations of the Senator from Georgia. My reason for asking this is that the subcommittee of which I am privileged to serve as chairman, a subcommittee of the legislative committee dealing with agricultural matters, has before it for consideration several bills relating to utilization research on agricultural products. The subcommittee also has before it for consideration several bills relating to soil and water laboratory projects and soil, water, and plant projects.

It is the view of the Senator from Minnesota that there is adequate authority already on the statute books for the development of research in the field of the use of agricultural products for industrial purposes or other purposes. Is it the view of the Senator from Georgia that there is adequate existing authority for what we call utilization research?

Mr. RUSSELL. The Department of Agriculture has very broad authority in that field under the Research Act enacted 3 or 4 years ago. The Department has always had very broad basic authority in that field. We have allowed substantial increases in the budget for the next fiscal year. We did not go into the so-called crash program which had been advocated in the utilization of certain commodities.

Mr. HUMPHREY. I understand.

Mr. RUSSELL. I do not think the Department of Agriculture looks with much favor on that program. It has been our observation that when we force a department to undertake a highly technical program of the type mentioned against its own wishes and against its own opinion the department is not likely to be too successful, but we did provide for substantial increases in the research program.

It might be interesting to note that we also authorized the expenditure of $5 million of foreign currencies, which we have obtained under Public Law 480, for basic research in the foreign countries.

Mr. HUMPHREY. That is very good.

Mr. RUSSELL. The Department insists that it has located some very eminent research scientists in other lands and that by the use of these foreign currencies in basic research the Department will get information which will be of great benefit to us in further expanding our utilization of agricultural commodities.

Mr. HUMPHREY. I notice in the field of utilization research the committee has allowed an increase over fiscal year 1958 of $7.3 million.

Mr. RUSSELL. That is my recollection of the amount.

Mr. HUMPHREY. In other words, the authority is present within the Agricultural Research Service for both the basic research and utilization research? There is ample authority?

Mr. RUSSELL. I know of no limitation whatever on the authority of the Department of Agriculture in the field of research in any wise pertaining to agriculture.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. As a matter of fact, the Department of Agriculture, in the first place, was primarily created to serve as an organization to promote research. That was practically its function for a great many years before it ever had any action program in the field.

I have in times past handled legislation authorizing research, when I was a member of the Committee on Agriculture and Forestry many years ago. I know of no limitation, except on the amount of money which might be appropriated by the Congress for work in this field. I think Congress can appropriate for and direct research activity in almost any conceivable sphere in the agricultural field, without any embarrassment on account of statutory limitations.

Mr. HUMPHREY. That is the view of the junior Senator from Minnesota. The only reason I bring up the point in the present discussion is that we have momentarily, in the subcommittee of the Senate Committee on Agriculture and Forestry, set aside those bills relating to the broadening of the authority as to what we call utilization research, primarily because it was the view of subcommittee members and counsel of the committee that adequate authority already existed and that passage of such measures might further complicate the matter, if we were to set up a separate division or a separate unit in the Department for what we call the industrial use of agricultural products or utilization research, which went away from or was removed from the existing research laboratories and facilities.

Mr. RUSSELL. I do not know of any limitation on the authority in that field. Of course, the Senator says he has had the matter investigated by a lawyer. Perhaps I should not have spoken so emphatically without looking into the specific statutes.

Mr. HUMPHREY. I would prefer to have the view of the Senator from Georgia.

Mr. RUSSELL. I have seen almost every conceivable type of research project brought forward in the many years I have been associated with the agricultural appropriation bill. Never at any time have I heard any question about a statutory limitation. The only limitation is the amount of money available to the Department to carry on research.

Mr. HUMPHREY. The same is true, is it not, with reference to new construction items, such as soil and water and other research facilities? The authority is there, and again it is a matter of reviewing the projects and of appropriating the funds.

Mr. RUSSELL. There is a limitation contained in the appropriation bill, but if we set up a specific project, as I understand, there is no limitation. As a matter of fact, in times past we have created various research laboratories of almost every conceivable kind and character throughout the country, merely by making appropriations therefor.

Mr. HUMPHREY. As we did last year or 2 years ago, in connection with soil and water investigations.

Mr. RUSSELL. There were three examples last year.

Mr. HUMPHREY. Without any additional legislation relating to authorization.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I thank the Senator. I brought this question up today because some of our colleagues have expressed an interest in it, and I indicated to them that it would be discussed with the distinguished Senator from Georgia.

Mr. RUSSELL. As I recall, last year when this subject was before the Appropriations Committee, there was legislation pending in the standing Committee on Agriculture and Forestry to create at least two of the laboratories which were finally established in the appropriation bill.

Mr. HUMPHREY. In reference to the school lunch program, under section 416, there was to be a priority for surplus commodities for the school lunch program, as I recall, and not for any overseas distribution. Is not that correct?

Mr. RUSSELL. That was the construction which the committee placed on the language. The school lunch program and eleemosynary institutions in this country have priority over any other recipient in the distribution of agricultural surpluses. We undertook to establish that priority again in the committee report this year, to call the Department's attention to it.

Mr. HUMPHREY. With reference to the transfer of funds for which the House had provided in its version of the bill, was there some carryover of funds from last year?

Mr. RUSSELL. Under section 32?

Mr. HUMPHREY. I believe so.

Mr. RUSSELL. I do not recall whether there was or not, but, of course,

there is a large amount of section 32 funds available each year. Thirty percent of the customs receipts are allocated to that purpose from year to year. In some years practically all of the allocation is spent. In other years, when we were not plagued by surpluses, as much as half of the allocation has been unused. For many years the Department has been giving these surplus commodities to the school lunch program, so we struck out the specific allocation of $55 million from section 32 funds on the premise that if there were surpluses the Department would distribute them to the school lunch program anyway; and we made an increase of $25 million in the direct appropriation for the school lunch program.

Mr. HUMPHREY. It is not to be supposed that by reason of striking out the House proviso, there is to be any limitation on the use of section 32 funds for school lunch purposes, is it?

Mr. RUSSELL. Indeed not.

Mr. HUMPHREY. I merely wished to clear the record in that respect.

Mr. RUSSELL. The committee report, in the same section which refers to striking out the proviso, reads as follows:

> The committee urges the Department to give the school lunch program first priority and make certain that adequate food donations are made.

Mr. HUMPHREY. That includes also the use of section 32 funds.

Mr. RUSSELL. And all other funds available for the acquisition of surplus commodities.

Mr. HUMPHREY. I appreciate the courtesy of the Senator. I regret having taken so much of his time, but there is some doubt in the minds of some of our constituents as to just what action the Senate committee had taken in striking out the proviso. As I understand, the committee says to the Department of Agriculture, "Follow the law"; and the priority is with the school lunch program.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I thank the Senator.

Mr. RUSSELL. We certainly did not intend to take away from the school lunch program, but to add to it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a very brief statement dealing with the particular items in the bill which were affected by committee action.

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

AGRICULTURAL APPROPRIATION BILL, 1959

This is a brief statement summarizing some of the items on the bill.

The bill before the Senate provides a total of $3,207,973,039, of which $1,447,573,153 is for regular activities and $1,760,399,886 is to restore the capital impairment of the Commodity Credit Corporation.

This is $2,719,258,836 under the total appropriations for 1958, due principally to inclusion in the second supplemental appropriation bill, 1958, of reimbursements to the Commodity Credit Corporation for 1957 costs on the Soil Bank programs of $489,500,000 and $1,725,549,473 for various "special commodity disposal programs."

For regular activities the bill is $161 million under these items for 1958, $113 million under the estimates, and $9 million under the bill as it passed the House.

RESEARCH AND EXTENSION

Federal research is increased $3,247,500, of which $2,300,000 is for utilization research, and $917,500 for strengthening production research. In addition, $5 million is proposed for utilization research in foreign countries through use of foreign currencies.

Plant and pest control and animal disease eradication programs are increased by $17,050,000 over 1958, mostly for financing of brucellosis eradication program by a direct appropriation of $20 million. Other increases of $1,150,000 are included to strengthen eradication of the screwworm and plant quarantine inspection.

There is an increase of $1.2 million in research payments to State experiment stations, and $3 million for extension payments to States.

SOIL AND WATER CONSERVATION PROGRAMS

Increases of $7 million are provided to the Soil Conservation Service, an increase of $2.5 million over the budget for district conservation work, and $4.8 million over 1958 for flood prevention in the 11 watersheds, $25.5 million is provided for the small watersheds, and $10 million for the Great Plains conservation program.

An appropriation of $235 million plus carryover funds provides $250 million to finance the 1958 ACP program.

An advance authorization of $250 million for the 1959 program is recommended. This is an increase of $125 million over the budget request.

It is proposed that the 1959 program be carried out on the same basis as the current program for 1958, except where a county committee recommends and the State committee approves changes needed in practices to meet their local conservation needs.

Five hundred thirty million dollars is provided for the Soil Bank programs, a decrease of $233 million from 1958. Supplemental funds will have to be provided later for the increased acreage reserve for 1958 crops as authorized in the Second Supplemental Appropriation Act, 1958. No authorization is provided for acreage reserve on 1959 crops.

The conservation reserve part of the Soil Bank requires an appropriation of $200 million, for rental and practice payments, and for 1959 a program of $450 million is authorized.

INSPECTION, MARKETING, AND DISTRIBUTION

The bill recommends that poultry inspection be conducted under the Agricultural Marketing Service as contemplated in the enactment of the Poultry Inspection Act, and $7 million is provided for this purpose.

The bill provides $125 million for the school-lunch program, an increase of $25 million. This increase is proposed partly to offset the decrease in food commodities donated to the school program.

The Secretary of Agriculture can increase the food donations to the school-lunch program by decreasing the amounts shipped to foreign countries. For example, in 1957 over one-half of $500 million in food donations programs was given to foreign countries.

LOAN AUTHORIZATIONS

The bill authorizes expenditures of $694 million for investment-type loan programs for rural electrification and telephone programs, and for Farmers Home Administration loan programs.

RESTORATION OF CCC CAPITAL

The bill carries $1,760,000,000 to restore the capital impairment of the Commodity Credit Corporation for fiscal 1957 costs, an increase of $520 million. Of this amount only $786,500,000 is directly chargeable to loss on price supports. Over $500 million goes to food donations, domestic and foreign aid and emergency feed assistance. The remaining $500 million goes to storage, transportation, and related expenditures.

AGRICULTURAL EXPENDITURES CHARGEABLE TO THE FARMER

The committee has requested the Secretary to restudy the allocation of and reporting on agricultural expenditures. Aside from appropriations the Department is authorized to make expenditures from corporations, from their borrowing authorizations such as the Commodity Credit Corporation, and for investment loan programs which are repaid. Thus, in 1959 it is estimated expenditures will be about $5 billion, whereas this bill appropriates less than $1.5 billion for regular activities and $1.8 billion for 1957 program costs.

Regardless of how the President presents his budget it is important for the Congress and the public to know that of this $5 billion in expenditures, less than $2 billion directly benefits the American farmer.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 11767) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG, Mr. MUNDT, and Mr. DWORSHAK conferees on the part of the Senate.

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 1447, Senate Resolution 281, be made the unfinished business of the Senate.

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

The CHIEF CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print Recruiting and Training for the Foreign Service of the United States, as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

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

HOUSING FUNDS IMPOUNDED OR WITHHELD BY BUDGET BUREAU

Mr. CLARK. Mr. President, a few weeks ago I called the attention of this body to the administration's failure to release funds authorized by the Congress for our housing program. The discussion arose as the result of a bill introduced by seven of our good friends from the other side of the aisle, suggesting an expansion of the urban renewal program, and the placing of that program on a long-term basis, with loans and grants authorized at the rate of $500 million a year.

As I have said, the colloquy in the Senate took place as the result of the fact that seven of our friends on the other side of the aisle took the position that the housing and urban redevelopment legislation should be expedited as an aid in combating the current recession.

That caused me to investigate the situation, and to discover that last year, during the height of the administration's tight-money policy, the Budget Bureau had impounded more than $700 million of funds which had been authorized by legislation.

Without question, this action by the administration slowed down housing construction, and contributed significantly to the economic difficulties in which the Nation finds itself today.

When the present recession began to be felt, the administration, with a good deal of publicity, announced that it had released funds to spur housing. When I checked to determine for myself what the President and his advisers were actually doing to stimulate housing construction, as opposed to what they were saying, I was shocked to find that the Budget Bureau was still withholding $305 million of the $700 million of funds authorized by the Congress for urban renewal and other housing programs.

I made a report on this situation on the floor of the Senate a few days before the Easter recess. Now that we are back after the recess, I have checked again, because in the meantime the President signed the emergency housing bill, which authorized additional sums of money to help speed housing construction, this being said to be an anti-recession measure.

I desired to ascertain how seriously the President took the admonition of the Congress to take effective and forthright action to cure the recession. It now appears that at present President Eisenhower is withholding an even larger sum than before from the housing market.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table which shows that $1,356,400,000 of funds authorized by the Congress for housing purposes is at present either impounded or unallocated.

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

Balance of housing funds impounded or withheld by Budget Bureau as of Apr. 21, 1958

[In millions of dollars]

	Authorized	Released	Unallocated or impounded
FNMA special assistance:			
Under Presidential authority	950	517.6	432.4
Cooperative (FHA sec. 213)	200	180	20
Military (FHA title VIII)	500	475	25
Low-cost housing (Sparkman Act)	1,000	300	700
College housing	925	900	25
Urban renewal	1,350	1,196	154
Total of all funds	4,925	3,568.6	1,356.4

Mr. CLARK. I wish to be perfectly fair. To be sure, some of this money is being withheld by the Bureau of the Budget because there is no sufficient demand for it immediately. On the other hand, a very large part of the withheld money could be used if the administration had the will and the imagination to find ways to put it to use.

First, Mr. President, let us look at urban renewal. The President has at his disposal $154 million, which could be made available to keep this great program moving at top speed.

The Urban Renewal Administration has received applications for this year at the rate of $40 million a month. If this continues until the end of the fiscal year, the demand will exceed presently available funds by well over $200 million. In spite of this great demand, the President continues to withhold these funds. How can city officials help but be confused? On the one hand, they hear words which tell them to speed up public works. On the other hand, they find the Federal Government unwilling to support these words with action when it comes to releasing funds for the Federal share of this program.

Another program with funds impounded is the college housing loan program. Not too much money, relatively, is involved here—only $25 million—but it is an illustration again of fine words not backed up by action or deeds. A speedup in this program could release money in the economy which is so badly needed to start again the stream of high economic activity, as well as produce badly needed housing for our young people in college.

A third program, involving considerably more money, is the special assistance program of the Federal National Mortgage Association, or FNMA. The purpose of the special assistance fund, set up in section 301 (b) of the National Housing Act is to:

> Provide special assistance (when, and to the extent that, the President has determined that it is in the public interest) for the financing of (1) selected types of home mortgages (pending the establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home-financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home-building activities which threatens materially the stability of a high-level national economy.

The second purpose of this section of the act is certainly appropriate for the current recession. There are not many times in our history where the economic conditions would be more appropriate for action than the present. Congress authorized in the 1958 emergency housing legislation an additional $500 million to be used by the President for this purpose. This money comes from the Treasury and is released by the Budget Bureau to the FNMA in accordance with administration policy. At the present time, the Budget Bureau is withholding $432 million.

The administration may claim that there is no need to release the $432 million to FNMA because there is no demand for it at this time. FNMA officials concur in this by claiming that the balance in the special-assistance categories already established is more than adequate.

Of course it is. Of course it is more than adequate under the stagnant thinking of the housing officials responsible for carrying out the purposes of the act. The only action taken as a result of the emergency legislation was to put more money into the urban-renewal fund and the elderly housing fund which funds already have adequate money.

No new liberalized regulations were issued nor were any new categories established to carry out the will of Congress.

A little imagination and the will to beat this housing slump could develop many ways for FNMA to help.

If it is true that nothing can be done, why did not the administration speak up and admit that the section 301 (b) purpose is nonsense and the $500 million authorization by Congress purely an empty gesture?

It is not an empty gesture. An examination of the FNMA procedures reveals no change in its banker approach to the purchase of mortgages. The fees, the type of mortgages and administrative procedures work to discourage the sale of mortgages to FNMA.

An active, progressive, and imaginative program to carry out both the intent and the letter of the FNMA special assistance law would uncover programs that need help.

Par purchase of mortgages by the Federal Government is violently opposed by the mortgage lenders and it is extremely unlikely that any imaginative action on the part of FNMA to change its current program will be adopted at the present time.

The President has failed to release funds and to provide the imagination to carry out the intent of the Congress. Congress has authorized $2,650 million for Fannie May to be used in purchasing mortgages for home-building in all categories which it was believed required special attention and aid. A billion and a half dollars of this amount were appropriated by the Sparkman Act, which was passed in record time last month, and without a single vote in opposition.

You will recall that $500 million was to be used by the President wherever he believed it would do the most good under authority given him in the original act to purchase FHA and GI mortgages when in his opinion national economic conditions so indicate.

When could national economic conditions be more appropriate than they are now to put this money to work?

We can only conclude that the President and his advisers fail to understand the seriousness of current economic conditions or lack the imagination to use this money according to the intent of Congress.

The emergency housing bill, which passed Congress last month, has in it possibilities to put back to work perhaps 500,000 men. Of course it cannot solve the recession by itself, but it could be a center of revival around which the whole economy could rally. I dislike to see

this effort of Congress wasted, while the recession is allowed to drift and slide on downward.

Mr. President, a good illustration of what is going on is the release of money by the Federal Reserve Board and the change from a tight-money policy to an easy-money policy. That is a change which I heartily support. I have before commended and again commend the Chairman of the Board, Mr. William Martin, and the other members of the Federal Reserve Board, for having at last found out that the tight-money policy was going far toward creating the recession which now confronts us. I commend them for having the intelligence to reverse it and to release a flood of credit which will help, and which has already helped, very much toward bringing down the interest rates.

As a result of that change in policy, there have been floated by cities throughout the country more municipal bonds at a better rate of interest than ever before in the history of our country. That is a splendid thing, because millions—indeed, billions of dollars in projects, which had been put on the shelf, awaiting an opportunity for decent rates, have been put on the market, to help our municipalities get on with their many projects, most of which have been badly needed for a very long time.

However, mainly in the housing field, interest rates are still sticky. The rate on prime mortgages in Philadelphia and in Washington is still 5 percent, despite the fact that Treasury bills are at the lowest point in their history so far as interest is concerned, and they had their most precipitous decline in the last few months as a result of the turnover in the Federal Reserve policy.

If these Federal moneys in the mortgage field were used as intended, we would find that the interest rate on prime mortgages on FHA mortgages and GI mortgages would come down to about where it ought to be, and it would enable moderate income families and lower income families to build and to buy on reasonable terms the houses they so badly need.

Mr. President, what we have in the lending field is not unlike what we see in the steel and other industries. It amounts to a seller's strike, where price—in this case the price of money—is maintained in spite of the fact that supply is far in excess of demand.

We have had some interesting and constructive comments on the floor of the Senate today. The Senator from South Dakota [Mr. MUNDT] spoke about the need of a price reduction in the automobile field. We all know that we are threatened with an increase in price in the steel field, despite the fact that steel operation is hardly above 50 percent of capacity.

The same thing is happening in mortgages, despite the fact that mortgage money is available at low interest rates. Despite the fact that mortgage money is available on terms far more attractive to the lender than ever before, the lender is still holding up the interest rate and holding back the flood of new construction which I am confident would be started if we could get the interest rate down where it belongs, in view of the real situation in the credit market.

The Federal housing programs can serve to bring down the interest rates in general, in the same way in which the public power yardstick operates to bring down the power rates in general. They can serve that purpose, but only if the administration makes full use of their potential.

Let us hope that the President's fiscal advisers may still see the light to go along with Congress and will do all that is possible to stimulate homebuilding as one of the most important means of checking the alarming downslide in the economy.

I feel certain that the President of the United States would be more inclined to do that if my good friends on the other side of the aisle, the Eisenhower Republicans, who are so anxious to help in the urban renewal field, would go to the President and ask him to use his good offices to make certain that the intent of Congress is carried out and not frustrated, and that the easy-money policy of the Federal Reserve Board is converted into lower interest rates on home mortgages, so that by a stimulation of the homebuilding industry we can take a long step toward coming out of the depression.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PREPARATION OF THE CONGRESSIONAL RECORD

Mr. ALLOTT. Mr. President, on yesterday, April 20, there was published in the magazine section of the New York Times an article entitled "The CONGRESSIONAL RECORD Is Not a Record." The article was written by the distinguished junior Senator from Oregon [Mr. NEUBERGER].

I presume that most Members of the Senate will remember the colloquy relating to correction of the RECORD, which occurred in the Senate a month or two ago, and in which many of us participated.

Although the Senator from Oregon has, in the article, expanded on the points covered in the colloquy which occurred at that time, I recommend to my colleagues a reading of the article. I believe there is considerable justification for a modification or at least a stricter interpretation of the present rule, for I understand that laxity is the source of the present difficulty. At least the present rule should be more strictly interpreted, so that the remarks made by Senators on the floor of the Senate will not be altered beyond recognition.

I know there are times when, after the Members of this body have worked long and arduously on various questions, here on the floor, they become extremely fatigued, and sometimes tempers flare. I believe the best interests of this body will be served by having the remarks actually made by Senators appear in the RECORD; and if subsequently those who participated in the colloquy may wish to apologize for any remarks they have made, it seems to me it will be proper that the remarks of apology also be printed in the RECORD, following the remarks to which they pertain, rather than to have the RECORD altered in such a way that sometimes it is not intelligible. I myself have participated in numerous debates on the floor; and sometimes when I read the RECORD the following morning, I have found it very difficult to recognize the debate which occurred.

The junior Senator from Oregon has also to some extent gone into the question of the excess use of the CONGRESSIONAL RECORD for the insertion of documentary matter. As a matter of my own, personal practice, I have made only very limited requests for the printing of such matter in the RECORD.

Therefore, Mr. President, at the risk of perhaps being criticized for doing that which I am now criticizing, I do ask unanimous consent that there be printed in the RECORD, in connection with my remarks, the article to which I have referred, because it attacks this question and discusses it very intelligently; and I believe the Senate may well heed some of the suggestions the Senator from Oregon has made.

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

THE CONGRESSIONAL RECORD IS NOT A RECORD

(By RICHARD L. NEUBERGER)

WASHINGTON.—In the tense debates over foreign policy and the domestic economy taking place these days beneath the stately dome of our Capitol, a Member of the United States Senate often will explain that he is speaking primarily "for the record." This may be done to rationalize the lack of attention paid his remarks. On many occasions, however, it is undertaken by the sponsor of a bill to provide what he describes as "a record of legislative history," so that an executive agency or department of Government, later administering the law under consideration, will have fairly precise knowledge of what the author of the act had in mind.

When these Senators use the term "record," they are not thinking of some nebulous chronicle or journal. They have specific reference to one particular record, and one only. This is the CONGRESSIONAL RECORD, which, since 1873, has been the daily account of proceedings in our Senate and House of Representatives when they are in session. It is one of the most important publications in the land, for it is supposed to report faithfully the debates and discussions which shape the laws governing 171 million Americans and their role in world affairs.

I use the word "supposed" advisedly, because the official transcript of debates in the Senate and House is frequently revised, amended, subtracted from, and even embellished with lengthy additions. These changes occur before the transcript ever reaches the printed pages of the CONGRESSIONAL RECORD. Senators and Representatives are permitted to doctor and edit their speeches, virtually at will. It is for this reason that I have introduced a resolution to write into the rules of the Senate that "no changes of a substantive nature" can henceforth be made in the text of what is taken

down by the Senate's staff of skilled shorthand reporters.

It is my hope and that of my lone cosponsor Senator GORDON ALLOTT, of Colorado, that once the Senate adopts such a sensible and logical rule, the House will do no less than follow the example.

After a major debate in the Senate over an issue which stirs profound emotions, such as civil rights or foreign aid, I have seen many Senators sitting around a circular glass-topped table in the reporters' workroom, virtually rewriting the speeches and retorts just delivered on the floor of the Senate. Some will totally expunge comments made in the heat of debate that may seem indiscreet or unwise in the cold, gray light of the next dawn and in the inflexible type of the CONGRESSIONAL RECORD. Others will be adding afterthoughts, which may furnish an extra fillip to a reply that was flat or ineffective when uttered under the duress of argument in the Senate Chamber. This entire process of addition and revision has impelled one Washington wit to suggest that a United States Senator, or his counterpart in the House, is evidently the only person on earth who can sigh, "I wish I'd said that," and then actually say it.

Yet the privilege now vouchsafed Senators and Representatives of changing the CONGRESSIONAL RECORD has its grave and even alarming aspects. To some degree, the integrity of Government is at stake. What is said on the Senate floor certainly helps to frame the content and tenor of our laws.

As a first-term Member of the Senate, I am particularly conscious of the impact of new facts and new ideas during debate. Legislators are as susceptible as anybody to startling claims and charges. Correspondents in the press galleries take down sensational or significant statements voiced on the floor, and flash them to newspapers and other outlets all over the Nation. This, in turn, creates public opinion—the ultimate authority in a free land. Is it not absurd that many of these statements later can be edited, toned down, or completely eliminated?

Indeed the practice of altering the text of debate in the Senate and the House is so prevalent that it actually has been sanctified in the rules which regulate the publication of the CONGRESSIONAL RECORD. These even allow Senators and Representatives to take home transcripts of speeches delivered in the halls of Congress, to be leisurely reconstructed at the fireside in the presence of handy reference volumes and one's family and counselors. If this is not rewriting contemporary history, then what is it?

Let me emphasize that no personal opprobrium attaches to this practice, nor should it. The practice has become part of Congressional custom. It is now virtually second nature for a Senator or Representative to revise remarks which he uttered on the floor. Every Member does it—frequently out of self-protection, because his antagonist in debate is quite likely to do so. The author of this article has done it, although he trusts he has done it with circumspection. The only way to end the habit is by a rule which cuts off the privilege of all legislators simultaneously.

So far as legal liability is concerned, there are few holds barred in Senate debate. Under the Constitution, a Member of Congress may not be required to answer in court for what he says in either Chamber. This encourages many excesses. A Senator may compare the President of the United States to a convicted felon. A Senator can question the learning of a Supreme Court Justice, the patriotism of a leader of labor, or the financial ethics of a corporation executive.

Such indiscretions cause a powerful ripple when they are spoken, and often they leave an atmosphere of controversy and bitterness for weeks thereafter. Is it right that they can be edited out of the CONGRESSIONAL RECORD? Senator LYNDON JOHNSON of Texas, majority leader of the Senate, has said that "there are few documents more important than the CONGRESSIONAL RECORD. Locked in its pages are the debates, the resolutions, the bills, the memorials, the petitions, and the legislative actions that are the reason for the existence of the Senate. It is a document which affects our laws, our precedents, and our judicial decisions." But would not the RECORD be of far more enduring value if it were immune to self-serving alterations?

When the rule proposed by Senator ALLOTT and me is discussed in the cloakrooms, some of our colleagues express qualms that debate might be unduly inhibited if only grammatical corrections can be made before the transcript is set in type for the pages of the CONGRESSIONAL RECORD. Senators, they predict, may tend to tighten up and refrain from voicing their real feelings if every occasion in the Senate is to be governed by the words from the Rubaiyat: "The moving finger writes, and having writ, moves on."

To such warnings there may be some validity, but I believe they are canceled out by obvious advantages if the record written on the Senate floor is final. Men will count to 10 before they give vent to the personal abuse and character assassination which have done so much to bring American public life into disrepute. If forbidding alterations in debate transcript leads to a greater degree of restraint, is that necessarily bad? I would venture that our excesses in debate are worse than our inhibitions, such as they may be.

Undoubtedly a record which can be altered tends to encourage off-the-cuff remarks and so-called "horseback" opinions in debate. Senators are relaxed because the transcript can be doctored before a single issue of the CONGRESSIONAL RECORD is deposited in the mailsack. Yet is not the important fact what the Senators actually said in seeking to persuade each other in floor discussion prior to a roll-call vote, rather than what they subsequently want their constituents to think they said?

As I see it, the way to correct or improve an argument made in debate, if it proves inaccurate or reckless when read in type, should properly be in explanatory remarks spoken later on the Senate floor.

The very masthead, "CONGRESSIONAL RECORD," ought to assure rigid fidelity to truth and circumstances. Why else should the Government spend approximately $1,700,000 a year to publish some 43,000 copies of the RECORD?

The RECORD can be a tome of impressive proportions. During lengthy sessions, with both branches of Congress in operation, a single issue may total as many as 256 pages. This is by no means confined to actual proceedings on the floor. Actual debate may occupy less than half the space. Senators and Representatives routinely receive unanimous consent to print in the CONGRESSIONAL RECORD newspaper editorials, magazine articles, letters, telegrams, brochures, and even poetry which they regard as significant or meritorious. Such permission is rarely denied, because he who thwarts unanimous consent for a colleague may never receive unanimous consent for himself.

Thus Members have included in the CONGRESSIONAL RECORD the entire text of Henry George's Progress and Poverty, the French dueling code and a whole set of recipes for shrimp and other Louisiana table delicacies. I imagine there are few of us who always restrict our inclusions to the legislative business at hand. Essays about the history of the Pacific Northwest are my own particular weakness.

In the actual body of the RECORD, these inclusions may be of virtually unlimited length although, generally speaking, they must be germane to the matter under discussion. An appendix, at the back of every issue, contains insertions which can be on virtually any subject but are held to about two printed pages in quantity—unless the Member submits, at the time of his request for unanimous consent, an estimate from the Government Printing Office as to how much it will cost to publish his material.

Yet this restraint may readily be circumvented by separating voluminous documents into individual insertions of shorter length. On a single day last August, for example, a famous Democratic Senator of liberal reputation received unanimous consent to include in the Appendix of the CONGRESSIONAL RECORD 31 separate pamphlets prepared by an antivivisectionist organization. Some Members in both bodies use the Appendix to publicize press releases from chambers of commerce in their districts or to herald prize-winning essays by local high-school seniors. I have done the latter myself.

The House of Representatives allows far greater latitude even than the Senate in tolerating distortion of the CONGRESSIONAL RECORD. A Member of the House can speak perfunctorily for 2 minutes on the floor and then receive unanimous consent to "revise and extend" his remarks. He later can transform such sweeping permission into an address of 60-minute proportions which is published in the CONGRESSIONAL RECORD as though spoken in its entirety on the floor.

These phantom speeches are nothing less than deception of the folk who see the RECORD back home. While we in the Senate enjoy considerable laxity in being able to alter the transcript of debate, at least what Senators change and edit was actually spoken in the Chamber of the Senate. The practice by the House of encouraging "ghost" speeches is infinitely less defensible.

Despite its limited circulation, the CONGRESSIONAL RECORD enjoys an influential readership. Each Senator may send the RECORD free to 100 of his constituents, while every Representative may place 68 of the homefolks on the mailing list. A paid subscription to the RECORD costs $1.50 a month when Congress is in session.

If my own mailing roster is at all typical, the CONGRESSIONAL RECORD goes to men and women in each State who are leaders in thought and opinion—editors, authors, teachers, school and college administrators, business executives, trade union officials, political party chairmen. I receive approximately four times as many requests for a free subscription to the RECORD as I am able to satisfy. Alas, few of these unrequited souls seem to want the RECORD eagerly enough to pay $1.50 monthly for the privilege; there is only a handful of paid subscribers in the entire Nation—about 1,500.

My own readers of the RECORD frequently write to me about some passage which has won their fascinated attention. The letter can be a criticism that I seem to talk too much or a commendation for having said just the right thing when the Senate was considering national forest appropriations of urgent importance to Oregon.

This preoccupation with the RECORD might be still more intense if its readers realized the loving care with which it is edited by those professionally entrusted with its publication. No group working on Capitol Hill is comprised more truly of career people than those who compile the CONGRESSIONAL RECORD. One reporter, the late Theodore F. Shuey, took down debates until he was 89.

James W. Murphy, 80 years old, the present chief reporter of Senate debates, is descended from a family whose members began taking down Senate proceedings as early as 1848, even before there was an official CONGRESSIONAL RECORD of the kind published today. During that period, the Congressional Globe, owned by the private printing

firm of Blair & Rives, disseminated Congressional debates in somewhat attenuated form. These elliptical summaries often left the reader suspended in midrepartee, as it were. In spite of the Globe's sketchiness, however, its reporters began to be paid at public expense in 1855. When the Government Printing Office was authorized 5 years later, it was merely a matter of time and patience until, in 1873, the publication of proceedings on the Hill became entirely a public undertaking.

Mr. Murphy, who holds a law degree from Georgetown University, went to work in the Senate as a shorthand reporter in 1896. Regardless of his years, Mr. Murphy tries to read carefully every transcript taken down by his staff of six skilled shorthand reporters, who revolve their service on the Senate floor in hour-long shifts. This means that each reporter records debate for 10 minutes out of every hour. He spends the rest of the time painstakingly reading his notes into a dictaphone, after which they are transcribed by an experienced typist. As a further precaution, the reporter reviews the transcript for accuracy before it ever reaches the desk of Mr. Murphy or of his chief lieutenant, John D. Rhodes.

Both of these men possess the authority and the knowledge to make such changes in syntax and grammar as seem necessary to preserve senatorial reputations for profundity. Malapropisms in speech—but not in substance—are eliminated. Contractions get ironed out into finished phrases. Mr. Rhodes has told me that one of his favorite aphorisms is that of Mark Twain, who allegedly said, "The difference between the exact word and almost the exact word is the difference between lightning and the lightning bug."

It is the very diligence with which the RECORD is edited that has impelled me to introduce my resolution forbidding substantive changes in the transcripts of debates. I am convinced that the transcript is as accurate as human effort can make it.

Can the CONGRESSIONAL RECORD be made a more popular avenue for circulating information about the principal policymaking arm of the American Government? I believe it can, and I would suggest these methods for doing so:

1. There would be far more faith and confidence in the CONGRESSIONAL RECORD if the public knew, for a certainty, that the transcript of debate had to remain just as taken down by the reporters. Indeed, the inevitable added zest and controversy—and slips and lapses—could make the RECORD a far more lively and readable document.

2. Too much extraneous material now clutters the main body of the RECORD. Actual proceedings on the Senate floor are all but lost in a vast mass of tables, letters, and communications. This, in turn, adds to the forbidding size of the CONGRESSIONAL RECORD, so that the casual reader is discouraged from the start. I would restrict these inclusions to the Appendix, which then could be printed separately once a week. In order to narrow the dimensions of the Appendix, I would apply a ceiling to the amount of material any one Senator and Representative could ask to have published. Greater selectivity undoubtedly would be in the public interest.

3. The CONGRESSIONAL RECORD might be made more prepossessing by indicating more clearly when a new participant is entering a debate. As the RECORD appears now, it requires virtual 20/20 vision to pick out at a glance the headings which separate one topic in the RECORD from another.

4. Somebody like Mr. Murphy should have the authority to order the inclusion of charts or maps in the RECORD when they are fully justified—as, for example, the afternoon when Senator ALLEN J. ELLENDER, of Louisiana, addressed the Senate for 3 fascinating hours while he described the most extended tour ever made of Siberia during modern times by an official of the American Government.

None of these reforms will assure the CONGRESSIONAL RECORD an overnight popularity matching Gone With the Wind, or The Call of the Wild. But they could help to make it a far more readable and successful organ of free government at a time when such parliamentary bodies as the Congress of the United States face the sternest challenge of their whole existences.

CAN WE LEARN TO SURVIVE?

Mr. WATKINS. Mr. President, on April 8 of this year the Honorable HENRY ALDOUS DIXON, Member of Congress for the First Congressional District of Utah, spoke to the faculty and student body of Utah State University, where he served as president prior to being elected to Congress.

His topic on that date was Can We Learn To Survive? In view of the excellent subject matter of Representative DIXON's remarks, I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD, in order that his address may be available to his colleagues and to thousands more who may also benefit from what he had to say in his speech at the university.

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

CAN WE LEARN TO SURVIVE?

In assigning me this subject, the Ag's Club Council chairman apparently assumes (1) that western civilization is worth saving, (2) that our civilization is in such peril that it cannot survive unless we learn to successfully cope with these perils, and (3) that it is either possible or impossible to learn to survive.

I. WESTERN CIVILIZATION IS WORTH SAVING

Consider the first proposition: "Is western civilization worth saving?" If it is not worth saving, the easiest thing to do is to capitulate right now because it is going to require far more effort to save it than to lose it.

I ask this question: "Is western civilization worth saving?" not facetiously because we must decide where we stand and boldly defend our position. There have been serious proposals advanced by men no less learned than that English philosopher, mathematician, and author, Bertrand Russell, who as a pacifist has urged that we completely disarm and even allow the Communist world to take us over. J. B. Priestly is reported to have joined him in this position.

The lethargy and indifference on the part of many leads me to think there is altogether too much truth in the threat that one of the Red leaders threw into our teeth when he said, "In Christianity you of the Western World have a far better and nobler philosophy than we have in atheistic communism but we will prevail nonetheless for wherever there is a Communist there is a dedicated ambassador of communism. Western civilization lacks both this vitality and this dedication."

A bright young Chinese doctor of philosophy told me that over the centuries the Chinese have let themselves be invaded but that in every case their huge population simply absorbed and digested the invaders. It will be interesting to see if this will ever be the case with the Red supremacy over China. Better still, could any people accustomed to the blessings of freedom as we are, ever live or breathe under the totalitarian dogma relegating man to the animal level and interpreting his drives in terms of the wolf pack. God forbid, especially when the contrast is shown so sharply and strikingly by comparing West with East Germany. What thinking American could ever live under conditions in Hungary or want to invite upon his head the brutality of the Hungarian revolt?

Have we reached the stage, my young friends, where it can be said of us: "Not that they lived but that they lived so dreamlessly; not that they died, but that they died like sheep."

American heroes are worshiped mainly because of their ideals such as the appeal of youth in the "Address to the Young Men of Italy" by the great Italian patriot, Maggini.

"Love humanity. God has given you your country as a cradle and humanity as mother; you cannot rightly love your brethren of the cradle if you love not the common mother. * * * And love, young men, love and venerate the ideal. The ideal is the word of God. High about every country, high above humanity, is the country of the spirit, the city of the soul, in which all brethren who believe in the inviolability of thought and in the dignity of our immortal soul * * * Anger, pride, ambition, and the desire of material prosperity are arms common alike to the peoples and their oppressors, and even if you should conquer with these today, you would fall tomorrow. * * * Adore enthusiasm, the dreams of the virgin soul, and the visions of early youth, for they are the perfume of paradise * * * respect above all things your conscience; have upon your lips the truth implanted by God in your hearts."

II. WESTERN CIVILIZATION IS IN PERIL

Western civilization is in peril but we are not in imminent danger of an attack. Our power of mass retaliation is still far too great for that. And let me say regarding our peril that one of our greatest dangers lies in over-dramatizing this peril. While the powerful thrust of the sputnik's launching pierced the thick armour around our faith in America's missile supremacy and blasted that complacency, the successful launching of our own satellites, the Explorer I and III and the Vanguard, helped to quiet our pimply nerves. The Europeans who, are far less prepared and in greater danger than we, warned us against going to extremes; told us that we might have to learn to live with danger as they do; and expressed the fear that America's hysteria and her great strength make her nearly as big a menace as the Soviet Union. They say that our greatest danger was the raving, ranting and warlike shouts of war hawks whose advice, if left unchecked could take us directly into the war we seek to avoid. The scripture says: "He that lives by the sword shall perish by the sword."

Our situation calls to my mind a conversation between two Negroes in a Nashville, Tenn., barbershop during World War II, when I was teaching at Peabody College. One of them said, "We sho am in a crisis." The other replied, "This ain't no crisis, it's only a crissis."

"Well, what's the difference?" replied the first.

"Here's the difference" said the second, "A crisis is when yo all loses yo heads, a crissis is when yo all puts you heads togedder."

When the majority leader of the Senate, LYNDON JOHNSON, startled the United States by saying, just at the right time, "We are engaged in a race for survival," he overdramatized the American tendency to see things only in extremes. I like his attitude toward the economic depression much better when instead of joining the prophets of gloom and doom, he said, "I do not think the outlook is at all dark. We are doomed to gloom only if we sit around wringing our hands helplessly and asserting that nothing

need be done or should be done. The Government is not wringing its hands helplessly. Rather it is actively at work to combat unemployment."

I wish I felt that there was as much activity at work to improve America's cut-rate, disjointed educational program as there is to combat unemployment. Then the same headway could be made toward peace as toward restoring full employment.

President Eisenhower said, "Now once again we hear an expansionist regime declaring—'We will bury you.' In a bit of American vernacular—Oh yeah. Seriously, it would be a grave error not to take this kind of threat literally. International communism has demonstrated repeatedly that its leaders are quite willing to launch aggression by violence upon other countries. They are more ready to expand by propaganda and subversion, economic penetration and exploitation. When such competence in things material is at the service of leaders who have so little regard for things human, and who command the power of an empire, there is danger ahead for free men everywhere."

Speaking at an alumni banquet in Ogden last month, President Daryl Chase (for whom I have always had a real affection and great esteem but even more so seeing his splendid leadership over the last 3 years) asked: "What will historians record as the most important world development in the next 50 years? Will it be man's mastering the weather, or perhaps learning to reap prodigious quantities of food from the sea?"

"Neither" was his answer. "It will be whether free men continue to be free. In only 40 years, Communists have taken control of 1 billion of the earth's people. There has never been anything like it."

Admiral Rickover, father of the atomic submarine, points to the Russians' submarines as a far more immediate threat than any satellite. They have missiles that carry either atomic or hydrogen warheads having a range of 200 miles which can be released from submarines off our coast.

He says further, "I think sputniks and missiles are less important today, because the Russian pattern is to conquer by political pressure, by subversion or by limited wars such as Korea or Indochina."

America looks upon Christian education in the schools, churches, and homes as a catalyst toward the ennobling of mankind and as a check to the Commmunist canker of a deceit, atheism, and subversion. But like our democratic political structure, our democratic school system is ponderous and slow.

One great historian tells us that a totalitarian state is like a full rigged ship sailing at great speed majestically out of the harbor which if it hits a rock it sinks. He said further, "a democracy is like a raft. It doesn't go so fast neither does it sink, but your feet are always wet." America's public schools are in the hands of local school boards where the State has slight control and Federal help is rejected. Some States have more than 3,000 school districts and nearly as many school board members as teachers. Rear Admiral Rickover compares this system to an ox-drawn vehicle and says further: "It is exceedingly difficult and time-consuming to convince thousands of school boards that they must change the curriculum or to win over thousands of alumni upon whose bounty our privately endowed colleges and universities so largely depend. * * * In no other western country are educational institutions so precariously placed financially, so dependent on local politicians or on the whim of small communities where few have ever had a higher education."

Russia does not have these troubles. One man can institute a crash program for his government and force the immediate support of the schools, the public and the scientists. Rickover says about Russia, "The cost in time and money of a congressional government is eliminated. * * * Cost in mass media can be kept to a fraction."

In addition to the military peril we face an academic peril. Our peril is that our school system is slow getting off the ground. That reminds me of a boy scout reporting his good turn to his scout master. It was really an original one. He said: "I saw Mr. and Mrs. Jones running to catch the bus and I knew that they were too fat to make it so I sicked the dog on 'em." It is to be hoped that sputnik will have the same anticipated effect upon American education.

Let us go back to Admiral Rickover's account of the Russian schools and quote him as follows: "Authoritarian control and the low standard of living make the running of the civilian sector simple and cheap. There is no need for attractive stores, for service industries, for advertising * * * no chain of service stations, garages, auto dealers * * * only a few cars for the elite."

Probably we are ahead of Russia educationally, however, her program is moving ahead at a faster rate than ours, especially with respect to producing exactly the sort of trained men her rulers want for achieving technological supremacy. For example, if one car passes a given point going at the rate of 55 miles per hour and another one, a mile behind, passes the point at the rate of 60 miles per hour, it won't take the second car long to overtake the first.

That reminds me of the story that went around on Capitol Hill. After a fire started inside the base of the Washington Monument and smoke came belching out of the doors and windows, two inebriated citizens noticed the spectacle. One said, "Look. Look." The other said, "Oh, don't get excited, I bet $10 to your $5 the darn thing won't get off the ground."

Rickover points out other perils as follows:

1. Russia has virtually wiped out illiteracy in 20 years. (Twenty years ago her education system was in ruins.)

2. Russia puts a larger percent of her smaller income into education than does America. (America spends 3.5 percent for education—Russia, 6 percent.)

3. The European high school graduate has learned more fundamentals than most of our college graduates. An hour at school means an hour of uninterrupted serious work; here there are assemblies, errands, play, short school year, and the teacher spends too much time helping dullards and neglecting the capable.

4. Russia has made the rewards of scholarship so attractive that her children are working their heads off to keep up with an extraordinary tough curriculum * * * often at the cost of their health.

5. Russia has no substandard teachers. Their standards are high. Their load is heavy. Their honors and pay are high. (In America the beginning salary of the college teacher is the same as a factory worker, in Russia it is eight times as great. In America a full college professor averages twice as much as the beginning teacher. In Russia a successful full professor can be paid 15 times as much as a beginner.

6. In America the major share of research has gone into making life pleasant and comfortable and increasing the material wellbeing of the individual. In Russia, research goes into physics, chemistry, astronomy and missiles. Chemists are diverted from research to cure diseases, to studies which can improve metals.

7. In America we discourage young men from scholarly pursuits by calling scholars "egg heads," "long hairs" and "little men with the beards." In Russia, scholars are the best paid and most revered men in the community.

The most critical bottleneck of expansion and improvement in education is the mounting shortage of excellent teachers. College buildings can be constructed in a year or two but it takes years to develop a college teacher. Unless college faculty, buildings, and facilities are provided at a faster rate than they are at the present time, by 1970 one out of every three students applying for admission will be turned away.

Far greater incentives to teachers are a necessity. Oddly enough as far as financial incentives are concerned, we have almost socialized the teaching profession by keeping salaries near a dead level while the Russians have adopted our capitalistic incentives to make a phenomenal transformation in their school system.

We cannot have scientists without teachers of science and we need four qualified teachers of science for every one we are turning out.

While I was in California this fall I asked the dean of the school of education at the University of Southern California how many teachers he had in practice teaching. He replied, "406." Then I asked him how many were going out to teach mathematics or science. He replied, "seven. Industry is picking off our prospective math and science teachers down in the sophomore and junior years so fast that they are not even leaving us seed corn."

III. WE CAN LEARN TO SURVIVE

A. We can learn to survive by adapting to new world conditions

In the national monument near Vernal, Utah, archeologists dig up the fossil remains of the dinosaur, and his tragic story is that he was unable to adjust to a new set of conditions and a new environment. He did not learn to survive. He became extinct in spite of an advantage he had in the structure of his central nervous system. Dr. Douglas, the curator at the monument, told me years ago that the dinosaur had a brain in his cranium and one at the base of his spinal column so when an idea missed his first brain he had a saving afterthought.

Many pessimists say that western civilization like the dinosaur is in the Mesozoic Saurian era of man and that centuries from now whatever is left of civilization may be picking over our remains and pondering our downfall.

In the last great war our armed services had to teach men how to live in new circumstances and under extreme conditions. Aviators had to be taught how to live if shot down at sea. Marines had to be taught survival techniques in the jungle, in Alaska, and in the Arctic. Soldiers had to learn techniques for surviving in subzero temperatures. They learned to survive. I have the unshaken conviction that we, too, can learn to survive if we are willing to pay the price. The right way might be the hard way this time—not the easy primrose path all of the way.

The desperation of Pearl Harbor forced industrial and military miracles—the possibility of a nuclear attack from enemy submarines and from missiles through outer space could equally well stimulate educational miracles.

We can take to heart some of the survival instructions given to our boys in desperate situations in World War II. I recently gleaned a few cryptic statements from these little survival pamphlets, as follows:

1. "Read This Booklet—It May Save Your Life."

2. "Size Up the Situation and Plan Your Course of Action. Avoid Panic and Use Your Head."

3. "If They Can Do It, You Can, Too."

4. "Take Inventory Yourself, Don't Let George Do It. It Is You Who May Be Cold and Hungry."

B. We can learn to survive by accepting the cost of a crash military program

As the survival pamphlets urged, in a crisis we should size up our situation, plan, avoid

panic, take inventory, and act to meet the difficulty.

A quick inventory of our military situation reveals an immediate objective and many more remote objectives. The immediate objective is a crash program in nuclear-weapon development.

Such a crash program demands, first, that the cost in time and money be willingly accepted by the American people; yet at the same time the program must be better organized, streamlined, given unity of purpose and command, greater cooperation between military agencies and less destructive competition.

Neil McElroy is the Secretary of Defense, with James T. Killian, former president of Massachusetts Institute of Technology, in charge of all missile research. The Army has taken great steps forward in this direction by placing its research program under Dr. Wernher von Braun. The Navy has its research efforts under the direction of Dr. John Hagen and the Air Force program is under Gen. Bernard A. Schriever.

The appointment of Dr. Killian as the President's personal missile coordinator and adviser underscores the President's determination to retain personal control and direction in our missile-development programs.

There are some who advocate establishment of a missile czar. The President, it appears, thinks that this authority is now vested properly in the Secretary of Defense and to create a new position would be to place these two high offices in conflict.

The crash program has already borne fruit in the successful launching of Explorer I and III and the Vanguard. Top scientists told me last October that this could have been done 2 years ago. Furthermore, that we can send a missile to the moon. The President gave researchers the go-ahead on the missile-to-the-moon project last month. These tremendous forward steps are decidedly reassuring and only a token of what we might expect in the near future.

Another phase of the crash program is a defense against nuclear-powered submarines and a more powerful offensive of our own. At the present time Russia has approximately 300 conventional submarines—twice the number Germany had at the beginning of World War II. They are said to have the capability of launching a missile warhead a distance of 200 miles. (This is one reason why we have Thiokol and Marquardt plants in Utah—800 miles from the coast.)

Defense planners are learning to meet this threat not only through defensive submarines but through a fleet of offensive atomic submarines which can be hidden under the polar icecap and bids well to be a weapon that will stop Russia. If the enemy should fire on us and manage to destroy us, which is unlikely, he knows he would be inevitably destroyed by our missile-launching bases hidden under the polar icecap where he cannot destroy them. We have several atomic-powered submarines carrying regular-type missiles which are now in operation—three which Congress just authorized which will carry the Polaris-type 1,500-mile missiles. A total of 22 nuclear-powered submarines either have been built or are being built.

Among these 22 nuclear submarines is the *Nautilus* in successful operation for over 3 years which completed last year the first successful extensive underwater exploration of the Arctic icecap. We believe that American progress in this field has far more than offset any Russian submarine threat.

Of course much of America's power of mass retaliation which holds Russia in check is the Strategic Air Command with its bases entirely encircling the Soviet Union. This command is being strengthened and is constantly on the alert. We now need successful interceptors of guided missiles.

C. We can learn to survive by appropriating money for weather control research

A half dozen of us Members of Congress submitted bills appropriating money for weather control research. I believe that we have converted the Appropriations Committee in the House of Representatives to the need for such legislation.

Man has already learned to seed clouds in the mountainous areas and reduce lightning over forests. Eminent scientists believe that it is within the range of possibility for man to also learn to control global weather patterns.

I was invited to the White House when Capt. Howard T. Orville, Chairman of the President's Advisory Committee on Weather Control, submitted his committee report to the President. Captain Orville told me that in his opinion weather research outranks in importance the hydrogen bomb and earth satellites.

If the Russians beat us to the punch on learning how to control the natural laws covering weather changes, they could conceivably produce a drought over the entire country or a disastrous flood. For example, the Russians are now spreading pigmented dust which absorbs heat from the sun and melts the snow. Someday lampblack or a dust might be used to melt the polar icecap flooding our coastal areas.

Last Christmastime the Russians offered to join with the United States in turning the frozen Arctic Ocean into a warm water lake by melting the polar cap and building a dam to redirect the Pacific current. (Of course, it is inconceivable to think that the *Nautilus* is the inspiration for this offer of warm cooperation.

I predict that if weather control legislation is passed, it will not be more than a year or two before weather research will prevent thunderhead clouds from gathering over the United States forests, eliminate lightning and thereby prevent 70 percent of our forest fires. We could have Thor's mythical hammer on a leash.

D. We can learn to survive by pooling our scientific information with friendly nations

We need the legislative machinery that will allow us to share and receive scientific and technological information from friendly countries.

There are now artificial barriers to sharing which should be destroyed.

It is a waste in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved.

The United States cannot afford to cut itself off from the brilliant minds and talents of scientists in friendly nations abroad.

The myth of American superiority in all things scientific was shattered last fall with Sputnik I and a check of the names of the great scientists who helped us develop the Hiroshima and Nagasaki bombs, radar and other scientific wonders will further dispel the myth.

The President in his state of the Union address noted, "The task ahead will be hard enough without handcuffs of our own making."

Groundwork for this type of cooperation has already been laid in discussions with our NATO allies.

E. We can learn to survive by strong economic partnerships with our allies

Another way to learn to survive is through economic partnerships with our allies. There is no issue upon which our President, our Secretary of State and the leaders of both parties have spoken out more forcibly than upon reciprocal trade, the extension of which is threatened by opponents in Congress.

The Reciprocal Trade Act was started by Cordell Hull. It has been renewed 10 times; under it our exports have reached $20 billion, and are rapidly increasing.

Our imports, on the other hand, are at least 33 percent less than our exports. America has an unbeatable capacity for production and we have the will to produce. At least 4½ million men are employed in our export trade, while estimates are that only 200,000 men are out of work on account of imports from foreign countries.

The President has now promised to use the peril-point procedure under an expanded escape clause to save hard-hit industries. This should help our lead, zinc, and possibly copper. To kill the Reciprocal Trade Act would cause us to lose many of our allies. They must have an outlet. If this outlet is not in America, it will be with Russia.

Russia is eager to import and export, but the Russian economic offensive is just a way of gaining control by exporting more communism than commodities. Speaker RAYBURN said, "In a world of ignorance deadly deception is fatal. Yesterday jobs hunted Americans but today Americans hunt jobs. We face a total competition that is unrelenting and deadly. No military weapons are successful if the Soviet Union can turn our economic flank."

Exports mean much to Utah's economy. Copper, steel, lead, and zinc go into the manufactured articles that are exported. America's chemical industry exports five times its imports. It alone exports more than all of Japans' exports. Utah exports coal, beef fats, and Utah's high quality wheat sells much above the price supports for all American wheat because of huge Government exports of wheat.

Destruction of reciprocal trade would not only destroy far more jobs than it would create but it would imperil national security by causing us to lose foreign bases that are the chief deterrents to Russian aggression. Disbursal of our military power is absolutely essential and we certainly need sturdy allies who live by our trade. They cannot buy American goods without American dollars. They cannot buy from us unless they sell to us. Our relationship will be either one of reciprocity or one of retaliation. If we allow it to become one of retaliation, the American employment and economy will be the biggest losers in the world. The losses in national security would be even more severe than any losses to our economy.

F. We can learn to survive by supporting and upgrading our school system

Alfred North Whitehead has said, "In the conditions of modern life the rule is absolute: the race which does not value trained intelligence is doomed. * * * Tomorrow science will move forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated."

Some suggested ways in which we might speed up this race for scientific supremacy and at the same time develop more enlightened citizens are as follows:

1. Decide now to have a far superior school system and declare our willingness to pay the price. The sacrifice would be small in proportion to the returns. For example, the automobile industry spends $1½ billion every year to bring its new models with different colored paint and styling so the American people will be enticed to spend 10 percent of their entire income for cars. If the money saved by bringing out a new model every second year, instead of every year, were given the public colleges and universities, it would increase their income by three-fourths.

2. Reorganize and streamline the present slow moving, ponderous school system. The consolidation of small, inefficient, expensive school districts would be a good beginning. Encourage American education to join to-

gether to form large research institutes and coordinate their research efforts. Make a pact with NATO for the exchange of certain scientific information.

3. Speed up the educational process by lengthening the school year on all levels (as they do in Europe) by using school buildings where necessary for more than one school shift (as they do in Russia) and by inviting gifted teen-agers and the unemployed to college adult evening classes.

4. Make the program tougher for the gifted students. While we cannot educate young people by merely scowling at them, I think Rousseau's advice to the young Emile is still good advice today. He said: "Work like a peasant and think like a philosopher." The president of Notre Dame says: "We have a cult of easyness. There is an easy way to cook a meal. There is an easy way to drive a car. There is an easy way to get a vacation. There is an easy way to pay your bills. There is even an easy way to save your soul."

5. Either improve the present school situation by eliminating some of the more enjoyable and time consuming offerings in favor of the more demanding mental disciplines or establish institutes which will challenge the gifted. (Some few of our leaders advocate special government schools for research, corresponding to the Air Force Academy, West Point, and Annapolis. The purpose of these schools would be to develop a new type soldier—the soldier of the slide rule to replace many of the musket-carrying type.)

6. Provide better counseling and guidance on both levels of the secondary school and at the university to screen out and give special encouragement to the diligent and the superior student.

7. Reverse the present trend where teachers and counselors spend an unwarranted amount of their time and the State's money polishing cobblestones and dimming diadiamonds.

8. Take advantage of the ability of the junior college to provide a general and practical education at home for all youth at considerable less expense to the student and the public. Our times demand even more 2-year technically qualified graduates than graduates of the professional schools.

9. Establish more private, industrial and State fellowships, jobs, loans, awards and incentives to attract gifted youth to college and keep them longer in college. (If the former are not adequate, Federal help may also be necessary.)

10. Exalt the role of the outstanding teacher by according him greater social prestige, better salary and tax deduction on money spent for professional improvement.

G. We can learn to survive through people to people communication

Nearly three years ago President Eisenhower launched his people-to-people program which essentially can be reduced to mean a grass roots approach to peace.

In addition to the Government program, such as the Fulbright scholarship program, the exchange student program, the point 4 program and the cultural exchange program, there have been nearly 40 committees organized in this country for the purpose of putting people—American people—in contact, direct and personal, with other peoples of the world.

The committees consist of bankers, lawyers, doctors, workers, industrialists, university professors, church leaders, civic club committees and even a committee of retired government employees, to name a few. These groups make contacts with their counterparts in foreign nations. They foster hundreds of thousands of personal contacts between the peoples of the world in letter writing, and where possible, visits.

This grass roots approach to world peace and understanding is based upon the maxim that you like people whom you know. By fostering and understanding the culture, thinking, and opinions of peoples abroad and here at home, this program is making a considerable contribution to world peace and has a potential to make an even greater one.

H. We can learn to survive by agreement and accommodation

In his second inaugural the President said, "Our greatest hope for success lies in a universal fact; the people of the world, as people have always wanted peace and want peace now.

"The problem, then, is to find a way of translating this universal desire into action. This will require more than words of peace. It requires works of peace."

It is this universal desire that the President describes that could lead us to an agreement by accommodation. We could agree to tolerate each other and cease our efforts to obliterate each other.

As things stand now, the world is in a seeming impasse * * * two conflicting idealogies, bent upon the destruction of the other.

But it is hopeful to note that this is not the first seeming impasse that civilization has faced. There have been others of as great a magnitude—the Catholic and Protestant wars and the Mohammedan-Christian stand-off was very real and very desperate several centuries ago.

Today even, these are by no means extinct volcanos but we have arrived at a modus vivendi. Europe and western civilization have not committed suicide.

Just as two businessmen who have entirely different political, religious, economic, and moral beliefs can still sit down at a table and do business with one another without fear that the other will destroy him, perhaps with patience, education, and strength, we can do the same with the Soviets.

Our faith in an American-Soviet agreement to suspend nuclear tests and expansion had a severe setback by the repeated announcements of Edward Teller that any agreement with Russia "would be suicidal" because the Soviets could cheat. His policy would mean a rather hopeless future of arms and armaments.

Taking a more optimistic approach are Harrison Brown, professor of geological chemistry at California Tech.; Jay Orear, Columbia University; and Bertrand Russell, noted British philosopher.

Brown and Orear maintain stoutly that it is well within the realm of feasibility to establish a system of detection which would make the bootlegging of tests extremely difficult if not impossible. Brown says, "I do not stand alone in the scientific world."

Russell states: "I think it is possible that the government of east and west alike may decide that their enmity is suicidal and may come together in a determination to make science the servant of man rather than of homicidal lunatics. I do not think either statesmen or the general public have at all realized the immense and hitherto unparalleled happiness that is now possible for the human race if it decides to pursue its collective welfare rather than damage to some hatred group."

We can learn to survive, because we must learn to survive.

AMENDMENT OF PACKERS AND STOCKYARDS ACT—STATEMENT BY CHAIRMAN OF THE FEDERAL TRADE COMMISSION

Mr. WATKINS. Mr. President, on Friday, April 18, 1958, the Senate Agricultural Committee and the Senate Judiciary Committee met to consider Senate bill 1356. At that meeting the two committees heard testimony from Mr. John W. Gwynne, Chairman of the Federal Trade Commission, in support of S. 1356.

Chairman Gwynne's testimony made it evident, in my opinion at least, why the Congress should enact Senate bill 1356 into law. Although his testimony was given in executive session, the chairman of the joint meeting, the Senator from Florida [Mr. HOLLAND], has given permission for it to be made public. For this reason, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

STATEMENT OF JOHN W. GWYNNE, CHAIRMAN, FEDERAL TRADE COMMISSION, BEFORE THE SENATE JUDICIARY AND AGRICULTURE COMMITTEES CONCERNING PROPOSED AMENDMENTS TO PACKERS AND STOCKYARDS ACT, APRIL 17, 1958

It is my understanding that you wish me to discuss jurisdictional features involved in the Packers and Stockyards Act of 1921 and involved in certain proposed legislation to amend the existing law.

As originally adopted, section 5 of the Federal Trade Commission Act empowered and directed the Commission to prevent persons, partnerships, or corporations, except banks and certain common carriers, from using unfair methods of competition in commerce. Thus, under that provision and until the Packers and Stockyards Act was adopted, the Federal Trade Commission had jurisdiction over unfair methods of competition in commerce used by packers.

The Packers and Stockyards Act, among other things, declared certain practices of packers to be unlawful and set up machinery whereby the Secretary of Agriculture was to prevent such practices. The jurisdiction given the Secretary over certain prohibited acts by packers was subtracted from that previously held by the Commission in the following language:

"227. Powers of Federal Trade Commission restricted.

"So long as this chapter remains in effect, the Federal Trade Commission shall have no power or jurisdiction so far as relating to any matter which by this chapter is made subject to the jurisdiction of the Secretary except when the Secretary of Agriculture, in the exercise of his duties hereunder, shall request of the said Federal Trade Commission that it make investigations and report in any case" (U. S. C. 1946 ed., title 7, sec. 227).

The net result is that both the Secretary of Agriculture and the Federal Trade Commission now have some jurisdiction over packers. In any particular case the jurisdiction involves two important questions: (1) is the respondent a "packer" within the meaning of the law, and (2) is the act complained of one of the unlawful practices described in the Packers and Stockyards Act.

The Commission has recently been confronted with this jurisdictional problem on several occasions. *In the Matter of Food Fair Stores, Inc.* (docket 6458), complaint under section 5 of the Federal Trade Commission Act charged respondent with seeking and obtaining special discriminatory advertising allowances from certain of its suppliers, while knowing or having reason to know that such allowances were discriminatory, and with failure to use all such allowances for advertising purposes.

The evidence disclosed that respondent was a supermarket grocery chain operating

238 stores and selling a full line of grocery and household products including meats; that respondent owned and operated a packing plant, where it engaged in the preparation and distribution of meat. Some of the meat was sold through respondent's own stores and the balance to independent brokers.

The Commission found that respondent was engaged in the business (1) of buying livestock in commerce for slaughter, and (2) of manufacturing or preparing for sale or shipment in commerce meats and meat food products. The conclusion, therefore, was that respondent was a packer under the act and the case was dismissed, even though the sale of meats made up only 5 percent of the total sales.

In the Matter of Crosse and Blackwell (docket 6463), it appeared that respondent manufactured a variety of products, such as soups containing meat or stock extracted from meats. The meats used were from carcasses bought from packing companies. Respondent did not buy animals for slaughter, did not slaughter them, and did not produce or sell meats as that term is used commercially. The Commission reversed the hearing examiner and held that respondent was not a packer and that the Commission had jurisdiction in the case. This case has been appealed to the courts.

There are a number of other cases involving various phases of this matter now pending before the Commission. Many of the large chain stores own and operate packing plants, process meats, and buy animals for slaughter. Under the current interpretation of the law, they would be held to be not within the jurisdiction of the Federal Trade Commission as to many of their activities.

The net result is that there is a great deal of uncertainty and difference of opinion as to the boundary line between the jurisdiction of the Federal Trade Commission and the Secretary of Agriculture. Unless settled by the Congress, it will be a fruitful source of continuing litigation, not about the merits of a particular case, but rather as to what governmental body has authority to enforce the law. Furthermore, a large chain store selling groceries may be held not subject to Federal Trade Commission jurisdiction simply because it owns a packing plant, while another chain doing substantially the same kind of business would be denied the exemption because it did not qualify as a packer.

The necessity of resolving this troublesome question is not disputed. The question is what is the best solution.

Before discussing individual bills, I would like to offer a few suggestions on the subject of jurisdiction generally. The problem of jurisdiction lies at the threshold of every case tried by every court and every tribunal of any kind. But the question of jurisdiction of the subject matter need not be raised at the beginning of the trial. It can be raised at any time. Nor can it be conferred by agreement or by failure to raise the question promptly. Jurisdiction depends usually on arbitrary rules laid down by law. Familiar examples are the defined age limit between juvenile and adult law violators, also the geographic boundary between States which determines what laws should apply to any particular transaction. Wherever possible, it is better to define jurisdiction specifically and accurately so that further amplification or interpretation by the enforcing authorities is not necessary.

The transition from the live animal roaming in the fields to the steak on the consumer's table is a complicated matter. It involves transportation, sales either direct or through stockyards, stockyard operations, slaughter in packing establishments, and the final processing into meats. Almost every stage in this proceeding is regulated by law. Concerning the enforcement of these laws to this point, the Federal Trade Commission has no particular knowledge or experience. On the other hand, the Department of Agriculture does have the requisite knowledge and experience. When the final products, to wit, meat and meat products, are offered for sale in the channels of trade, we arrive at an area where the Federal Trade Commission does have special knowledge and experience. These facts should form the basis for a division of the jurisdiction between the Department of Agriculture and the Federal Trade Commission. In other words, the Department should have the duty of law enforcement through all stages until the meat or meat products are offered for sale. The Federal Trade Commission should have jurisdiction over all marketing operations thereafter.

The Federal Trade Commission favors this jurisdictional solution for two reasons.

First, it is understandable and easy of practical operation. The boundary line is clearly established, and will not vary depending upon conditions and interpretations which cannot now be foreseen.

Second, it is the jurisdictional approach now generally applied in other products originating on the farm. Consider, for example, wheat and flour. There are laws pertaining to the growing of wheat, its grading, storage, manufacture into flour. These are all agricultural matters. But when the flour is offered for sale in the regular channels of trade, it becomes subject to the laws regulating that subject generally. The same is true of most products, including drugs. The Federal Trade Commission, as a general proposition, now has jurisdiction over all marketing transactions in commerce. At the present time, about 33 percent of all the Commission's investigations are in the field of food marketing and distribution. Our activities in this area cover a wide variety of food products, production of which is subject to the various regulations by both Federal and State authorities. I am unable to see why a different rule should be adopted for meats.

Other solutions have been offered. One suggestion would draw the jurisdictional line on the basis of products. For example, the Department of Agriculture would have jurisdiction over transactions involving livestock, meats, meat food products, livestock products in unmanufactured form, etc., leaving to the Federal Trade Commission all other commodities.

There is no doubt in my mind that such a law would be preferable to the one we now have. But it has two defects.

(1) It needs further amplification and interpretation. We all know what livestock or meat means. But what about livestock products in unmanufactured forms? Would that cover, for example, hog bristles salvaged and partly processed by a packer and sold for manufacture into brushes? For that matter, would meat products cover the products considered by the Commission in the Crosse and Blackwell case, such as chili con carne which in its cooked form contains various ingredients and whose total volume contained 17.5 percent of meat?

(2) It would present some practical problems in enforcing the laws entrusted to the Commission. For example, suppose a corporation is engaged largely in the sale of groceries at wholesale, but also owns a packing plant from which it distributes meat to the same customers. By a single contract or invoice, this corporation may sell steaks and prunes to the same supermarket. The transaction may involve an unlawful discrimination against competitors of the supermarket or a forbidden brokerage allowance or an improper advertising allowance. Is the duty of enforcement as to that one transaction to be divided between the Secretary of Agriculture and the Federal Trade Commission?

For the reasons above set out, the Federal Trade Commission favors S. 1356, as proposed to be modified by Senator Young's amendment.

NATIONAL POLICY TOWARD AGRICULTURE—RESOLUTION ADOPTED BY THE NATIONAL COUNCIL OF FARMER COOPERATIVES

Mr. WATKINS. Mr. President, I ask unanimous consent that a resolution entitled "National Policy Toward Agriculture," which was adopted by the National Council of Farmer Cooperatives, be printed in the RECORD. The resolution was adopted by the national council at its annual meeting, the last one of which was held in Houston, Tex., in January 1958.

This resolution was called to my attention by Mr. H. M. Blackhurst, general manager of the Utah Poultry & Farmers Cooperatives. The Utah Poultry & Farmers Cooperatives is one of the oldest farm organizations in the State of Utah. Its growth and development over the years are an indication of what farmers can do to help themselves through cooperation.

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

Joint resolution to reaffirm national policy to aid and encourage the establishment, operation, and growth of farmer cooperatives as an effective and proven means of helping farmers help themselves to achieve a free, expanding, and prosperous agriculture

Whereas farming has been and will continue to be affected by rapid changes growing out of tremendous scientific and technological developments that not only generate enlarged production but greatly increase the farmer's need for off-farm services of all kinds in such areas as assembling, processing, packaging, transporting, and selling his products and securing the tools, materials, and farm business services incident to efficient production; and

Whereas farmers as individual business units are finding it increasingly difficult to cope with their marketing and purchasing problems arising from the growing concentration in industries serving agriculture which has resulted in large, well-integrated businesses having extensive resources, a considerable degree of bargaining power and mass consumer outlets requiring large amounts of uniformly graded and packaged products; and

Whereas over 50 years of experience has demonstrated that farmer cooperatives are capable agencies within the framework of the American system of private enterprise through which farm people can achieve the bargaining position they must have to secure the highest possible returns consistent with economic conditions for products sold; acquire tools, materials, and services needed for production at reasonable costs; and obtain effective representation of their affairs to nonfarm interests; and

Whereas it is becoming increasingly clear that further integration of farming operations through cooperatives will be required in the future if farmers are to preserve the gains they have made and press forward to new levels of achievement; and

Whereas the Congress in a succession of legislative enactments over the years has set a policy favorable to the establishment, operation, and growth of farmer cooperatives; and

Whereas it is deemed desirable to set forth such police in one statement: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is declared to be the policy of Congress to encourage and assist the organization, efficient operation and growth of farmer cooperatives engaged in marketing farm products, purchasing farm supplies and supplying business services to farmer patrons, as an effective and proven means of helping farmers help themselves to achieve a free, expanding and prosperous agriculture.

ADJOURNMENT

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

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

Mr. President, I move that the Senate stand in adjournment until 12 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 14 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, April 22, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 21, 1958:

UNITED STATES TARIFF COMMISSION

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission for the term expiring June 16, 1964. (Reappointment.)

UNITED STATES ATTORNEY

Osro Cobb, of Arkansas, to be United States attorney for the eastern district of Arkansas for the term of 4 years. He is now serving in this office under an appointment which expired March 6, 1958.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 21, 1958:

POSTMASTER

Howard R. Jordan to be postmaster at Leighton, in the State of Alabama.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 21, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 4:24: *God is a Spirit; and they that worship Him must worship Him in spirit and in truth.*

O Thou eternal God, may our spirits now come into contact and communion with Thy Spirit to receive insight and inspiration for the duties and demands of the new day.

Grant that all the plans and purposes of our minds and hearts be brought under the spell and sway of the guiding and interpreting light of Thy divine spirit.

Make us more acutely sensitive and more eagerly responsive to the promptings and persuasion of Thy spirit as Thou dost summon us to follow the ways of truth and righteousness.

May it be our loftiest aspiration to incarnate the spirit of our blessed Lord and to manifest that spirit in all the spheres of human relationship.

Hear us in His name. Amen.

The Journal of the proceedings of Thursday, April 17, 1958, was read and approved.

THE LATE ANTON J. JOHNSON

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMPSON of Illinois. Mr. Speaker, a very fine former Member of the House, Anton J. Johnson, of Illinois, passed to his reward yesterday. This information was conveyed to me by wire from Mrs. Johnson.

Anton, as everyone knows him, served the 14th Illinois district for 10 years. He served in the 76th, 77th, 78th, 79th, and 80th Congresses. He was the third ranking member of the House Committee on Agriculture at the time of his retirement. During the war he was one of the most interested members in guayule, due to the rubber shortage in this country. He worked at it constantly.

Anton Johnson had the respect of every House Member who knew him regardless of political beliefs. Never once was an unkind word spoken about him.

He farmed and engaged in dairy products manufacturing in the city of Macomb. After his voluntary retirement from Congress, he further served as mayor of Macomb. He lived a useful life for 80 years.

He leaves Mrs. Johnson to mourn his passing. Their many years of close companionship was outstanding. He leaves as well close friends who served with him in the House. His many friends in Macomb, and his district, will remember him with the utmost respect, that he was a man whose word was as good as his bond.

We extend Mrs. Johnson our sincere sympathy.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on the life and character of the late Anton Johnson.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHIPERFIELD. Mr. Speaker, I was deeply saddened to learn of the passing of my good friend and neighbor, Hon. Anton J. Johnson.

Before the redistricting of Illinois he represented part of the district which I now have the honor to represent, and I had the privilege to know him well during the 10 years we served together. We worked in close cooperation on matters of mutual interest to the State of Illinois. We helped each other in our campaigns. I always admired him for his ability and have been grateful for his friendship.

Anton was known as an outstanding authority on farming and dairy products, and was an able member of the House Agriculture Committee. Many of his colleagues leaned heavily upon him for advice in this field.

Anton was a sincere man, a hard worker devoted to his service and to his country. After he retired from Congress he continued to serve his people as mayor of Macomb. Personally, I have lost a warm friend, one for whom I had great regard and affection. I join with my colleagues in expressing sympathy to his devoted wife.

IMMIGRATION AND NATURALIZATION SERVICE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, in this morning's newspaper there is an account of the deportation of an alien from San Francisco. Several Members have asked me whether or not this deportation was an example of highhanded administrative abuse of power. I want to say that it was not.

General Swing, the Commissioner of Immigration and Naturalization, has been very careful in protecting the rights of aliens in these circumstances.

From the information furnished to me, I am satisfied that in the action taken in San Francisco last Friday the Immigration and Naturalization Service has not acted contrary to existing law nor have they acted in defiance of any court orders.

In this particular case, the person who was deported admitted membership first in the Young Communist League, beginning in 1926, then in the Workers Communist Party, beginning in 1928, continuing his membership in the Communist Party until at least 1939. The same alien admitted at a hearing held in 1949 that he left the Communist Party and transferred his activities to the International Workers Order—IWO—a Communist-front organization, and so held to be by the Attorney General.

Deportation proceedings against this alien were conducted under the Immigration Act of 1917, as amended, and judicial review was sought by him, reaching the Supreme Court of the United States where a decision dismissing his petition was rendered on March 16, 1953.

There was no remedy for that alien in any of the statutes on the books prior to December 24, 1952. As of that date,

the Immigration and Nationality Act—Walter-McCarran Act—provided a remedy in the form of suspension of deportation based on the ground that the alien had a United States citizen wife and that his deportation would cause extreme hardship to her. Incidentally, the alien entered into matrimony with a United States citizen after the order of his deportation was affirmed by the Supreme Court of the United States and his wife must have known full well at the time they were married that the man was under an order of deportation.

The petition for suspension of deportation filed under section 244 (a) (5) of the Walter-McCarran Act was dismissed on February 9, 1956, by the very liberal Board of Immigration Appeals, which found that at no time has the petitioner shown opposition to the Communist movement and that his affiliation with that movement continued through the years up to the time his petition was considered. At that particular time, the alien was, according to his own testimony, associated with the American Committee for the Protection of the Foreign Born, a leading Communist front organization referred to as "the legal arm of the Communist Party."

After the denial of suspension of deportation under the Walter-McCarran Act became effective, a final warrant of deportation was issued on March 24, 1956, but various judicial tests have for 2 more years thwarted our Government's attempt to rid this country of this devoted Communist agent.

On April 14, 1958, the United States District Court in San Francisco dismissed the most recent petition filed by him. I am satisfied that at the time of his deportation there were no legal restraints against carrying out a lawful warrant of deportation.

CUT BACK NUCLEAR WEAPONS PRODUCTION

Mr. PORTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the fail safe plan may be, as Frank H. Bartholomew, president of the United Press writes, "proof against error, human or mechanical," with regard to bombing a presumed enemy, but that does not make the world safe from accidental or unauthorized nuclear explosions nor from the civilization-destroying consequences of all-too-probable misinterpretations of such an explosion.

The facts are simple and commonsense tells anyone who will add them up that we are in terrible danger today. The facts tell us we should stop the Eniwetok tests, set up an international inspection procedure at once and seek determinedly to cut back nuclear weapons production and convert existing nuclear warheads to peaceful purposes.

The facts are these: Great Britain, the Soviet Union and the United States have, each one, thousands of nuclear weapons, almost all of them ready for instant detonation and all of them in the hands of fallible human beings who sometimes misunderstand orders, who sometimes panic, who sometimes crack up mentally, who sometimes sell out, who sometimes get drunk, who sometimes become misguidedly idealistic and who sometimes otherwise stray from regulations no matter how comprehensive and ingenious they may be.

Of course I have the highest respect for the devotion and abilities of the custodians of our nuclear weapons, but that does not blind me to the fact that they are human beings, human beings handling weapons human beings never had before, weapons of unprecedented power, whereas the human beings are the same old human beings we have always had. The world is too small for us and these weapons. The point of no-return is high, if indeed we have not already gone past it. We had better turn back before it is too late. An accidental or unauthorized nuclear explosion is likely to trigger the all-out nuclear war the world dreads but has every reason to expect as the arms race continues and the tensions mount. Mr. Gromyko's propaganda move relates to the basic question facing the world today: Are we smart enough to survive our fearful inventions or will we stupidly stumble into the war which will end our civilization and perhaps all human life on this planet?

PULLING THE CORK OUT OF THE BOTTLE'S NECK

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, on March 13, I introduced H. R. 11392, a bill to create a Department of Science and to establish a United States Science Academy within the new department. Briefly, when enacted, the bill will bring about the following:

First. It will consolidate, under a Secretary of Science with full Cabinet rank, the numerous agencies, commissions, boards, and so forth, now engaged in scientific research and development.

Second. It is designed to prevent overlapping, duplication of effort, and needless confusion.

Third. A science academy will be established and administered much the same as the Armed Forces academies are now administered.

Fourth. Cadetships will be available to both young men and young women.

Fifth. The science cadets will be nominated by Senators and Representatives with each Member being permitted to nominate not more than 10 cadets.

Sixth. The superintendent of the academy is also authorized to conduct a school of advanced studies to further train officers and employees of the Federal Government in science and engineering.

Seventh. In a few years the science academy should provide the Federal Government with an adequate number of young, well-trained scientists and engineers.

Mr. Speaker, I trust that the Committee on Government Operations, to which H. R. 11392 was referred, will see fit to hold public hearings on the bill at an early date. Time is of the essence, and if the United States is ever to regain supremacy in the fields of science and engineering the Congress must meet its responsibilities by pulling the cork out of the bottle's neck.

MOUNT CARMEL STUDENTS VISIT WASHINGTON

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, it is indeed a pleasure to welcome a group of Louisiana senior students with their teachers and chaperones, who arrived Sunday for a visit of 3 days. They attend the Mount Carmel Academies of New Orleans, my home city, and Thibodaux and Lafayette, which are in the district represented by my very good friend and colleague, ED WILLIS.

In wishing these students and those accompanying them a most enjoyable and instructive visit, I am also speaking for Congressman WILLIS who is now overseas where he was designated to attend the Geneva Conference. I know he would like very much to be here to meet members of the group and to join me in doing everything we can to help make their stay a pleasant and profitable one.

Besides visiting major points of interest in the Washington area, the party's itinerary included a trip today to the United States Naval Academy at Annapolis.

The tour is being made under the supervision of Mother M. Elizabeth and Sister M. Agatha and the chaperones are Mrs. Frank J. Oddo and Mrs. Muriel Daspit, both of New Orleans.

The New Orleans Mount Carmel students are: Linda Smith, Diesie Vinet, Jackie Messina, Ann Flattery, Lynne Schneider, Carolyn Lavigne, Jackie Bourgeois, Carolee Dussom, Jean Kevlin, Mildred Grace, Jeannette Riccobono, Joan Oddo, Rita Schwehm, Marilyn Tait, Betty Sangibene, Dianne Daspit, Lynne Gay Lornio, Lynne Forcade, Pat Stanley, Lynne Cerniglia, Lynne Lais, Barbara Bertucci, Wanda Wagner, Jeanne Wolfe, Carol Schellici, Celeste Peltier, Jane Remson, Lorraine Centanni.

Seniors from Mount Carmel of Thibodaux are: Marion Savoie, Rose Marie Naquin, Carolyn Landry, Key Ledet, Rosalie Mire, Sandra Maloney, Rhoda Leray, Betty Bilello, Shirley Boudreaux, Majo-

rie Naquin, Eileen Frisbee, Connie Webre, Margaret Gros, Charlotte Beary, Peggy Baye, Prudence Naquin, Elizabeth Bosworth.

The New Orleans and Thibodaux seniors are accompanied by four of the seniors from Mount Carmel at Lafayette, who are: Carolyn Foreman, Catherine Arceneaux, Mary Margaret Emery, and Lucille Hopkins.

SUBCOMMITTEE OF THE JUDICIARY COMMITTEE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on the Judiciary may be privileged to sit during general debate tomorrow and Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, our Federal Government is the most heavily indebted government entity in history. Whenever I hear grandiose schemes advanced for Government spending of money the Government does not have—for spending ourselves rich, so to speak—I am reminded of Fred Seaton's wonderful story about three old Tennessee tobacco farmers who had just lost their entire crops in a very dry and buggy year. Things got so bad around there that even the bugs were having a hard time. Commiserating with one another, these three adjourned to a barn belonging to one of them where their host rummaged around in the hay and pulled out a great big jug of mountain lightning.

As the day wore on and the jug wore down, things began to look better to these three old fellows. When one heard his wife outside chopping cookstove wood in preparation for dinner, he turned to his friends and said: "You know, Elmiry is a good old gal, and as soon as I get my tobacco crop in"—forgetting it was the one he had just lost—"I'm agoin' to buy her a new cookstove. That thing she's got just ain't no good. She ain't a very good cook anyway, but nobody could cook on that old stove."

The second thought for a minute and then he said: "I'll tell you, when I get my crop in, I'm agoin' to buy my wife a new washing machine." I think this fellow was ultraconservative, not thinking about one of those fancy new electric driven affairs. He was talking about one of the good sturdy push-and-pull ones.

The third man said nothing. The other two looked at him, and finally he said: "Boys, you better pass me that jug again. I ain't out of debt yet."

LEGISLATIVE PROGRAM

Mr. MARTIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN. Mr. Speaker, I have asked for this time for the purpose of securing information as to the full program for this week. I understand there is a change in the program and, perhaps, we might be having an unemployment bill later in the week.

Mr. McCORMACK. Mr. Speaker, the acting majority leader announced that the margarine ration bill for the Navy would be coming up with the usual reservation that any further program would be announced later. Since that announcement two rules have been reported—one on the bill, H. R. 11378, Federal aid to school in impacted areas and S. 1031, authorizing the Chief Joseph project. That brings us down to Wednesday, Thursday, and Friday. May I say, in view of the reference made by my friend concerning the emergency unemployment compensation legislation that if the bill is reported out of the Committee on Ways and Means and if a rule is obtained in time, that bill will be brought up this week, but not before Thursday.

Mr. MARTIN. And that is the full program for the week as the majority leader sees it at the moment?

Mr. McCORMACK. That is the program so far as I am able to announce it at the present time. Of course, the last bill I mentioned depends upon two factors—one that the bill be reported out of the legislative committee and the other that a rule is reported by the Committee on Rules.

Mr. MARTIN. I thank the gentleman.

Mr. McCORMACK. Mr. Speaker, in further clarification of my response to the inquiry of the gentleman from Massachusetts [Mr. MARTIN], where I referred to the margarine ration bill for the Navy and the Federal aid to schools in impacted areas bills, I want to announce that the school aid bill will not come up before Wednesday.

Mr. MARTIN. I thank the gentleman.

POTOMAC RIVER WATERSHED

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, recently the Corps of Engineers held a public hearing in Moorefield, W. Va., relative to water development plans for the Potomac River watershed, with particular reference to the south branch and tributaries in Hampshire, Hardy, Grant, and Pendleton Counties. All of these counties are in the Second Congressional District of West Virginia, which I have the honor to represent.

This public hearing was one of a series being held intending to be exploratory in nature and for the purpose of obtaining the views of local interests on requirements for flood control, water supply, pollution abatement and other related problems in the South Branch Basin for use in preparing a comprehensive water development plan for the entire Potomac River Basin.

The proposal to construct a large reservoir for water supply has caused a great deal of controversy in my District. The citizens are alarmed because the large dams would cause the flooding of valuable agricultural lands in that area. I am sure each of us can understand their anxiety in any proposal which would cause them to lose their homes and farms.

However, in talking with the Engineers I am informed that no plans have been made as yet and will not be for some time until a thorough investigation of the situation has been made. Preliminary suggestions and plans will then be submitted involving many different proposals. It is my understanding that in about a year the Army Engineers will submit a progress report containing 4 or 5 alternate recommendations. This will finally be narrowed down to one concrete plan which will then be submitted to the Congress. According to the Engineers it will be many years yet before work will commence.

The cooperating services will be the Department of Agriculture, including the Soil Conservation Service, Office of Agriculture Economics, Forest Service, Fish and Wildlife Service, Geological Survey, Public Health Service, and also the State agencies.

I want to state to the Congress now that I cannot and will not be for any such projects which would flood and cause the destruction of property in the Second District of West Virginia. I shall oppose any proposal which would jeopardize the homes and farms of the citizens of the eastern panhandle of West Virginia. It is my belief that there are other plans which can be worked out to assure an adequate supply of water for the city of Washington. I feel every effort should be made to protect the property owners.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

EXCLUDING OTTAWA COUNTY, MICH., FROM COMMERCIAL CORN-PRODUCING AREA

The Clerk called the bill (H. R. 10316) to exclude Ottawa County, Mich., from the commercial corn-producing area during 1958.

Mr. FORD. Mr. Speaker, as the author of this bill, I ask unanimous consent that it be stricken from the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

YUMA PROJECT AND BOULDER DAM

The Clerk called the bill (S. 2037) to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That that portion of the act of June 28, 1946 (60 Stat. 338), which reads "(b) constructing, improving, extending, operating, and maintaining protection and drainage works and systems along the Colorado River" is amended by adding at the end thereof the following: "Including such protection and drainage works and systems within a non-Federal reclamation project when need for such systems results from irrigation operations on Federal reclamation projects."

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.

APPOINTMENT OF NECESSARY LAW CLERKS AND SECRETARIES

The Clerk called the bill (H. R. 3816) to amend section 752 of title 28, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 752 of title 28, United States Code, is hereby amended to read as follows: "District judges may appoint necessary law clerk and secretaries."

With the following committee amendment:

Page 1, line 5, strike out "secretaries" and insert "secretaries subject to any limitation on the aggregate salaries of such employees which may be imposed by law."

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.

FOREST SERVICE ADMINISTRATION

The Clerk called the bill (H. R. 7953) to facilitate and simplify the work of the Forest Service, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of March 4, 1913, as amended (16 U. S. C. 502), is hereby amended by substituting for the last proviso of subsection (c) the following: "*And provided further*, That except for fire fighting emergencies no reimbursement herein authorized shall be made in an amount in excess of $50 to persons who were employees of the Forest Service prior to the time the equipment was obtained or $2,500 in any other case, unless the equipment was made available under a written agreement, contract, or lease," and by changing the designation of that subsection from (c) to (d) and inserting a new subsection (c) as follows:

"(c) To contract with public and private agencies, corporations, firms, associations, or individuals to train, provide forage, care, and housing for, and to work pack stock owned and held in reserve by the Forest Service for fire emergency purposes and as all or part of the consideration therefore to permit such contractors to use the stock for their own purposes during the periods of nonuse by the Forest Service."

SEC. 2. Funds available to the Forest Service may be used in amounts not exceeding $100 in any single claim, for reimbursing employees of the Forest Service for loss of or damage to clothing and other personal effects resulting from fires, floods, or other casualties at or near the place in which such property is temporarily stored during services of the employees in connection with such casualties.

SEC. 3. Funds available to the Forest Service may be used, in accordance with regulations prescribed by the Secretary of Agriculture (hereinafter referred to in this act as Secretary) for expenses of transporting automobiles of employees of that Service between points in Alaska in connection with transfers of official stations of such employees to meet the needs of the Service.

SEC. 4. Section 202 of the act of September 21, 1944 (16 U. S. C. 554b), is hereby amended to read as follows: "Appropriations for the Forest Service shall be available for medical supplies and services and other assistance necessary for the immediate relief of artisans, laborers, and other employees engaged in any hazardous work under the Forest Service, and for expenses of notifying employees of the death or serious illness of close relatives and, in such cases where no public transportation is available, for transporting the employees to a point where public transportation is available."

SEC. 5. The Secretary is authorized, subject to such conditions as he may prescribe, to transfer, without reimbursement or at such prices and upon such terms as he may impose, to States and political subdivisions or agencies thereof fire lookout towers and other structures or improvements used by the Forest Service for fire prevention or suppression purposes, and the land used in connection therewith if such land is outside national forest boundaries, when they are no longer needed by the Forst Service for such purposes but are of value to the State or political subdivision or agency thereof in its fire protection system: *Provided*, That if any property so transferred is not put to use for the purpose for which it was transferred within 2 years from the date of transfer, or if, within 15 years from the date of transfer, any such property should cease to be used for the purpose for which it was transferred for a period of 2 years, title thereto shall revert to and immediately revest in the United States.

SEC. 6. Section 10 of the act of April 24, 1950 (64 Stat. 82), is hereby amended to read as follows: "Notwithstanding the provisions of section 7 of the act of August 23, 1912, as amended (31 U. S. C. 679), appropriations for the protection and management of the national forests and other lands administered by the Forest Service shall be available to pay for telephone service installed in residences of employees and of persons cooperating with the Forest Service who reside within or near such lands when such installation is determined by the Secretary of Agriculture to be needed in protecting such lands: *Provided*, That in addition to the monthly local service charge the Government may pay only such tolls or other charges as are required strictly for the public business."

SEC. 7. Any moneys received by the United States with respect to lands under the administration of the Forest Service (1) as a result of the forfeiture of a bond or deposit by a permittee or timber purchaser for failure to complete performance of improvement, protection, or rehabilitation work required under the permit or timber-sale contract or (2) as a result of a judgment, compromise, or settlement of any claim, involving present or potential damage to lands or improvements, shall be covered into the Treasury and are hereby appropriated and made available until expended to cover the cost to the United States of any improvement, protection, or rehabilitation work on lands under the administration of the Forest Service rendered necessary by the action which led to the forfeiture, judgment, compromise, or settlement: *Provided*, That any portion of the moneys so received in excess of the amount expended in performing the work necessitated by the action which led to their receipt shall be transferred to miscellaneous receipts.

SEC. 8. The Secretary may require the users of roads or trails on national forest and other lands under the administrative control of the Forest Service to deposit such sums as the Secretary estimates to be necessary to cover the cost of maintenance made necessary by their use thereof. Such deposits shall be covered into the Treasury and are hereby appropriated and made available, until expended as the Secretary may direct, to cover road and trail maintenance on such lands.

SEC. 9. The proviso in the act of May 11, 1922, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, under the item "General expenses, Forest Service," limiting the expenditure of funds for publication (42 Stat. 507, 521, 16 U. S. C. 556) is hereby amended by substituting for the phrase "*And provided further*," the phrase "*Provided further*" and adding a further proviso so that the limiting provisions shall read "*Provided further*, That hereafter no part of any funds appropriated for the Forest Service shall be paid or used for the purpose of paying for, in whole or in part, the preparation or publication of any newspaper or magazine article, but this shall not prevent the giving out to all persons, without discrimination, including newspapers and magazine writers and publishers, of any facts or official information of value to the public: *And provided further*, That this prohibition shall not apply to scientific or technical articles prepared for or published in scientific publications."

SEC. 10. Section 5 of the act of March 3, 1925, as amended (16 U. S. C. 555), is hereby further amended by changing the amount in the last proviso to $50,000.

With the following committee amendments:

Page 5, line 12, strike out section 8.

Page 5, line 21, strike out "9" and insert "8."

Page 6, line 15, strike out "10" and insert "9."

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.

SUCKER TOBACCO

The Clerk called the bill (H. R. 11058) to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new sentence: "If in any calendar year more than one crop of tobacco is grown from (1) the same tobacco plants or (2) different tobacco plants, and is harvested for marketing from the same acre-

age of a farm, the acreage allotment next established for such farm shall be reduced by an amount equivalent to the acreage from which more than one crop of tobacco has been so grown and harvested."

SEC. 2. The amendment made by this act shall become effective beginning with the 1958 crop of tobacco.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE OF NEW YORK

The Clerk called the bill (H. R. 7738) for the relief of the State of New York.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

CLAIMS ARISING IN FOREIGN COUNTRIES INCIDENT TO NONCOMBAT ACTIVITIES OF THE COAST GUARD

The Clerk called the bill (H. R. 10425) to amend section 2734 of title 10, United States Code so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 10 of the United States Code is amended as follows:

(1) Section 2734 is amended as follows:

(A) The catchline is amended to read as follows:

"§ 2734. Property loss; personal injury or death: incident to noncombat activities of the Armed Forces; foreign countries."

(B) Subsection (a) is amended as follows:

(i) by striking out the words "of a military department" and inserting in place thereof the word "concerned"; and

(ii) by striking out the words "the department concerned" and inserting in place thereof the words "the military department concerned or the Coast Guard, as the case may be."

(C) Subsections (c) and (d) are amended by striking out the words "of the military department."

(D) Subsection (f) is amended as follows:

(i) by striking out the words "a military department" and inserting in place thereof the words "the department concerned"; and

(ii) by striking out the word "military."

(E) Subsection (g) is amended to read as follows:

"(g) Payment of claims against the Coast Guard arising while it is operating as a service in the Department of the Treasury shall be made out of the appropriation for the operating expenses of the Coast Guard."

(2) The analysis of chapter 163 is amended by striking out the following item:

"2734. Property loss; personal injury or death: incident to noncombat activities of the Department of Army, Navy, or Air Force; foreign countries."

and inserting the following item in place thereof:

"2734. Property loss; personal injury or death: incident to noncombat activities of the Armed Forces; foreign countries."

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.

LUMP-SUM PAYMENT FOR ANNUAL LEAVE OF DECEASED EMPLOYEES

The Clerk called the bill (H. R. 7710) to provide for the lump-sum payment of all accumulated and current accrued annual leave of deceased employees.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clause (6) of the Act of August 3, 1950, as amended, is further amended to read as follows:

"(6) Payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he lived and remained in the service until the expiration of the period of such annual or vacation leave."

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert: "That clause (6) of section 2 of the Act of August 3, 1950, as amended by section 501 of the Act of September 1, 1954 (68 Stat. 1115; 5 U. S. C. 61g), is amended to read as follows: '(6) payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he lived and remained in the service until the expiration of the period of such annual or vacation leave.' "

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.

ROLL OF PERSONS OF INDIAN BLOOD

The Clerk called the bill (H. R. 8524) to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians.

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 prepare a roll of the Indians of the blood of the Otoe and Missouria Tribe whose names appear on the allotment rolls of the tribe approved December 7, 1899, June 1, 1906, and January 17, 1907, and who are living on the date of this act, and the descendants of such allottees who are living on the date of this act regardless of whether such allottees are living or deceased. Applications for enrollment shall be filed within 6 months after the date of this act. The determination of the Secretary regarding the eligibility of an applicant for enrollment shall be final and conclusive.

SEC. 2. The Secretary is authorized and directed to withdraw the funds on deposit in the Treasury of the United States to the credit of the Otoe and Missouria Tribe appropriated by the act of May 19, 1956 (70 Stat. 161, 176), together with accrued interest, in satisfaction of the judgment obtained in the Indian Claims Commission against the United States in docket No. 11, and to distribute such funds per capita to the persons whose names appear on the roll prepared pursuant to section 1 of this act.

SEC. 3. (a) The Secretary shall make per capita payments directly to a living enrollee, except as provided in subsection (b) of this section. The Secretary shall distribute the share of a person determined to be eligible for enrollment but who dies subsequent to the date of this act and on whose behalf the application is filed and approved, and the share of a deceased enrollee, directly to his next of kin or legatee as determined by the laws of the place of domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) Per capita payments due persons under 21 years of age or persons under legal disability shall be made in accordance with the laws of the place of domicile of such person.

(c) No part of any per capita payment shall be subject to any debt or debts, other than to the United States created prior to the date of this act by a person of Indian blood, and such per capita payments shall not be taxable.

SEC. 4. All costs incurred by the Secretary in the preparation of such roll and in the payment of such per capita shares shall be paid from the judgment fund or the interest accruing thereon.

SEC. 5. The Secretary is authorized to prescribe rules and regulations to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAKE SOLANO

The Clerk called the bill (H. R. 9381) to designate the lake above the diversion dam of the Solano project in California as Lake Solano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the lake above the diversion dam of the Solano project in California, which lake is below the main dam (Monticello Dam) of the project, shall hereafter be known as Lake Solano, and any law, regulations, document, or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of Lake Solano.

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.

MONTICELLO DAM

The Clerk called the bill (H. R. 9382) to designate the main dam of the Solano project in California as Monticello Dam.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the main dam of the Solano project in California, which is a reclamation project, shall hereafter be known as Monticello Dam, and any law, regulation, document, or record of the United States in which such dam is designated or referred to shall be held to refer to such dam under and by the name of Monticello Dam.

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.

AMENDING TITLE 10, UNITED STATES CODE

The Clerk called the bill (H. R. 9022) to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 10, United States Code, is amended as follows:

(1) Section 2733 is amended—

(A) by striking out in subsection (a) the figure "$1,000" and inserting the figure "$5,000" in place thereof;

(B) by inserting the word "physical" at the beginning of subsection (a) (1) and (a) (2) and before the word "injury" in subsection (a) (3); and

(C) by amending subsections (d) and (e) to read as follows:

"(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction."

(2) Section 2734, as amended by the act of July 28, 1956, chapter 769 (70 Stat. 703), is amended—

(A) by inserting the word "physical" at the beginning of subsections (a) (1) and (a) (2) and before the word "injury" in subsection (a) (3); and

(B) by amending subsections (d) and (e) to read as follows:

"(d) The Secretary of the military department concerned may pay the claimant $15,000 and certify to Congress, in the amount that he considers just and reasonable, the excess of any claim for more than $15,000 that would otherwise be covered by this section as a legal claim for payment from appropriations made by Congress therefor, together with a brief statement of the claim, the amount claimed, the amount allowed, and the amount paid.

"(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That title 10, United States Code, is amended as follows:

"(1) Section 2733 is amended—

"(A) by striking out in subsection (a) the words 'any officer designated by him may settle, and pay in an amount not more than $1,000' and inserting the words 'the Judge Advocate General of an Armed Force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000' in place thereof;

"(B) by amending subsections (d) and (e) to read as follows:

"'(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"'(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.'; and

"(C) by adding the following new subsection at the end thereof as follows:

"'(g) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of an Armed Force under the jurisdiction of the military department concerned.'

"(2) Section 2734, as amended by the act of July 28, 1956, chapter 769 (70 Stat. 703), is amended by amending subsections (d) and (e) to read as follows:

"'(d) The Secretary of the military department concerned may pay the claimant $15,000 and certify to Congress, in the amount that he considers just and reasonable, the excess of any claim for more than $15,000 that would otherwise be covered by this section as a legal claim for payment from appropriations made by Congress therefor, together with a brief statement of the claim, the amount claimed, the amount allowed, and the amount paid.

"'(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.'"

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.

REQUIRING PILOTS ON CERTAIN VESSELS NAVIGATING UNITED STATES WATERS OF THE GREAT LAKES

The Clerk called the bill (H. R. 7515) to require pilots on certain vessels navigating United States waters of the Great Lakes, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no merchant vessel of 300 gross tons or over shall navigate in United States waters of the Great Lakes, their connecting and tributary waters, and the St. Lawrence River as far east as St. Regis, unless there is in the service of such vessel a pilot or other officer qualified for navigation on such United States waters and licensed either by the head of the Department in which the Coast Guard is operating under regulations issued by him or by the appropriate agency of Canada. This pilot or other qualified officer shall, subject to the customary authority of the master, direct the navigation of the vessel (a) on such of the United States waters of the Great Lakes, their connecting and tributary waters, and the St. Lawrence River as far east as St. Regis, as may in the interest of marine safety be designated in regulations issued by the head of the department in which the Coast Guard is operating and (b) on such other United States waters in the discretion of the master.

SEC. 2. The authority extended in this act to pilots or other qualified officers licensed by Canada to serve on vessels in United States waters shall be in effect only so long as Canada permits pilots or other qualified officers licensed by the head of the department in which the Coast Guard is operating similarly to serve on vessels when navigating Canadian waters of the Great Lakes, their connecting and tributary waters, and the St. Lawrence River as far east as St. Regis.

SEC. 3. Any owner, master, or person in charge of any vessel subject to section 1 of this act who navigates the vessel in violation of the provisions of this act, or the rules and regulations established hereunder, shall be liable to the United States in a penalty of $500 for each such violation, for which sum the vessel shall be liable and may be seized and proceeded against by way of libel in any district court of the United States having jurisdiction of the violation. Each day the vessel be so navigated shall constitute a separate violation.

SEC. 4. Nothing in this act shall be construed as affecting any statutory requirement for licensed pilots on vessels of less than 300 gross tons.

SEC. 5. This act shall become effective on the first day of the third month following the issuance of regulations pursuant hereto by the head of the department in which the Coast Guard is operating.

With the following committee amendments:

Page 2, line 8, after the word "waters" strike out "in the discretion of the master" and insert "of the Great Lakes, their connecting and tributary waters, and the St. Lawrence River as far east as St. Regis, in the discretion of the master."

Page 3, line 8, after the word "tons" insert "Nothing in this act shall apply to any vessel of the United States which, in her navigation on the Great Lakes, their connecting and tributary waters, and the St. Lawrence River as far east as St. Regis, is required by any other act to have in her service and on board pilots or other navigating officers licensed by the United States for such waters."

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.

RELEASE OF CERTAIN RESERVATIONS RELATING TO LAND IN WISCONSIN

The Clerk called the bill (H. R. 7645) to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services is authorized and directed, upon payment to the United States by the State of Wisconsin of the fair market value thereof, to convey, quitclaim, or release to the State of Wisconsin any right, reservation, restriction, or interest reserved to the United States in the real property described in section 2 (a) of the act approved July 18, 1956 (70 Stat. 576), providing for conveyance to the State of Wisconsin without monetary consideration of certain real property described therein.

With the following committee amendment:

Page 1, line 5, after the word "value" insert "of the fee simple title."

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.

EXCHANGE OF CERTAIN INTERESTS IN LAND IN VIRGINIA BETWEEN THE UNITED STATES AND THE NORFOLK SOUTHERN RAILWAY

The Clerk called the bill (H. R. 8071) to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the

Norfolk Southern Railway Co. in exchange for other lands and easement of said company.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized under such terms and conditions as he may determine to be in the public interest to convey to the Norfolk Southern Railway Co., a Virginia corporation, perpetual, assignable easements over those portions of the Fort Story Military Reservation, Princess Anne County, Va., aggregating 4,285 acres of land, more or less, in exchange for the conveyance by said company of fee title to 11.82 acres of land, more or less, and the relinquishment of an existing perpetual easement in, over, and upon 9.28 acres of land, more or less, at the locations delineated on the map entitled "Fort Story, Va.—General Plan," No. 44–028–7, dated October 19, 1953, on file in the Office of the Chief of Engineers, Washington, D. C.

SEC. 2. The Norfolk Southern Railway Co. shall pay a sum of money representing, in the opinion of the Secretary of the Army, the amount by which the fair market value of the property conveyed to it exceeds the fair market value of the rights conveyed by it to the United States.

SEC. 3. The cost of any surveys necessary as an incident to the exchange authorized in section 1 of this act shall be borne by the Norfolk Southern Railway Co.

SEC. 4. Any money received by the Secretary of the Army in connection with the exchange authorized in section 1 shall be covered into the Treasury of the United States as miscellaneous receipts.

With the following committee amendment:

Page 1, line 8, strike out "4,285" and insert "13.4."

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.

DESIGNATION OF BUREAU OF YARDS AND DOCKS TO THE BUREAU OF CIVIL ENGINEERING

The Clerk called the bill (H. R. 9281) to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5131 of title 10, United States Code, is amended by striking out the words "(7) Bureau of Yards and Docks" and inserting the words "(7) Bureau of Civil Engineering" in place thereof.

SEC. 2. Section 5147 of title 10, United States Code, is amended to read as follows:

"§ 5147. Bureau of Civil Engineering: Chief; Deputy Chief

"(a) The Chief of the Bureau of Civil Engineering shall be known as the Chief of Civil Engineers. The Chief of Civil Engineers shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years, from officers on the active list of the Navy in the Civil Engineer Corps who have had at least 7 years of active service.

"(b) The Deputy Chief of the Bureau of Civil Engineering shall be known as the Deputy Chief of Civil Engineers. An officer on the active list of the Navy in the Civil Engineer Corps may be detailed as Deputy Chief of Civil Engineers."

SEC. 3. The analysis of chapter 513, title 10, United States Code, is amended by striking out the following item:

"5147. Bureau of Yards and Docks: Chief; Deputy Chief."

and inserting in place thereof the following item:

"5147. Bureau of Civil Engineering: Chief; Deputy Chief."

SEC. 4. All laws or parts of laws now in force relating to the Bureau of Yards and Docks shall now and hereafter apply to the Bureau of Civil Engineering.

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 LAND IN MACON, GA.

The Clerk called the bill (H. R. 9738) to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon, containing 5.39 acres, more or less.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to convey to the city of Macon, Ga., at fair market value, all right, title, and interest of the United States in and to a parcel of land containing $5\frac{39}{100}$ acres, more or less, situated in the said city of Macon, Bibb County, Ga., metes and boundary description of which is on file in the Navy Department, said parcel being a part of a tract of some 13 acres, more or less, title to which was acquired by deed from the city of Macon dated October 23, 1943, containing certain conditions of reverter to the city of Macon which were removed by subsequent deed from the city of Macon and the county of Bibb dated October 18, 1955, the consideration in each instance being nominal.

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.

ACQUISITION OF ADDITIONAL LAND FOR WHITMAN NATIONAL MONUMENT, WASH.

The Clerk called the bill (S. 1118) to facilitate the administration and development of the Whitman National Monument, in the State of Washington, by authorizing the acquisition of additional land for the monument, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of including within Whitman National Monument, Wash., certain properties that are of historic significance in connection with the monument area and which are needed to provide suitable monument facilities, the Secretary of the Interior is authorized to procure not to exceed 50 acres of land adjacent to the existing monument and a right-of-way thereto from United States Highway 410, using therefor any land acquisition funds available for purposes of the national park system, such property to be acquired in such manner as the Secretary shall consider to be in the public interest. Following the acquisition by the United States of land for addition to the monument pursuant to this act, such addition shall be effective in each instance upon the publication of notice thereof in the Federal Register.

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.

AUTHORIZING THE EXCHANGE OF CERTAIN LANDS AT BLACK CANYON OF THE GUNNISON NATIONAL MONUMENT, COLO.

The Clerk called the bill (H. R. 5984) to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to recognize equities resulting from possession or claim to certain land within Black Canyon of the Gunnison National Monument, Colo., which equities were established in reliance upon the plat of the 1884 survey made by the General Land Office, the lines of which plat are not in agreement with the lines of a plat resulting from a 1940 dependent resurvey of the same area, the Secretary of the Interior is authorized, in his discretion, to exchange lands of approximately equal value as hereafter provided.

SEC. 2. The Secretary of the Interior is authorized to accept on behalf of the United States from Clarence B. Sanburg and Grace Sanburg, husband and wife, title to the following described lands: Northeast quarter northeast quarter, section 25, township 50 north, range 8 west, New Mexico principal meridian, as established by the dependent resurvey of the General Land Office made in 1940 and accepted in 1942, except 15.15 acres previously deeded to the United States by Douglas Lytle by deed dated October 13, 1933, and recorded in the records of Montrose County, Colo., at page 260 of Deed Book 158, containing 25.45 acres, more or less; and that portion of the southeast quarter northeast quarter, section 25, township 50 north, range 8 west, New Mexico principal meridian, as established by the dependent resurvey of the General Land Office made in 1940 and accepted in 1942, lying north and east of a diagonal line from the northwest corner to the southeast corner of said southeast quarter northeast quarter, containing 20.10 acres, more or less, being lands conveyed to Clarence B. Sanburg by deed of March 8, 1943, recorded in the records of Montrose County, Colo., at page 133 of Deed Book 303.

In exchange for the foregoing lands, the Secretary is authorized to convey, on terms and conditions mutually satisfactory, the following-described lands: Beginning at a point on the south boundary of the northwest quarter northeast quarter, north 88 degrees 26 minutes west, 109.7 feet from the southwest corner of the northeast quarter northeast quarter, section 25, township 50 north, range 8 west, New Mexico principal meridian, as established by the dependent resurvey of the General Land Office made in 1940 and accepted in 1942; thence north 428.3 feet to a brass cap set in a concrete monument; thence west 1,320 feet to a brass cap set in a concrete monument; thence south 393.5 feet to the south boundary of the northeast quarter northwest quarter; thence south 88 degrees 26 minutes east on the south boundary of the northeast quarter northwest quarter and the northwest quarter northeast quarter, 1,320.45 feet to the point of beginning; containing 12.45 acres, more or less, reserving, however, to the United States of America a public road right-of-way 50 feet in width within the above-described tract, said right-of-way to be measured southerly from the centerline of the existing

monument road where a portion of said road lies within said tract; and the east half west half southeast quarter, section 29, township 50 north, range 8 west, New Mexico principal meridian, as established by the dependent resurvey of the General Land Office made in 1940 and accepted in 1942, containing 40 acres, more or less.

With the following committee amendment:

Page 1, line 3, strike out lines 3 down to and including line 9, and insert: "That in order to bring about desirable land use and ownership adjustments relating to certain private and federally owned lands within the Black Canyon of the Gunnison National Monument, Colo., and in order to facilitate the administration of such monument, the Secretary of the."

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.

TRANSFER OF LANDS TO THE STATE OF MINNESOTA

The Clerk called the bill (S. 864) to provide for the transfer of certain lands to the State of Minnesota.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the State of Minnesota may, within 3 years after the date of enactment of this act, file with the Secretary of the Interior (1) a schedule showing (A) each tract of public land which the State may have selected and which has not been reserved or withdrawn for some Federal use, and each tract of ceded or other Indian lands, which tracts are subject to liens under this act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908 (43 U. S. C. 1021–1027); (B) the amount of the lien under the act of May 20, 1908, on each such tract of land, and the sum of the liens on all such tracts, which liens shall not include any interest charges which may have accrued after April 19, 1929, for land in the Red Lake Game Preserve and after April 25, 1931, for other lands; (C) the date when the lien on each such tract became effective; and (D) the authority under which the charges were assessed; and (2) an application to acquire the lands listed in such schedule in the manner provided in this act.

(b) The Secretary may, in his discretion, approve the listing of the lands in such schedule and accept the application for such lands. Upon such acceptance, the Secretary shall appraise the tracts listed in accordance with their fair market value. Such appraisal shall be conclusive for the purposes of this act. The Secretary shall also determine the amount, if any, by which the total appraised value of the lands listed exceeds the total amount of the liens on such lands under the act of May 20, 1908.

SEC. 2. (a) Subject to the provisions of sections 3 and 5, the Secretary shall patent to the State the lands listed in any application accepted under the first section upon payment by the State to the United States of the excess of the total appraised value of the lands listed in such application over the total amount of the liens on such lands under the act of May 20, 1908: *Provided*, That the payment for each tract of ceded or other Indian land shall be not less than $1.25 per acre for the use and benefit of the Indian tribe or individual owning the tract. The Secretary shall issue a patent to the State under the authority of this subsection only if the State makes payment of the amount of such excess within 2 years after the determination of such amount. The failure of the State to make payment within the time required by this subsection shall not operate as a bar to the filing of any subsequent schedule and application by the State in the manner, and within the time, prescribed by the first section.

(b) Notwithstanding any other provisions of this act, the Secretary may issue a patent to the State for the public lands subject to liens under the act of May 20, 1908, not withdrawn or reserved for Indians or some Federal use, without payment, if he determines through appraisal or otherwise that the total amount of the liens on such lands under that act is approximately equal to or exceeds the total value of the lands.

(c) Any patent issued to the State under this act shall contain the provisions and reservations which are inserted in patents for public lands entered under the homestead law.

SEC. 3. Nothing in this act shall be construed to prejudice any valid claims relating to the lands for which an application has been made and accepted under the first section of this act. The Secretary shall notify all entrymen of the sum due the State for drainage charges under the act of May 20, 1908, and shall give to the entrymen any extension of time which he determines is reasonable within which to comply with the requirements of the law under which the entry was made, and to make the payments due the State. The Secretary shall not patent to the State any lands subject to such entries unless and until the entry involved is canceled in accordance with the law under which the entry was made.

SEC. 4. After the date of enactment of this act, no further liens or assessments shall be imposed on any Federal lands or any ceded or other Indian lands in the State of Minnesota under authority of the act of May 20, 1908.

SEC. 5. (a) With respect to ceded or other Indian lands, the Secretary may exercise the authority granted in the first section and section 2 of this act only with the consent of the Indian owner or owners. The consent of the individuals owning two-thirds of the beneficial interest shall be sufficient in the case of undivided heirship lands. The consent of the Minnesota Chippewa Tribe and of the Red Lake Band of Chippewas, in the case of tribal lands, shall be evidenced by resolution of the recognized governing body of the tribe or band.

(b) Nothing in this act shall be construed to prejudice Indian title to any lands subject to lien, nor to preclude the right of the Indian owner, or owners, to clear title to their lands by payment of the lien claimed by the State.

(c) Payments made by the State under this act for the purchase of tribally owned Indian lands, shall be deposited in the Treasury of the United States to the credit of the tribe owning such lands, and payments made for the purchase of individually owned Indian lands shall be deposited with the officer in charge of the Indian agency having jurisdiction over such lands to the credit of the Indian owners thereof.

SEC. 6. The Secretary may prescribe rules and regulations which he determines will effectuate the purposes of this act.

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.

AMENDING SECTION 3 OF THE HAWAIIAN ORGANIC ACT

The Clerk called the bill (H. R. 9232) to amend section 73 (1) of the Hawaiian Organic Act to authorize the commissioner of public lands to amend existing land patents in hardship cases by removing the restrictions contained therein which have run for 10 or more years.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That section 73 (1) of the Hawaiian Organic Act is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the commissioner of public lands, with the consent of the legislature, is authorized to amend existing land patents by removing the restrictions contained in any land patent and deed which have run for 10 years or more where strict enforcement of the restrictions would involve practical difficulties or unnecessary hardship and where such removal would be in the public interest and would promote the general welfare of the Territory."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the first proviso of Public Law 481, 84th Congress (70 Stat. 104), is hereby amended to read as follows: '*Provided*, That no such restriction shall be removed with respect to any tract of land encompassing an area in excess of one-half acre:'."

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.

The title was amended so as to read: "A bill to amend Public Law 481, 84th Congress (70 Stat. 104)."

A motion to reconsider was laid on the table.

AUTHORIZING USE OF NAVAL VESSELS FOR EXPERIMENTAL PURPOSES

The Clerk called the bill (H. R. 11519) to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized to employ certain ships of the Navy as targets for the purpose of tests and experimentation in determining the effect of newly developed weapons on such vessels.

SEC. 2. Upon completion of the above tests and experiments the Secretary of the Navy or his designee, may in his discretion order such target vessels to be—

(a) retained with or without repair for further test and experimentation, for further naval use, or for disposition in accordance with other provisions of law; or

(b) sunk if considered unseaworthy.

SEC. 3. The number of vessels which may be employed as target vessels under this act is limited to 5 ships and up to 10 service craft.

SEC. 4. The provisions of this act relating to the employment of vessels as targets shall terminate 2 years after the date of its enactment.

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.

SMALL BOAT SAFETY

The Clerk called the bill (H. R. 11078) to promote boating safety on the navi-

gable 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.

Mr. GROSS. Mr. Speaker, reserving the right to object, I would call the attention of the Members of the House to the fact that this bill has wide ramifications in the matter of licensing boats, operated in navigable waters, that are powered with motors of any power—outboard and otherwise—with an invitation to the States to license in nonnavigable waters.

Mr. Speaker, I did not know, and I doubt that many Members were aware, this bill was coming up on the Consent Calendar. I think the membership should have some advance notice of this proposed legislation and be able to give it the careful study and consideration it deserves.

It is not my intention to delay the enactment of this legislation, but I do feel Members of the House ought to be put on notice of the ramifications of the bill and have an opportunity to study it.

Therefore, Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

CONVEYANCE OF CERTAIN LANDS TO LUMMI INDIANS

The Clerk called the bill (H. R. 7681) to authorize the Secretary of the Interior to convey certain land with improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the Lummi Indian Tribe, Lummi Reservation, Whatcom County, Washington, for the use and benefit of the members of the Lummi Indian Tribe, all right, title and interest of the United States to the following described land, together with any buildings or other improvements located thereon: Commencing at a point on the south line of lot 9, section 7, township 38 north, range 2 east, Willamette meridian, 9 chains east of the southwest corner of said lot; thence east 4 chains to a point on said south line; thence north 5 chains; thence west 4 chains; thence south 5 chains to point of beginning containing approximately 2 acres. Notwithstanding any other provision of law such land may be leased, sold, or otherwise disposed of by the sole authority of the Lummi Business Council in any manner similar land in the State in which such land is situated may be leased, sold, or otherwise disposed of by private landowners.

With the following committee amendment:

Page 2, line 10, add a new sentence reading as follows: "The land shall not be exempt from taxation because of Indian tribal ownership."

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.

VIRGIN ISLANDS NATIONAL PARK

The Clerk called the bill (S. 2183) 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.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. This is the last eligible bill on the calendar and completes the call of the calendar.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3120) to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provision of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 11092) were laid on the table.

AMENDING SECTION 39 OF THE TRADING WITH THE ENEMY ACT

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11668) to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

The Clerk read as follows:

Be it enacted, etc., That section 39 of the Trading With the Enemy Act of October 6, 1917, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Attorney General is authorized and directed, immediately upon the enactment of this subsection, to cover into the Treasury of the United States, for deposit into the War Claims Fund, from property vested in or transferred to him under this act, such sums, not to exceed $5 million in the aggregate, as may be necessary to satisfy unpaid awards heretofore or hereafter made under the War Claims Act of 1948, as amended."

The SPEAKER. Is a second demanded?

Mr. O'HARA of Minnesota. Mr. Speaker, I demand a second.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, the Committee on Interstate and Foreign Commerce, after hearings, considered and reported unanimously the bill (H. R. 11668) authorizing the Attorney General to transfer to the war claims fund, from funds presently held by him which have resulted from the liquidation of enemy property, the sum of not to exceed $5 million to satisfy unpaid awards heretofore or hereafter made under the War Claims Act.

This bill was introduced and sponsored by our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], who has at all times been keenly interested in this problem, which has caused much suffering and damage to property and facilities utilized by religious groups and organizations.

Our colleague, the gentleman from Massachusetts [Mr. McCORMACK], was the sponsor of the legislation in the 84th Congress which provided relief to religious organizations that extended assistance to our servicemen during World War II. This bill is a followup of that program in order to complete it and the purposes for which it was originally proposed. He is to be commended for his efforts and interest in this most worthy and important program.

Mr. Speaker, this legislation is necessary to keep faith with legislation enacted during the 84th Congress pursuant to which the Foreign Claims Settlement Commission approved a number of claims authorized by Public Law 997, 84th Congress. That law provided that religious organizations in the Philippines which, during World War II, extended relief to American servicemen, will receive compensation for their educational and welfare facilities which were destroyed or damaged during World War II. This compensation is paid out of the war claims fund which was established by the War Claims Act of 1948 and into which have been transferred by the Attorney General from liquidated enemy assets a total of $225 million.

When the 84th Congress enacted Public Law 997, the best information available at that time indicated that the funds in the war claims fund would be sufficient to pay these awards. Now it is established that 21 awards totaling approximately $3.2 million cannot be paid, while 19 other awards totaling approximately $5.5 million were paid in full. It is, of course, inconceivable that this situation should be left where it is, and it is imperative that the 21 unpaid awards be paid as promptly as possible.

The committee report sets forth in detail the awards that have been made pursuant to the law, indicating those which are as yet unpaid; and the report also sets forth the status of the war claims fund at the present time.

Your committee, therefore, thinks this legislation is very desirable.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Is it the purpose of this legislation to authorize the payment of these other 19 claims?

Mr. HARRIS. The purpose of this legislation is to provide funds for the payment of such of these other 19 claims as the Foreign Claims Settlement Commission may approve.

Mr. BAILEY. I would like to inquire of the gentleman why it is that individuals who have claims for an award before the Court of Claims are apparently disregarded while most of the money that has accumulated in that fund received from the Japanese Government has been used to pay larger claims, leaving nothing for the smaller ones?

Mr. HARRIS. I am not aware of the fact any claims before the Court of Claims have not been given consideration. I do not know what instance the gentleman speaks of.

Mr. BAILEY. I have attempted to process a claim by a resident of my district whose husband had been killed the day the armistice was signed. The Japanese were not notified; they did not notify their airplanes and were not aware of the fact that an armistice was in existence. They attacked American planes and shot four of them down. One of them had aboard the husband of the lady for whom I introduced special legislation, but I never got to first base on it. We were told that there were claims of other people in America that were more important. All she was wanting to do was to get authority to sue the Japanese Government and she could not get that.

Mr. HARRIS. I am not familiar with the particular instance to which the gentleman refers. We have many, many private claims bills pending before the committee. But this is a different matter altogether.

Mr. BAILEY. I would like for the gentleman to answer the question, how and what relief will these private claimants receive, what chance will they have to get an adjudicated settlement? Are you going to consume all of the money that you have in that fund to pay off the larger ones?

Mr. HARRIS. The committee will be glad to go into the matter and see about it. We do not want to see an injustice done to anyone and it has always been the position of the committee to give every consideration to justifiable claims within the committee's authority.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

LATEST CREDIT EASING SHOWS FEDERAL RESERVE CONTINUES TO GIVE SPECIAL BENEFITS TO THE BANKERS AND MONEYLENDERS

Mr. PATMAN. Mr. Speaker, the Federal Reserve System has two methods of tightening credit, and it has two methods of loosening credit. The machinery for both methods is in place and available for instant operation at all times. The Federal Reserve is fully aware of both methods, and it is fully aware of what the advantages and disadvantages are of using the two methods.

TWO METHODS OF CONTROLLING CREDIT

One of the standard methods by which credit may be eased is for the Open Market Committee of the Federal Reserve System to go into the open market and buy Government securities. When the System increases its holdings of securities, the result is to create more free bank reserves which the banks may then use for making loans or investments. Free reserves brought about in this way are created without lowering the percentage of reserves which the member banks are required to keep to meet depositors' demands for their money.

The other method is for the Federal Reserve Board to lower the percentage of reserves which the member banks of the System are required to keep.

The effects of using either of the two methods are in some respects the same. Both methods ease credit. Both methods give the private banks additional free reserves which they may use for making loans or investments. Both methods are inflationary. Both increase the supply of money and to ease credit to any given degree, both methods are equally inflationary.

There are, however, also vast differences between the practical effects of the two methods. In one instance the Government—or the Government's central bank creates the new money—and in this instance the Government, the taxpayers, and the borrowers from both the banks and the capital market all benefit, while the bankers and moneylenders receive only secondary and indirect benefits. In the other instance, the banks create the new money, and the principal benefits go to the banks and moneylenders, which the general public gain only secondary, overflow benefits, if any.

Needless to say, the credit easing which was announced last Thursday is the kind which helps the bankers and moneylenders and does little, if anything, for the general public. Such has been the consistent history of the Federal Reserve System over the past several years—first, through the period of making credit increasingly tighter and, more recently, with the several successive actions which the System has taken to ease credit since about November 15 of last year.

CONSISTENTLY USING THE METHOD THAT HELPS THE BANKERS AND MONEYLENDERS

With all the credit tightening of the years 1953 through 1957, in not one instance were required reserves raised to contract the supply of bank credit. All actions in these years were to raise interest rates and to bring about the least contraction in the supply of credit on which the banks could make loans and investments. This meant that the credit tightening which took place came about indirectly. Interest rates on Government securities were raised, with the result that interest rates in the capital market—particularly on corporate bonds—were raised, and inevitably, the big corporations shifted a large part of their demand for credit from the capital market onto the commercial banks. It was in this way that the commercial banks were lent up to the full amount of their free reserves, and small firms seeking bank credit were told that there was simply not enough credit to go around.

Conversely, in the several moves which the Federal Reserve System has made to ease credit this year, it has consistently used methods which increased the credit supply and at the same time have the least tendency to bring down interest rates. Today, interest rates which the private banks charge on their loans to business firms are the same as they were a year ago. A year ago today, the prime rate—which is the rate the banks charge their biggest borrowers with the best credit ratings—was 4 percent. Today the prime rate is still 4 percent. On April 9 of this year, the member banks of the Federal Reserve System had $561 million of free reserves. Yet on April 10 of last year, the member banks' free reserves were in a minus position to the extent of $641 million. That is to say, last year the banks were in debt to the Federal Reserve System for reserves, which means that they were under considerable pressure against expanding

credit, whereas today, they have considerable potentialities which are not being used.

ADVANTAGES OF THE METHOD WHICH HELPS THE PUBLIC

The advantages of buying Government securities to ease credit, as contrasted to reducing the banks' required reserves, are these:

First, when the Federal Reserve System buys Government securities, the result is to save the Government and the taxpayers interest charges on the Federal debt. Interest charges paid on securities held by the System flow back into the Treasury, instead of going to fatten bank profits. Thus if the Open Market Committee had bought and held $9 billion of Federal securities this year, instead of making 3 cuts in required reserves which will allow the private banks to create $9 billion of new money, interest charges on the national debt and the burden on the taxpayer would have been reduced somewhere between $200 million and $250 million a year.

Second, by withdrawing Government securities from the open market, the price of the securities remaining in the market would have risen. This means that interest rates on Government securities would have fallen, and the Treasury would have been able to issue its new securities at lower interest rates than it will now be able to do.

Third, by lowering the interest rates on Government securities, interest rates on corporate bonds would have been lowered, and, furthermore, bank rates would have been driven down, so the result of easing credit by this method would have been to help borrowers; it would have reduced business costs and would thus have been a general stimulant to business.

Finally, buying more Government securities, instead of cutting reserve requirements, would have maintained a better level of safety and security to private bank operations. As matters now stand, the banks have reserves which would allow them to pay off their demand depositors only about $1 for every $6 of deposits. The more required reserves are lowered, the more risky and unsecure the banks become, and the less competition they can stand. This means they will have to be given increased monopoly protection by the Comptroller of the Currency, the FDIC and the Federal Reserve Board.

I believe that, if the Members will follow with me through the recent history of the Federal Reserve's policies and methods, they will agree that it is high time Congress should take a close look at the operations of this System and bring about some needed reforms.

ALLOWING THE PRIVATE BANKS TO CREATE $9 BILLION IN NEW MONEY

Let us consider, first, then what the actions announced by the System last Thursday mean. What, exactly, will be accomplished by these actions that are being headlined as a major antirecession measure?

Specifically, the actions announced last Thursday were these:

First—and foremost in importance—the Federal Reserve Board cut the percentage of demand deposits which the member banks are required to keep in reserve. The reduction for banks in New York City and Chicago will be 1 percentage point, and the reduction for banks in other large cities—called Reserve city banks—will be one-half of a percentage point. Altogether these reductions in required reserves will free bank reserves amounting to $450 million.

Freeing bank reserves in the amount of $450 million means that the private banking system can create new money in amounts up to about $3 billion. This is because with each dollar of reserves which is freed for use by the banks in making loans and investments, a maximum of about $6 of loans and investments can be made. Actually, at the new rates of required reserves the expansion is somewhat greater than 6 to 1. The old 6-to-1 rate was a computation which the Federal Reserve people made on the basis of the rates of required reserves prevailing at about the first of this year. We are now witnessing the third reduction in required reserves made this year, and the lower the percentage of required reserves, the higher is the expansion ratio by which new money is created on the basis of a given dollar of reserves.

Here, then, is the record of windfalls, or bonuses, which have been given to the private banks this year—all in the name of helping the country out of the recession.

Effective March 1, reserve requirements were reduced to free $500 million of bank reserves. This meant that private banks were able to expand their loans and investments by $3 billion, in which case they automatically expanded the money supply by $3 billion.

Then again, effective April 1, another cut in reserve requirements was made, to free $490 million of reserves. This meant, roughly speaking, another $3 billion increase in loans and investments, and, of course, another $3 billion increase in the amount of money in the country.

Finally, with the announcement last Thursday, the banks will be permitted another expansion of $3 billion, which makes a total of approximately $9 billion that the private banks have been handed on a silver platter without any cost, since the first of this year. This is $9 billion of which the banks will draw interest through their loans and investments, principally interest from increased investments in Government bonds, because the demand for loans has been falling and the banks already had excess reserves which were not being used to make commercial loans.

NO CHARGES OF "INFLATION"

Now to depart from our main topic for a moment, let us consider this question of inflation. The Members may recall that at his press conference last Wednesday, the President expressed considerable disagreement with the suggestion that former President Truman had made on Monday last that interest rates on Government borrowing be lowered. The headlines in the paper were "Ike Brands Truman Plan Inflationary." Then the papers quoted the President as saying that the lowering of interest rates on Government bonds "would flood the country with money and boost the cost of living." Then the President added:

> That is the kind of program that I, for one, would never go for.

Furthermore, we are all familiar with the howls of "inflation" that are set up each time when some proposal is made to have the Government spend a billion dollars here or there on some important public program to help pull the country out of the depression. Any such program, to the extent that it involved deficit spending, would mean that the Government would be creating money to the extent of the deficit.

LOWERING THE DISCOUNT RATE HAS NOT LOWERED BANK RATES

Returning now to the Federal Reserve actions announced last Thursday, the other action was a reduction in the Federal Reserve discount rate. All of the 12 Federal Reserve banks have not adopted the new rate, but this is of little importance. The other Reserve banks can be expected to fall into line shortly; and in any case, the effect of the discount rate is mostly a matter of psychology—if anything.

Changing the discount rate is a way by which the Federal Reserve gives a kind of signal to the private banks, which signal is supposed to indicate what the System's policy toward easing or tightening credit is going to be. As such, a change in the discount rate also involves a sort of promise on the part of the System. But the banks do not always respond to the signal, in setting their own rates; and it seems they are not always content with a promise, at least not until it becomes clear what method is to be used for carrying out the promise. Let us consider the recent changes in the discount rate and compare these to the rates which have been charged by the private banks.

The discount rate is, of course, the rate which the Federal Reserve banks charge on loans of funds to the private banks, which funds the private banks may use in making loans to their customers. The discount rate has almost nothing to do, however, with the amount which the private banks borrow from the Reserve banks. Such borrowings are governed by rules and regulations of the System. An individual bank is permitted to borrow only when exceptional, unexpected situations arise, and a short-term basis. Furthermore, the total of all such borrowings from the Reserve banks at any time is relatively small—never as much as $1 billion during the period when money was tightest.

On November 15 last year, the Reserve System announced the first of its actions which were supposed to reverse its previous policy and begin a program of loosening credit. On that date four of the Reserve banks, including the New York bank, announced a cut of one-half percent in the discount rate, and most of the other Reserve banks followed within a few days. The private banks changed their rates not one whit. The prime rate, which had been 4½ percent since

the previous August, remained at 4½ percent.

On January 25, the Federal Reserve banks initiated another cut in the discount rate—this time by only one-fourth of 1 percent. Almost simultaneously, the private banks all across the country dropped their prime rate by one-half of 1 percent. But it would be hard to imagine that there was any connection between the two events. In fact, the cut in the prime rate was made in most of the principal cities beginning with New York—when only the Philadelphia Reserve Bank had announced a reduction in the discount rate.

On March 8, the Reserve banks made another one-half of 1 percent cut in the discount rate. The prime rate remained unchanged.

Finally, effective last Friday, five of the Reserve banks—including Philadelphia and New York—cut the discount rate by still another one-half of 1 percent. But, to date, the prime rate has not budged.

BANKERS ARE CONSIDERING CUTTING THEIR PRIME RATE

It is true that the financial journals have been reporting, for at least 2 weeks now, that the bankers have a cut in the prime rate under serious consideration. But this consideration is being forced by events which have nothing to do with the rate which the banks pay on loans from the Reserve banks. The truth is that despite the fact that the credit easing has been done in a way which has the least effect on bond rates, bond rates have been slowly creeping down, with the result that many of the big corporations are going back into the bond market and using some of these funds to pay off their bank loans.

So the situation which should have hit the banks and hit them in a hard way many months ago, is now beginning to creep up on them in a most gentle way. The banks now wonder whether it is better to hold up the prime rate, and lose business to the bond market, or lower the prime rate in the hope of keeping the business. This is not an easy problem for the bankers to resolve. Actually, it is not so much the difference between the prime rate and the rates available in the bond market that determines whether the corporations sell bonds or borrow from the banks. It is more a matter whether, without respect to the bank rate, the corporations consider that bond rates are sufficiently low, and are not likely to fall much lower, that they are willing to commit themselves to these rates for long periods of financing. When bond rates are too high, they borrow from the banks on a temporary basis and wait for bond rates to come down.

INCREASING BANK CREDIT WITHOUT REDUCING BANK RATES TO BORROWERS

Actually, during its recent period of credit easing, the Federal Reserve System has managed to make a terrific expansion in bank credit with remarkably little disturbance to bond rates and even less disturbance to bank rates.

Evidence of the credit easing can be found—in bank reserves and in the money market—but not in bank rates to business borrowers, or in bond rates.

Since the week of February 12, the last week before the first cut in required reserves was announced, the Federal fund rate has gone down 75 percent. The Federal fund rate, incidentally, is the rate which the banks pay on their borrowings from one another, in the making of which pretty keen competition prevails. The rate on prime commercial paper placed by dealers—4 to 6 months' maturity—has gone down 49 percent. And the rate on 90-day Treasury bills, which had already dropped prior to February 12, has gone down another 23 percent. In contrast, the bank rate on prime commercial loans has remained unchanged at 4 percent; and the average yield on corporate bonds with AAA rating has actually increased slightly, though this rate has generally tended downward since February 12.

FREEING RESERVES HAS MEANT THAT THE BANKS OWN MORE GOVERNMENT SECURITIES

What, then, has become of the bank reserves which have been freed since last February. Certainly, very little of these reserves have gone into increased business loans, if for no other reason than the demand for bank loans from business has tended to fall. On April 9, member banks in leading cities (for which standards reports are made by the Federal Reserve) had only $283 million more in commercial loans outstanding than they had had on February 12, the last report date prior to the announcement that required reserves were to be cut.

The blunt fact is, that most of the reserves which have been freed have gone into more United States Government securities, which the Federal Reserve System might better have bought. Between the two dates I have just mentioned, member banks in leading cities increased their ownership of United States Government obligations by $1.7 billion.

Why is it then that we have a public agency—the Federal Reserve System—with two methods for either tightening credit or loosening credit, and yet it consistently chooses to use the method which helps the bankers and the moneylenders most and helps the Government, the taxpayers, and the general public least? Why is it that when the System acts to loosen credit it chooses the method which increases the private banks' profits from Government securities, the method which holds up bond and bank rates and the method which leaves the banks with a smaller margin of reserves to safeguard their depositors' money? Why does the Federal Reserve not use the method which would save the Government and the taxpayers interest charges on the national debt, the method which would reduce bank and bond rates for the benefit of all business people, and the method which would preserve a higher margin of safety for the banks and the banks' depositors?

THE TWO METHODS ARE UNDER THE CONTROL OF TWO DIFFERENT BODIES

We do not know the factual answers to these questions. I might, however, point out that the two different methods of loosening credit are under the control of two different bodies within the Federal Reserve System. The decision to use the method which helps the bankers and the moneylenders can be made only by the Board of Governors—which is presumably the public body. On the other hand, the decision to use the method which helps the general public can be made only by the Open Market Committee—a Committee which is composed in large part of members who are selected by representatives of the private bankers, who will be reappointed only if they please the private bankers, and who are presumably looking after the interest of the private bankers.

So, when conditions are reached where a loosening of credit is plainly necessary, and the bankers' committee refuses to act in the public interest, the public body is obliged to act in the bankers' interest.

Such is the state of the Federal Reserve System which I suggest the Members ought to consider.

OPPORTUNITIES FOR YOUNG PEOPLE FADING AWAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, this morning the Washington Post carried an article entitled "These Days," by George Sokolsky, on the money trust. It is a very interesting article, and brings to our attention many facts which are displeasing. These facts are as a result of inaction or the result of the Congress failing to act, and thereby preventing this unpleasant situation to come about. Congress is not doing the job. It is not my purpose to condemn or criticize any Member of Congress. They are all, in my book, among the finest and best people that could be assembled to represent their constituents. The Members of Congress are not to blame, except for their failure to provide themselves with sufficient help and expert advice to do their jobs properly.

Members are not equipped to do their jobs. Each Member should have at least one economist to help him to work on taxes, appropriations, and monetary matters, including the national debt and credit. Members are not in a position to keep up with what is going on in Congress involving these matters.

Every year 750,000 young people either accept or try to secure their first jobs. If the trend toward monopoly, which I am afraid has become a gallop instead of a trend, is not arrested and reversed, it will not be long until these fine young people will not have an opportunity, under fair and reasonable conditions, to secure a job, despite all their long and faithful work to make themselves qualified for a job.

A thorough investigation of the money trust is, as Mr. Sokolsky points out, long past due. A proper investigation would result in savings of billions of dollars per year to the taxpayers, and the result should certainly afford better economic opportunities for deserving citizens who

are entitled to them. The shocking disclosures that would be made would result in the elimination of some of the special privileges to undeserving citizens who are now profiting from these special privileges at the taxpayers' expense.

It is my hope that every Member of Congress will read this statement by Mr. Sokolsky, which is as follows:

THE MONEY TRUST

(By George E. Sokolsky)

It is an old story in the United States that the power over the flow of money tends to become concentrated. Wall Street has become the symbol of such a concentration because Wall Street is the money market of the country. Usually, it is spoken of as the stock market, but a share of stock is nothing more than a receipt for money, negotiable and exchangeable and having fluctuation value because it can be sold for money.

Populistic and other agrarian movements, throughout American history, have been aimed at the money power and there have been innumerable Congressional investigations, one of the most significant being the Pujo committee (1912–13) which directly attacked the money trust. Laws have been set up to control private power over the money of the Nation and its uses in the market for the distribution of money into new and expanding industry and commerce.

For this purpose, the SEC was organized and controls were set up with the object of policing the flow of money from the public into enterprises. There are only two places where large reservoirs of money exist, namely, in the Government, either by the accumulation of taxes, or among the people's savings wherever deposited. The SEC has neither the money nor the personnel to do an adequate job of policing the use of money in stock transactions. It is now up against a larger and more concentrated money power than J. P. Morgan ever knew, and it lacks the facilities, to say nothing of the will, to do the job.

The very able writer on financial matters, Leslie Gould, has often called attention to the failures and faults of the SEC and whereas his facts are always correct, I am not sure that blaming the SEC adequately covers the problem. First, the law is inadequate; secondly, SEC should either be an administrative or a judicial body and not both as it is now; thirdly, the pay of commissioners should be high enough to attract personnel who will not eventually have to seek positions in the areas of financial activity over which SEC has control.

Is it not true that men are corrupt when a government, which wastes billions on Fijis and Hottentots, allows $12 a day for traveling expenses and then brands a man a crook who accepts hospitality? It is impossible to get a room in a large city hotel for a man, to say nothing of his wife, for $12 a day. Then there is food, transportation, and other incidental expense. It is ridiculous to give a man a high-sounding title and a big room and a big desk and all the trappings of authority and then provide him with a traveling allowance that does not conform to his position or work, and require him to travel as part of his work.

So, he accepts hospitality and falls under obligations. So, he figures that he had better look around for the day when he can afford to do something for his family. It is mundane considerations of this type, rather than crookedness, that keep all our Government administrative bodies inadequately organized and poorly manned.

The money trust, unorganized but brought together by cooperative processes, by interlocking directorates, by lawyers, accountants, fixers, and so-called policy advisers, rarely is constructive. The object is to take control of enterprises which abler men built. The men in the money trust direct the flow of credit where they choose; they withhold it, in various manners, from those who will not let them in. They need not combine in restraint of trade. That is an old-fashioned device which means nothing. All they do is to make money accessible to those enterprises they favor; to withhold credit or make credit difficult for those who displease them. They serve on boards and committees and they control.

In the end, they can take over and the more successful the enterprise, the more ready they are to take over.

This needs Congressional investigation and judicial process. This has not happened in recent years, in a single instance, no matter how startling. Certainly, the Montgomery Ward and the various Silberstein takeovers were as startling as any this country has ever known. Until such investigations are made fully and constructively, the money trust will continue to concentrate power for the abuse of the free enterprise system.

TWENTIETH ANNIVERSARY OF FEDERAL ALL-RISK CROP INSURANCE PROGRAM

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I wish to call attention of my colleagues to the 20th anniversary of one of our more important agriculture programs. Twenty years ago the Congress passed legislation establishing the Federal all-risk crop insurance program on a pilot basis. It has been expanded until today it is in operation in nearly one-third of the Nation's agricultural counties.

The crop insurance program during the past 20 years has been responsible for keeping many Colorado farmers in business, and easing the stress and burden of crop failure during the recent drought. How could we better preserve the family farm than by promoting and developing Federal all-risk crop insurance? Farmers should bear in mind that this protection can be needed any year in Colorado or in other States. That is why I have supported it so strongly over the years. Every eligible Colorado farmer should have this protection when he needs it.

Remember the more farmers that participate in the program, the more valuable it becomes.

I have worked hard during this period to preserve and develop the crop investment insurance that farmers need when crop disaster strikes their operations. It is my sincere belief that the practical method for farmers to guard against the impact of crop disaster is through insurance—by paying premiums for protection against what can happen.

Congress has provided the machinery for such protection through the Federal Crop Insurance program. It is up to farmers to work together to utilize and perfect this insurance.

I want to congratulate Colorado FCIC policyholders—many of whom have carried this basic protection every year that it has been available to them. There is real strength in numbers in any insurance operation. Consequently, the best chance for major improvement in the insurance offer that the Federal Crop Insurance Corporation can make to farmers is by more of them participating so that actual experience can write the record of what sound insurance plans in our counties can offer in the future.

The $10 million of crop investment being protected on Colorado farms through Federal All-Risk Crop Insurance policies in 1958 is a significant amount of protection but falls far short of what I would like to see.

I have spent many years working for the welfare of the farmers of our State and have long recognized the basic need that exists on our farms for insurance protection against the many natural hazards that can turn a profitable year that the farmer hopes for into one of dismal failure. I am proud to have been instrumental in maintaining the development of the Federal Crop Insurance which is one of our better agricultural programs. It is my fond hope that the years ahead will see major improvement in the protection that is offered and the percentage of our farmers utilizing this business method of protecting money they must spend to produce against loss from forces over which they have no control.

NEEDED—MORE SCHOOLS

Mr. THOMPSON of New Jersey. Mr. Speaker, the New York Times said editorially on April 19, 1958:

> New schools are still more important to America than any other kind of public work, and the quality of what goes on inside those schools is more important than any other domestic problem facing our country today.

I was one of 13 Democratic members of the Committee on Education and Labor of the House of Representatives who wrote to President Eisenhower on March 12, 1958, urging him to send a new school-construction message to the Congress and throw the full weight of his office behind it. We told the President:

> Although in the past there have been many differences of opinion in our committee over the details of school-construction legislation, we are prepared now to put aside personal predilections and to support legislation embodying all of the major principles which you recommended to the Congress last year. We pledge you our support in this enterprise. Prompt action on our part, and yours, might well mean that construction of new schools will be underway by midsummer.

On April 2, 1958, Sherman Adams replied for the President:

> The subject of school construction, along with other proposals which were deferred, remains under continuing study. If changing circumstances indicate that any of these programs should again be recommended to the Congress, the administration will, of course, take the necessary action. The President appreciates the interest which prompted you and your colleagues to write.

The school situation has not improved, in fact it has further deteriorated since President Eisenhower sent his special

message to the Congress in 1957 urging the adoption of school-construction legislation and declared this the most critical problem in the field of education.

Sherman Adams declared in his letter:

This year the President did not recommend enactment of several programs he had previously advocated. Among these was Federal help for classroom construction, which he proposed in 3 prior years but for which Congress did not enact the necessary legislation. Schoolroom shortages were not remedied during those years, and it also became clear that the Nation faced additional pressing educational needs.

The fact that the Congress has failed in the past to enact legislation for schoolroom construction does not mean at all that it would fail again this year if the President fought for it as he appears ready to fight for reorganization of the Defense Department. In fact, during the last-ditch fight for school construction legislation on the floor of the House on July 25, 1957, the President's plan for schoolroom construction which was offered by our able colleague from Ohio [Mr. AYRES] came within five votes of winning.

Confident as I am that winning support for schoolroom construction exists in the House I am today introducing the legislation first proposed by the President, and introduced in the House by our distinguished former colleague from Pennsylvania, the Honorable Samuel McConnell who served as chairman of the Committee on Education and Labor of the House of Representatives.

Former Congressman McConnell introduced this very legislation in the 84th Congress and the gentleman from Ohio [Mr. AYRES] offered it as an amendment to H. R. 1, the School Construction Act of 1957, on July 25, 1957, and it undoubtedly would have been law today if the President had acted promptly at the time and supported it strongly.

I can think of no legislation that has demonstrated broader support than this bill has. It is the President's measure, it was introduced in the Congress by the gentleman from Pennsylvania, Mr. McConnell, and the gentleman from Ohio [Mr. AYRES]. I can think of no possible reason why the President would not again support legislation which he has so strongly recommended to the Congress just a few short months ago. The broad support for this measure can best be shown by the following excerpts from the floor proceedings on July 25, 1957, which I include as part of my remarks today.

I am, then, introducing the President's very own legislative proposal for school construction and I do this in full agreement with the pledge made by my colleagues and myself to the President on March 12 to put aside personal predilections and to support legislation embodying all of the major principles which he recommended to the Congress last year.

The broad support for this measure can be best shown by a review of the floor proceedings of July 25, 1957, in the CONGRESSIONAL RECORD, volume 103, part 9, pages 12720–12754. Of particular interest is the roll call of July 25, 1957, on the Ayres amendment which follows:

The question was taken; and there were—yeas 208, nays 203, not voting 21, as follows:

[Roll No. 154]

Yeas, 108: Abbitt; Abernethy; Adair; Alexander; Alger, Allen, Ill.; Andersen, H. Carl; Andresen, August H.; Arends; Ashmore; Barden; Bass, Tenn.; Bates; Baumhart; Becker; Beckworth; Belcher; Bennett, Fla.; Bentley; Berry; Betts; Blitch; Boggs; Bonner; Bosch; Bow; Bray; Brooks, La.; Brooks, Tex.; Brown, Ga.; Brown, Ohio; Brownson; Broyhill; Budge; Burleson; Byrne, Ill.; Cannon; Cederberg; Chelf; Chiperfield; Church; Clevenger; Cole; Collier; Colmer; Cooley; Cooper; Cramer; Cunningham, Nebr.; Dague; Davis, Ga.; Davis, Tenn.; Dennison; Derounian; Devereux; Dies; Dooley; Dorn, S. C.; Dowdy; Durham; Fallon; Fascell; Feighan; Fisher; Flynt; Forrester; Fountain; Frazier; Gary; Gathings; Gavin; Gregory; Gross; Gwinn; Haley; Halleck; Harden; Hardy; Harris; Harrison, Nebr.; Harrison, Va.; Hébert; Hemphill; Henderson; Herlong; Hess; Hiestand; Hoeven; Hoffman; Holt, Hosmer; Hull; Hyde; Ikard; Jackson; James; Jenkins; Jennings; Jensen; Johansen; Jonas; Keating; Keeney; Kilburn; Kilday; Kilgore; Kitchin; Krueger; Landrum; Lanham; LeCompte; Lennon; Lipscomb; Long; Loser; McCulloch; McDonough; McGregor; McMillan; McVey; Mahon; Marshall; Mason; Matthews; Meader; Michel; Miller, Md.; Miller, Nebr.; Miller, N. Y.; Mills; Minshall; Morrison; Murray; Neal; Nicholson; Norrell; O'Hara, Minn.; O'Neill; Ostertag; Passman; Patman; Pilcher; Pillion; Poage; Poff; Radwan; Ray; Reed; Rees, Kans.; Riley; Rivers; Robeson, Va.; Rogers, Fla.; Rogers, Tex.; Rutherford; Sadlak; St. George; Saylor; Schenck; Scherer; Scott, N. C.; Schrivner; Scudder; Selden; Shuford; Sikes; Simpson, Ill.; Simpson, Pa.; Smith, Calif.; Smith, Kans.; Smith, Miss.; Smith, Va.; Smith, Wis.; Spence; Springer; Stauffer; Taber; Talle; Taylor; Teague, Calif.; Teague, Tex.; Thomas; Thompson, La.; Thompson, Tex.; Thomson, Wyo.; Thornberry; Tuck; Utt; Van Pelt; Vinson; Vorys; Vursell; Wainwright; Walter; Watts; Weaver; Wharton; Whitener; Whitten; Williams, Miss.; Williams, N. Y.; Willis; Wilson, Calif.; Wilson, Ind.; Winstead; Wright; Young; Younger.

Nays, 203: Addonizio; Albert; Allen, Calif.; Anderson, Mont.; Andrews; Ashley; Aspinall; Auchincloss; Ayres; Bailey; Baker; Baldwin; Baring; Barrett; Bass, N. H.; Bennett, Mich.; Blatnik; Boland; Bolling; Bolton; Boyle; Breeding; Broomfield; Brown, Mo.; Burdick; Byrd; Byrne, Pa.; Byrnes, Wis; Canfield; Carnahan; Carrigg; Celler; Chamberlain; Chenoweth; Christopher; Chudoff; Clark; Coad; Coffin; Corbett; Coudert; Cretella; Cunningham, Iowa; Curtin; Curtis, Mass.; Curtis, Mo.; Dawson, Ill.; Dawson, Utah; Delaney; Dellay; Dempsey; Denton; Diggs; Dingell; Dixon; Dollinger; Donohue; Dorn, N. Y.; Doyle; Dwyer; Eberharter; Edmondson; Elliott; Engle; Farbstein; Fenton; Fino; Flood; Fogarty; Forand; Ford; Frelinghuysen; Friedel; Fulton; Garmatz; Gordon; Granahan; Grant; Gray; Green, Oreg.; Green, Pa.; Griffin; Griffiths; Gubser; Hagen, Hale; Haskell; Hays, Ark.; Hays, Ohio; Healey; Heselton; Hill; Holifield; Holland; Holmes; Horan; Huddleston; Jarman; Johnson; Jones, Ala.; Jones, Mo.; Judd; Karsten; Kean; Kearns; Kee; Kelley, Pa.; Kelly, N. Y.; Keogh; King; Kirwan; Knutson; Laird; Lane; Lankford; Latham; Lesinski; McCarthy; McConnell; McCormack; McFall; McGovern; McIntosh; Macdonald; Machrowicz; Mack, Ill.; Mack, Wash.; Madden; Magnuson; Martin; May; Merrow; Metcalf; Miller, Calif.; Montoya; Moore; Morano; Morgan; Morris; Moss; Moulder; Multer; Mumma; Natcher; Nimtz; Norblad; O'Brien, Ill.; O'Brien, N. Y.; O'Hara, Ill.; Osmers; Patterson; Pelly; Perkins; Pfost; Philbin; Polk; Porter; Price; Prouty; Rabaut; Rains; Reece, Tenn.; Reuss; Rhodes, Ariz.; Rhodes, Pa.; Riehlman; Roberts; Robsion, Ky.; Rodino; Rogers, Colo.; Rogers, Mass.; Rooney; Roosevelt; Santangelo; Saund; Schwengel; Scott, Pa.; Seely-Brown; Sheehan; Shelly; Sheppard; Sieminski; Siler; Sisk; Staggers; Steed; Sullivan; Tewes; Thompson, N. J.; Tollefson; Trimble; Udall; Ullman; Vanik; Van Zandt; Westland; Wier; Wigglesworth; Withrow; Wolverton; Yates; Zablocki; Zelenko.

Not voting, 21: Anfuso, Avery, Beamer, Boykin, Buckley, Bush, Evins, George, Harvey, Hillings, Holtzman, Kearney, Kluczynski, Knox, McIntire, Mailliard, O'Konski, Powell, Preston, Teller, Widnall.

So the recommendation of the Committee of the Whole House on the State of the Union that the enacting clause be stricken out was agreed to.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3497. An act 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.

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. PORTER, for 1 hour, on April 24.

Mr. THOMPSON of New Jersey, for 10 minutes, today.

Mr. SHEEHAN, for 1 hour, on Tuesday, April 29.

Mrs. ROGERS of Massachusetts, for 10 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 today and on April 22 and 23 following the legislative program and to include extraneous matter.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. FISHER and to include extraneous matter.

Mr. ANFUSO (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. CELLER in two instances and to include extraneous matter.

Mr. ALGER and to include extraneous matter.

Mr. BERRY and to include the results of a questionnaire.

Mr. MACK of Washington in two instances and to include extraneous matter.

Mr. SCHWENGEL.

Mrs. KNUTSON and to include extraneous matter.

Mr. HILLINGS (at the request of Mr. ARENDS) and to include extraneous matter.

AMENDING THE PUBLIC HEALTH SERVICE ACT

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 11414) to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make

certain grants-in-aid for the support of public or nonprofit educational institutions which provide training and services in the fields of public health and in the administration of State and local public health programs.

The Clerk read as follows:

Be it enacted, etc., That the last sentence of subsection (c) of section 314 of the public Health Service Act, as amended (42 U. S. C. 246 (c)), is amended by inserting "(1)" immediately after "available", and by inserting immediately before the period at the end thereof the following: ", and (2) an amount, not to exceed $1 million, to enable the Surgeon General to make grants-in-aid, under such terms and conditions as may be prescribed by regulations, for the support of public or nonprofit educational institutions which provide comprehensive professional training, specialized consultative services, and technical assistance in the fields of public health and in the administration of State and local public health programs."

The SPEAKER. Is a second demanded?

Mr. O'HARA of Minnesota. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the Committee on Interstate and Foreign Commerce urges adoption by the House of the bill H. R. 11414. The purpose of the bill is to earmark an authorized appropriation of not to exceed $1 million for grants-in-aid by the Surgeon General to schools of public health.

The present provisions of the Public Health Service Act authorize an appropriation of not to exceed $30 million for public health grants to State and local communities. The sum of $1 million which is to be earmarked for grants-in-aid to schools of public health would come out of the $30 million already authorized. In a similar way there is already earmarked under present law out of this $30 million, an amount of not to exceed $3 million for demonstrations of public-health methods and for the training of public-health personnel.

The legislation has the support of State and local public health officers, the schools of public health and many important voluntary organizations concerned with public health.

The committee feels that this legislation is in the nature of emergency legislation and enactment is necessary to enable the 11 schools of public health in the United States to carry on their activities which are vitally necessary if public-health programs—not only Federal, but also State and local programs—are not to be seriously curtailed for want of an adequate supply of trained public-health personnel.

Of the 11 schools of public health, five schools are supported mostly by public funds. These five schools are located in California, Michigan, Maine, North Carolina and Puerto Rico.

The remaining six schools are private schools: Columbia, Harvard, Johns Hopkins, Pittsburgh, Tulane and Yale.

The schools of public health are in an unusual situation because most of their graduates go into public service and, as a matter of fact, most of their students who attend these schools have their tuition paid by Federal, State or local public health agencies. However, these agencies pay only the tuition of these students and tuition covers only approximately 11 percent of the cost to the schools of teaching these students. As a result of this practice, in 1957–58 the schools were left with a deficit of $3,127,000. Thus, in actual practice the schools of public health are subsidizing the training of public health personnel for the Federal Government and for State and local governments.

Another factor must be kept in mind: of the students who attend the schools of public health, only an average of 25 percent take jobs in the State in which they attended school.

Witnesses appearing on behalf of the publicly supported schools of public health testified that the State legislature in their respective States have become increasingly reluctant to appropriate funds for the five public-supported schools of public health since a majority of students attending these schools are out-of-state students who, upon graduating, largely fill public health positions in other States and foreign countries.

The testimony before the committee shows a serious shortage of trained public health personnel on all levels of government—Federal, State and local. If this shortage is to be reduced, the schools of public health must be placed in a position to enlarge their activities. H. R. 11414 will help to make such expansion possible, and I hope the House will adopt this measure which is vital to the Nation's public health program.

Mr. O'HARA of Minnesota. Mr. Speaker, I yield 10 minutes to my colleague, the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I rise to oppose the passage of this bill for a good many reasons. There is probably no field of activity on the American scene that has had more attention, more public support and more progress than the field of general health of the people of the United States.

We have contributions from local communities, from drives of one sort or another; we have various agencies of wealth in the way of foundations, that are contributing toward the cause of health in its various phases; we have support from the Government for cancer research and various other agencies that are very comprehensive in their score. It seems to me that all of the money and all of the effort in the field of public health in its various activities need to be restudied and revamped with the idea that perhaps we are getting so many duplications that we are losing some of the effect that we are trying to produce.

The Public Health Service and the Surgeon General have been the leaders in public health matters in the history of the United States and have done a wonderful job. The Public Health Service really is responsible for the various activities. They take under their wing the job of trying to educate and to train Public Health workers to take their places in the States and local communities in an effort to bring about a general improvement in the health of the public.

Since this proposed appropriation more or less tends to enter a new field of activity, the support of schools of public health, rather than to promote money for buildings or facilities, it seems to me we are getting into a new field of activity. We are branching out into a field the end of which we cannot see unless there is a definite review and study of the situation as it exists today.

In 1956 the Congress of the United States authorized the Surgeon General to appoint a committee consisting of approximately 50 experts in all phases of health matters, to study and to review these activities in order that we might get some semblance of a definitely correlated activity.

The Public Health Service takes the position that since the report of this committee is due at the end of 1959, it might be well worthwhile for us to postpone action on this bill until after that report has been made.

I think the fact that the Public Health Service, above all other agencies, is primarily inclined to be interested in the field of public health trainees, we should take their advice and postpone this legislation until after this committee has had an opportunity to make its survey and to report its findings. The whole field of public health, the training of doctors and nurses and of sanitarians and of the people who go out in the field of public health activity is of great concern, of course, to all of us. We find that that is not entirely limited to the Public Health Service. It is a field in which the medical schools, the schools of nurse training, the health centers and the various agencies are all interested, and are all taking part in the preparation and training of these people who go out into the field of public health work. To me, it would seem our best bet is to await the report cf this committee in order that the field might be better understood and in order that the Committee on Appropriations and those who consider the appropriation of moneys for this field of activity may have a more definite picture when they sit down to make appropriations. As it is now, it is a million dollars here and other sums there each year, until it is a maze of activity that nobody seems to understand. Certainly, we should have some better understanding of the problem.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. O'HARA of Minnesota. The gentleman is a member of the subcommittee. I am not a member of the subcommittee, and I was not able to be present when the bill was reported out of the full committee. But, what the gentleman has said is making a very strong impression on me. His point is that this legislation is premature and it is a matter that we should wait for the report of this conference which is to be held this year and then we can determine much better what should be done. Is that not correct?

Mr. NEAL. I think the gentleman has well stated it. In view of the fact

that there are so many avenues of appropriations and contributions going into this general field, it would be well if the Public Health Service could have time enough and have information which might be brought out through the study of this committee and have it laid before them in order that they might have a better picture of the problem and enable them to appropriate the moneys for the proper needs in order to get the best job done.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. NEAL. I know that the schools of public health are doing good work. I know that they, like all other institutions of learning, are having a hard time trying to finance themselves.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. BEAMER. The gentleman from West Virginia has been a member of this subcommittee. I am asking whether or not this legislation would include instructional work in schools of nursing. I have been hurriedly reading the report and the reason I ask the question is that I have had comments from nurses associations in the State of Indiana and they are rather concerned about this type of legislation. I have tried to assure them that I thought it had some merit, but they felt that it could be more effective if it was operated on a State level rather than on a Federal level. I wonder whether this bill does include assistance or grants to schools of nursing?

Mr. NEAL. This bill simply appropriates funds to the 11 public health schools for training public health personnel, doctors, nurses, and sanitarians.

Mr. BEAMER. There are many public health nurses and that is the reason they raised the question, and I am merely asking for information because I have been contacted by the public health nurses and the nurses have consulted the public health service.

Mr. NEAL. The public health nurses and the public health administrators on a State and county level are usually paid by the State through the contributions of both the Federal Government and the State.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. O'HARA of Minnesota. Would the gentleman from West Virginia who is speaking to us from the well of the House now tell us for how many years he has been a physician and surgeon and in the general practice of medicine?

Mr. NEAL. Long enough to have seen a great deal of progress in the field of education. I may say, too, I firmly believe that the credit for the activities and progress that has been made in the field of education does not belong to the Federal Government nearly so much as it belongs to the general activity and general consent and general appreciation that has been given to it through all the years by the public, whether it is in public contributions, individual contributions, the drive for the cancer fund, or what not. The people have always been interested in public health.

I have observed the progress of health programs for more than half a century and I must say that the medical profession and its associated groups have not only led the way but have made wonderful progress even before the Federal Government initiated efforts to preempt the field.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. NEAL. I yield.

Mr. PELLY. I wonder if the gentleman could truly say that these rulings would be in accordance with the ruling of the Supreme Court, that no funds would go to segregated institutions.

Mr. NEAL. I would not like to discuss that phase of this activity. I think general health considers people of all walks of life and all religions and all groups.

The SPEAKER. The time of the gentleman from West Virginia has expired.

Mr. HIESTAND. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. NEAL. I ask unanimous consent, Mr. Speaker, to proceed for 2 additional minutes.

The SPEAKER. Well, the gentleman from California has made a point of order. If he will withdraw it.

Mr. HIESTAND. I insist on the point of order, Mr. Speaker.

The SPEAKER. Evidently no quorum is present.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 22, 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:

1826. A letter from the Director of Research and Development, Department of the Army, transmitting a report on Department of the Army research and development contracts during the period July 1 to December 31, 1957, pursuant to Public Law 557, 82d Congress; to the Committee on Armed Services.

1827. A letter from the Administrator, Small Business Administration, transmitting a draft of proposed legislation entitled "A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes"; to the Committee on Banking and Currency.

1828. A letter from the Chairman, National Labor Relations Board, transmitting the 22d Annual Report of the National Labor Relations Board for the year ended June 30, 1957, pursuant to the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

1829. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Government Printing Office for the fiscal year ended June 30, 1957, pursuant to the Accounting and Auditing Act of 1950 (31 U. S. C. 67) and the Legislative-Judiciary Appropriation Act, 1954 (67 Stat. 330); to the Committee on Government Operations.

1830. A letter from the Administrative Assistant Secretary of the Interior, transmitting a report in connection with the restoration of balances withdrawn from appropriation and fund accounts under the act of July 25, 1956 (31 U. S. C. 701-708), pursuant to Bureau of the Budget Circular No. A-23, dated June 21, 1957; to the Committee on Government Operations.

1831. A letter from the Assistant Secretary of the Interior, transmitting a proposed concession contract with Northwest Trading Post, Inc., for a period of 10 years from January 1, 1958, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

1832. A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation entitled "A bill to amend sections 606 (8) and 659 (3) of chapter XIII (Wage Earners' Plans) of the Bankruptcy Act (11 U. S. C. 1006 (8) and 1059 (3)); to the Committee on the Judiciary.

1833. A letter from the Secretary of Commerce, transmitting a report to provide war-risk insurance and certain marine and liability insurance for the American public as of March 31, 1958, pursuant to the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

1834. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order suspending deportation in the case of Alfredo Lopes Dos Santos, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1835. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1836. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order entered in the case of Jesus Angel-Moreno, A-8065711, relative to rescission of adjustment of status granted this individual under the Immigration Act of 1917, as amended, pursuant to the Immigration and Nationality Act (8 U. S. C., 1256 (a)); to the Committee on the Judiciary.

1837. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Chow Ging Song, pursuant to the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

1838. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subject, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1839. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of April 17, 1958, the following resolutions were reported on April 18, 1958.

Mr. THORNBERRY: Committee on Rules. House Resolution 530. Resolution for con-

sideration of S. 1031, an act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee project, Washington, and for other purposes; without amendment (Rept. No. 1615). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 531. Resolution for consideration of H. R. 11378, a bill to amend Public Laws 815 and 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in such laws; without amendment (Rept. No. 1616). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 12018. A bill to authorize the Secretary of the Navy to acquire certain land on the island of Guam; to the Committee on Armed Services.

By Mr. BECKWORTH:

H. R. 12019. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H. R. 12020. A bill to provide for the accelerated development of secondary school education in the natural sciences in the several States and Territories; to the Committee on Education and Labor.

By Mr. FINO:

H. R. 12021. A bill to amend the Internal Revenue Code of 1954 to repeal the Federal excise tax on the use of safe-deposit boxes; to the Committee on Ways and Means.

H. R. 12022. A bill to provide that certain manufacturers and retailers excise taxes on consumer durable goods shall not apply during a 1-year period, and for other purposes; to the Committee on Ways and Means.

By Mr. FOGARTY:

H. R. 12023. A bill to establish a program to enable students in the fields of science and mathematics to attend high schools and institutions of higher education; to improve the teaching of science and mathematics in the schools of the Nation; and to make grants to permit the construction of minimum facilities for the teaching of science in the schools of the Nation; and for other purposes; to the Committee on Education and Labor.

By Mr. HARRIS:

H. R. 12024. A bill to amend the Civil Aeronautics Act of 1938, as amended, to authorize the elimination of hearing in certain cases under section 408; to the Committee on Interstate and Foreign Commerce.

By Mr. HASKELL:

H. R. 12025. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of surplus property to volunteer fire-fighting organizations; to the Committee on Government Operations.

By Mr. HILL:

H. R. 12026. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. RIEHLMAN:

H. R. 12027. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. SEELY-BROWN:

H. R. 12028. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. McCULLOCH:

H. R. 12029. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHEEHAN:

H. R. 12030. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOORE:

H. R. 12031. A bill to amend the Small Business Act of 1953 to provide a source of equity and long-term loan capital for small-business concerns in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. KING:

H. R. 12032. A bill to amend section 501 (c) of the Internal Revenue Code of 1954 to exempt from the Federal income tax certain nonprofit voluntary employees' beneficiary associations where admission is limited to individuals who are officers or employees of State or local governments; to the Committee on Ways and Means.

By Mr. LIBONATI:

H. R. 12033. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

H. R. 12034. A bill to amend section 207 of the Legislative Reorganization Act of 1946, to provide that the boards for the correction of military and naval records shall give consideration to satisfactory evidence relating to good character and conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

H. R. 12035. A bill to amend the Internal Revenue Code of 1954 so as to establish an initial program of tax adjustment for small and independent business and for persons engaged in small and independent business; to the Committee on Ways and Means.

H. R. 12036. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 12037. A bill to facilitate the entry into the United States of certain adopted children, and other relatives of United States citizens, and for other purposes; to the Committee on the Judiciary.

H. R. 12038. A bill to amend the Internal Revenue Code, act of February 10, 1939; to the Committee on Ways and Means.

H. R. 12039. A bill to amend section 401 (c) of the act of June 10, 1955, as amended, with respect to the salaries of Postal Transportation Service substitutes; to the Committee on Post Office and Civil Service.

H. R. 12040. A bill to provide for the admission of the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

H. R. 12041. A bill to change the method of computing basic pay for members of the uniformed services, to provide term retention contracts for Reserve officers, and for other purposes; to the Committee on Armed Services.

H. R. 12042. A bill to amend the Internal Revenue Code of 1954 to eliminate the provisions which presently restrict the deduction for medical expenses to those exceeding 3 percent of gross income, and for other purposes; to the Committee on Ways and Means.

H. R. 12043. A bill to amend titles I, II, III of the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H. R. 12044. A bill to amend the law in force with respect to the display and use of the flag of the United States, and for other purposes; to the Committee on the Judiciary.

H. R.12045. A bill to amend the Fair Labor Standards Act of 1938 to prohibit the discrimination in employment against individuals on account of their age; to the Committee on Education and Labor.

H. R. 12046. A bill to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 12047. A bill to amend section 37 of the Internal Revenue Code of 1954 to make eligible for the retirement income credit housewives, disabled individuals, and other individuals who are age 65 or over but ineligible for such credit by reason of the 10-year work test; to the Committee on Ways and Means.

H. R. 12048. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

H. R. 12049. A bill to amend title 10 of the United States Code to provide for the establishment of a program of cash awards for suggestions or inventions made by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations in the general field under the supervision of the Secretary of Defense; to the Committee on Armed Services.

H. R. 12050. A bill to amend the Social Security Act and the Internal Revenue Code to provide benefits for dependents of disabled workers, authorize payment for rehabilitation services of disabled workers from the disability trust fund, increase benefits to workers who delay retirement, extend coverage to physicians, and for other purposes; to the Committee on Ways and Means.

H. R. 12051. A bill to provide for the establishment of the Bureau of Older Persons within the Department of Health, Education, and Welfare; to authorize Federal grants to assist in the development and operation of studies and projects to help older persons; and for other purposes; to the Committee on Education and Labor.

By Mr. LOSER:

H. R. 12052. A bill to designate the dam and reservoir to be constructed at Stewarts Ferry, Tenn., as the J. Percy Priest Dam and Reservoir; to the Committee on Public Works.

By Mr. O'KONSKI:

H. R. 12053. A bill to provide a self-help plan under which agricultural commodity producers would be able to obtain a fair and equitable share of the national income; to the Committee on Agriculture.

By Mr. POLK (by request):

H. R. 12054. A bill to provide more effective price, production adjustment, and marketing programs for cotton and feed grains; to the Committee on Agriculture.

By Mr. SAYLOR:

H. R. 12055. A bill to authorize the Secretary of the Navy to acquire certain land on

the Island of Guam; to the Committee on Armed Services.

By Mr. SILER:

H. R. 12056. A bill to amend section 2108 of the Veterans' Benefits Act of 1957 to prohibit the reduction of disability ratings which have been in effect for 10 or more years, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. TALLE:

H. R. 12057. A bill to provide financial assistance to small-business concerns through private (local) or State development credit corporations; to establish small-business investment associations; to make equity-type capital available through funds provided by the Small Business Administration; and for other purposes; to the Committee on Banking and Currency.

By Mr. THOMPSON of New Jersey:

H. R. 12058. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Education and Labor.

By Mr. VAN ZANDT:

H. R. 12059. A bill to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. LIBONATI:

H. J. Res. 590. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. ANDERSON of Montana:

H. Con. Res. 309. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 310. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 311. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; to the Committee on House Administration.

By Mr. METCALF:

H. Con. Res. 312. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold ceremonies on said occasion; to the Committee on House Administration.

H. Con. Res. 313. Concurrent resolution accepting the statue of Charles Marion Russell, presented by the State of Montana, to be placed in Statuary Hall; to the Committee on House Administration.

H. Con. Res. 314. Concurrent resolution to print the proceedings in connection with the acceptance of the statue of Charles Marion Russell, late of Montana; to the Committee on House Administration.

By Mr. LIBONATI:

H. Res. 532. Resolution favoring the application of the principle of self-determination to the people of Cyprus; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the Turlock Naval Reserve Electronics Unit; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the school-lunch program; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to expanding the Federal construction program; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to providing San Benito, Santa Cruz, and Monterey Counties with a supply of water from the Central Valley project; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to change the population requirement of communities eligible to receive Federal assistance in urban renewal; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States requesting passage of legislation to control inflation; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FORD:

H. R. 12060. A bill for the relief of Michael J. Conlin; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 12061. A bill for the relief of Ardemis Eden; to the Committee on the Judiciary.

By Mr. MAY:

H. R. 12062. A bill for the relief of Panagos Malamelis; to the Committee on the Judiciary.

By Mr. WIGGLESWORTH:

H. R. 12063. A bill for the relief of Gerald Early; 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:

576. By Mr. BUSH: Petition of residents of Cogan Station, Pa., and adjacent areas, urging enactment of H. R. 4835, a bill to prohibit alcoholic beverage advertising in interstate commerce and over the air; and H. R. 1009, a bill to prohibit the sale, service, and consumption of alcoholic beverages on commercial and military planes; to the Committee on Interstate and Foreign Commerce.

577. By Mr. MARSHALL: Petition of Mr. and Mrs. Oscar Ledin and others, of Buffalo, Minn., in support of legislation to prohibit liquor advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

578. By Mr. NEAL: Petition of Mrs. Nina Galyean, of Huntington, W. Va., and 46 others, urging adoption of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

579. By the SPEAKER: Petition of the president, Oakland Chamber of Commerce, Oakland, Calif., petitioning consideration of their resolution with reference to appropriating funds sufficient to pay the expenses of the University of California Marching Band on its forthcoming trip to Europe; to the Committee on Appropriations.

580. Also, petition of Alfred W. Jackson and others, Monroe, Mich., requesting passage of the bills H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

581. Also, petition of E. Olsen and others, Cadillac, Mich., requesting passage of the bills H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

582. Also, petition of John E. Ruggles and others, Plymouth, Mich., requesting passage of the bills H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Results of the Questionnaire in the Second Congressional District of South Dakota

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. BERRY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to include the results of a questionnaire I recently sent out to the people of the Second Congressional District of South Dakota.

Since this district is about equally divided between agricultural and nonagricultural interests, I made a special effort to obtain the benefit of the views of those in the agricultural area.

In the counties outside of the Black Hills area, I sent the questionnaire to all boxholders. In the Black Hills area I sent it to a more limited group. For that reason I believe the returns on agriculture are of particular interest.

In compiling the agricultural returns, I have divided the results into three groups, those who indicated their occupation as farmers, those who indicated their occupation as farmer-ranchers, and those who indicated their occupation as ranchers. I am setting those returns out separately because I believe it will be of special interest not only to the people of South Dakota, but also to the Members of Congress.

All other returns and all other categories are included in the final tabulation.

Let me say, Mr. Speaker, that this questionnaire has been most valuable to

me, not only because of the answers to the various questions submitted, but also because more than 8 out of 10 returning the questionnaire gave me the additional benefit of their thinking at the foot of the questionnaire in the space provided for remarks, and probably half of those answering the questionnaire included a letter explaining their ideas and their philosophy of government.

The tabulation on agriculture is as follows:

	Percentage		
FARMER ONLY	Yes	No	No opinion
Do you favor—			
1. Soil Bank program as presently operated?	21.0	70.0	9.0
2. Discontinuance of the acreage reserve program in the Soil Bank?	54.0	30.0	16.0
3. Raising supports to 100 percent parity with tight production controls?	26.0	49.0	25.0
4. Continuing flexible supports?	33.0	44.0	23.0
5. Dropping all supports and controls and returning to free production in accord with supply and demand?	43.0	35.0	22.0
6. Enactment of domestic parity program for wheat with allotment based on bushel rather than acreage quotas?	52.0	29.0	19.0
7. A food-stamp plan by which needy persons could obtain surplus foods through normal commercial channels?	68.0	24.0	8.0
8. Taxing co-ops on the same basis as other businesses?	63.0	21.0	16.0
FARMER-RANCHER ONLY			
Do you favor—			
1. Soil Bank program as presently operated?	16.0	70.0	14.0
2. Discontinuance of the acreage reserve program in the Soil Bank?	51.0	31.0	18.0
3. Raising supports to 100 percent parity with tight production controls?	50.0	31.0	19.0
4. Continuing flexible supports?	18.0	55.0	27.0
5. Dropping all supports and controls and returning to free production in accord with supply and demand?	36.0	48.0	16.0
6. Enactment of domestic parity program for wheat with allotment based on bushel rather than acreage quotas?	57.0	21.0	22.0
7. A food-stamp plan by which needy persons could obtain surplus foods through normal commercial channels?	67.0	20.0	13.0
8. Taxing co-ops on the same basis as other businesses?	45.0	34.0	21.0
RANCHER ONLY			
Do you favor—			
1. Soil Bank program as presently operated?	16.0	64.0	20.0
2. Discontinuance of the acreage reserve program in the Soil Bank?	54.0	26.0	20.0
3. Raising supports to 100 percent parity with tight production controls?	26.0	62.0	12.0
4. Continuing flexible supports?	26.0	31.0	43.0
5. Dropping all supports and controls and returning to free production in accord with supply and demand?	57.0	31.0	12.0
6. Enactment of domestic parity program for wheat with allotment based on bushel rather than acreage quotas?	48.0	23.0	29.0
7. A food-stamp plan by which needy persons could obtain surplus foods through normal commercial channels?	65.0	21.0	14.0
8. Taxing co-ops on the same basis as other businesses?	66.0	22.0	12.0
RESULTS OF ALL RETURNS			
NATIONAL DEFENSE			
Do you favor—			
1. Spending more money for defense?	41.0	41.0	18.0
2. Increased spending for missile program warning system, research, etc.?	44.0	18.8	37.2
3. A crash program on earth satellites?	13.4	51.1	35.5
4. A huge nationwide Federal bomb shelter program?	15.4	62.8	21.8
5. Maintaining conventional military forces as now? (If "no," smaller (1), larger (2), none (3).)	61.4	19.8	18.8
FOREIGN POLICY			
Do you favor—			
1. Continuation of our present foreign policy?	34.8	29.4	35.8
2. Eisenhower Middle East Doctrine of military support against Communist aggression when requested by any nation in that area?	61.6	18.0	20.4
3. Extension of Reciprocal Trade Agreements Act?	59.4	10.0	30.6
4. Furnishing atomic missile weapons to our NATO allies in Western Europe?	48.4	31.0	20.6
5. A summit conference between the President and Soviet leaders?	48.0	28.0	24.0
6. Inviting to this country heads of Communist nations for conferences?	49.6	27.6	22.8
7. Continuation of our mutual security foreign aid program? (If "yes," at present cost (2), at reduced cost (1) or increased cost (3).)	52.6	21.4	26.0
8. Aid to Communist satellite nations (Yugoslavia, Poland, etc.)?	14.8	58.2	27.0
9. Aid to "neutralist" nations (India, Indonesia, etc.)?	45.6	28.2	26.2
AGRICULTURE			
Do you favor—			
1. Soil Bank program as presently operated?	16.2	64.8	29.0
2. Discontinuance of the acreage reserve program in the Soil Bank?	50.0	24.8	25.2
3. Raising supports to 100 percent parity with tight production controls?	23.3	55.5	21.2
4. Continuing flexible supports?	27.5	39.0	33.5
5. Dropping all supports and controls and returning to free production in accord with supply and demand?	48.8	31.3	19.9
6. Enactment of domestic parity program for wheat allotment based on bushel rather than acreage quotas?	44.7	23.8	31.5
7. A food-stamp plan by which needy persons could obtain surplus foods through normal commercial channels?	53.3	18.2	28.5
LABOR AND MANAGEMENT			
Do you favor—			
1. Public inspection of union pension and welfare funds?	90.4	1.6	8.0
2. Antimonopoly legislation for unions as for corporations?	79.2	5.2	15.6
3. Mandating secret ballots for strikes and for election of union officers?	67.6	10.0	22.4
4. National right-to-work law which bans the union shop?	74.6	10.0	15.4
5. No union dues being used for political purposes?	73.6	15.4	11.0
6. Extending Federal minimum wage laws to cover most retail and service businesses?	44.6	32.8	22.6

RESULTS OF ALL RETURNS—Continued

Taxes, Budget and Economic Policy	Percentage		
	Yes	No	No opinion
Do you favor—			
1. Balancing the budget at all costs?	28.2	44.2	27.6
2. Keeping taxes as is and raising the debt ceiling if necessary?	32.0	35.2	32.8
3. Increasing taxes to cover a possible deficit?	28.6	40.2	31.2
4. Giving professional men and other self-employed persons tax help in accumulating savings for retirement?	35.2	41.0	23.8
5. Taxing co-ops on the same basis as other businesses?	73.4	15.4	11.2
6. Use of the Federal Reserve rediscount rate as a means of curbing inflation or deflation?	51.6	10.2	38.2
7. The recent action of the Federal Reserve in loosening credit by reducing rediscount rates?	48.8	10.8	40.4
8. Wage and price controls to halt inflation?	48.4	29.6	22.0
9. Further relief now from "tight money"?	33.0	25.2	41.8
10. Reductions in nondefense Government spending even if existing functions are curtailed? (If "yes," what programs would you suggest cutting: Foreign aid (1), farm subsidies (2), public works (5), veterans' aid (6), public housing (4), slum clearance (7), grants for local disposal plants (3), highways (8).)	64.0	16.0	20.0
Education			
Do you favor—			
1. Federal aid to education? (Note.—49 percent of those voting favored assigning 1 percent of internal revenue collections from the State to the State treasurer, disbursing under the direction of the State legislature, as an alternative. The remainder opposed any type of Federal aid.)	29.8	57.6	12.6
General			
Do you favor—			
1. Developing new Federal public power and irrigation projects?	34.2	48.8	17.0
2. The present policy of allowing private companies to develop atomic power?	68.4	9.2	22.4
3. Reform of the presidential electoral system so that electors will be chosen in each State proportionately to the vote of each candidate instead of the winner take all as at present?	51.8	8.0	40.2
4. Or selection of electors by Congressional District?	10.6	26.6	68.8
5. Enactment of presidential disability legislation? (If "yes," do you feel the power to declare the President disabled should rest with the President himself (4), with the Vice President (5), Cabinet (1), Congress (2), Supreme Court (3).)	67.2	8.8	27.0
6. Further action to get the Government out of competition with private business?	70.4	12.6	17.0
7. Returning to the States some Federal Government activities?	64.8	7.4	27.8
8. Having Government help railroads continue their passenger business by reducing their tax load or by subsidy?	31.0	42.6	26.4
9. Raising postal rates to cut huge postal deficit?	41.2	27.4	31.4
10. Increasing salaries of Federal employees and service personnel?	21.4	57.4	21.2
11. Allowing experimental pay TV?	20.8	49.0	30.2
12. The proposal to permit State, rather than Federal, control of natural gas at the wellhead?	35.4	36.8	27.8
13. Liberalizing the immigration laws?	12.8	67.0	20.2
14. Increasing social-security benefits with a corresponding increase in individual and employer contributions?	36.4	51.4	12.2
15. Increasing disability, hospital, and survivor's benefits for veterans?	34.2	46.0	19.8

Labor and Labor Policies and Programs

EXTENSION OF REMARKS

OF

HON. WILLIAM F. KNOWLAND

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, April 21, 1958

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered last Saturday before the CIO–COPE convention, at Fresno.

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

Fellow Californians, I appreciate having this opportunity to come before California's CIO Council on Political Education to discuss with you in person my views in the field of labor and the policies and programs I recommend.

Frankly, this is a novel experience for me. My recollection is that when I was elected to the Senate in 1946 and reelected in 1952, I only heard from the A. F. of L. and CIO endorsing conventions when I read that they had recommended the election of my opponents.

There is no illusion on my part, nor I am sure on yours, that my candidacy for governor is about to receive the endorsement of this group.

You have a powerful and effective organization. In many States of the Union and in numerous areas within the several States, your efforts have elected governors, United States Senators, Members of the House, and State legislators. Many competent observers believe COPE has sufficient power, if not to nominate, at least to veto the nominee of the Democratic National Convention.

As one who has had a quarter of a century of public life in California, I believe I understand effective work in political affairs when I see it.

Your power in this State has become so great it is no longer realistic to consider your organization as a junior partner of the Democratic Party. As the dominant factor in the opposing political party to the one in which I hold membership, you have been doubly generous in inviting me here.

In some respects I understand how Daniel felt in the lion's den. My action in coming here, however, was voluntary. Compulsion was used to put him there. That, at least, is quite a difference in the manner of our respective arrivals.

Based on my record of public service to our State and Nation, I do seek the help and votes of the AFL–CIO members as individual Americans and as fellow Californians. Large numbers have already pledged me their support.

You can be assured that the comments and recommendations I make to you here today are the same thoughts and policies I submit to any other group in California or in any other section of the State.

You and the voters of this State will always know where I stand and why I stand there. The views I express in the northern part of the State are no different from those expressed in the south.

From the day, last October 3 (in Sacramento), that I announced my decision to be a candidate for governor of this great State, publications sponsored by your organization and certain union leaders have continuously proclaimed that I am unfriendly to labor. Such is not the case.

The supporting statements that have been used to bolster this charge seem to me to be either inaccurate or incomplete.

I am not certain whether these claims mean that candidates you endorse must always support the policies you recommend or the programs you submit. Is this in the best interests of the union movement? Is this in the best interests of the people of California? I think not.

If this and other similar labor organizations are to claim to be educational, they cannot be narrowly partisan, for such partisanship destroys the very objectivity of education.

In the 1956 national campaign the record shows that of the reported $1,078,852 political contributions from labor, all but $3,925 went to Democratic candidates.

Of the candidates marked as antilabor at the national offices of COPE, 14 are Republicans and only 1 is a Democrat.

These facts hardly indicate a bipartisan approach to the endorsement of candidates.

In view of this background, I believe it would be constructive to separate my comments today on the things upon which we should be in agreement and the obvious matters upon which we apparently disagree.

Twenty-five years ago, I was a member of the State legislature. I participated in the drafting and subsequent approval of the first unemployment compensation law in California, and it still remains as the basic law of this State.

As an assemblyman I sponsored the antilynching legislation now on the statute books of this State.

As minority leader of the Senate it was my motion last year that brought the civil-rights bill before the Senate. It was the first such legislation to pass the Congress in 80 years.

As a member of the State legislature I supported legislation which made illegal the so-called yellow-dog contract. I took this stand because I believed then, as I do now, in the right of a worker to join a union.

In the United States Senate, I have supported the Government's unemployment compensation program and voted for legislation to establish a Government program to promote full employment.

I have supported minimum wage increases and legislation on establishing standards to govern employee health and welfare funds.

In 1946, I supported legislation to establish the Federal Mediation Board to encourage the peaceful arbitration of labor disputes.

Later that year I opposed a Democratic President's request for unprecedented peacetime authority to draft into the Army the railroad workers who were out on strike.

I have supported increased benefits for the Nation's railroad workers and their dependents. I voted for legislation starting on-the-job and on-farm training programs for our returning veterans.

My support has been given to increased social-security benefits and to bring millions more of our citizens under the protection of the law and millions more into our unemployment insurance system.

I do not believe there is anything in that record with which you would disagree.

To be sure, some of your leaders might have wanted to have moved at a faster pace and with more astronomical spending. But union members pay taxes, too. Together with their union initiation fees, dues, and assessments it makes quite a drain on their take-home pay. The worker and his wife know the economics of both government and union taxes.

One other point that I should like to mention is that I have participated with you and some of your national leaders in helping to maintain the moral, psychological, and physical defenses of this Nation against the godless menace of international communism.

I have not failed to express my convictions in opposition to policies of appeasement of communism, whether suggested by business or labor or political officials. Now, as at Munich, the road to appeasement is not the road to peace. It is only surrender on the installment plan.

Whether in or out of public office, I intend to continue to frankly discuss the objectives of the men in the Kremlin and the Communist philosophy, whose only promise to the worker is to make him a slave of the state. I salute the president of the AFL–CIO, George Meany, for his outstanding leadership against international and domestic communism. He is no "Johnny come lately" to this crucial struggle.

I also voted for the Taft-Hartley bill, for which I was accused of being antiunion. I cannot believe, however, that my support of this legislation, which I believed then and now is constructive labor legislation, is a reason for your opposition of my candidacy.

The fact is that the Democratic Congressman from the Second District, who is receiving labor support for his senatorial contest, also voted for the Taft-Hartley legislation and also voted to override a Democratic President's veto of the bill. So this can hardly be the basis of your opposition to me. Or is there a double standard? If a Democrat voted for Taft-Hartley is he excused and endorsed? If a Republican does the same thing is he condemned and liquidated?

You will recall that the Taft-Hartley bill was misrepresented as a "slave labor bill." A great and expensive propaganda drive was undertaken to convince union members that it would destroy their organizations.

Of course, it did no such thing. In 1947 when the bill was enacted there were 15 million union members. Today there are an estimated 19 million. Union treasuries are, for the most part, larger than they have ever been before.

What sort of slavery and destruction of unionism is this? Now the same old refrain is being played over again.

I merely want workers and union members to have the protection against arbitrary power on the part of union officials that the Bill of Rights gives us as citizens against the arbitrary acts of Government officials.

The labor program I recommend may be the basis for your organization's opposition to my candidacy. This proposed legislation has been subject to distortion and misleading representations.

I believe in and support strong and free unions. I want them to be responsible to their membership and to the public. They exercise great power and with power must always go responsibility.

I believe in and unqualifiedly support the right of every American worker to join a union. Any attempt to restrict the opportunity of an employee to participate voluntarily in a union, or to prevent a duly elected union organization from representing such employees in collective bargaining, will be vigorously opposed by me.

I believe in the right of every union member to have a free voice in the administration and activities of his or her union, and if the union does not act in their best interest I believe in the right to withdraw from the union without losing employment.

I have introduced legislation in the Senate, and support similar legislation in California, which will guarantee democratic control by union members over the officers and activities of their respective unions. This legislation does the following:

1. Guarantees the election of union officials by secret ballot and makes sure that the ballots cast are the ballots counted.

Is this against the best interests of the members?

2. Provides for the recall of union officials who misuse their positions of trust and responsibility.

Is this undemocratic or antiunion?

3. Prevents conspiracies between management and union officials that work against the welfare of union members.

Is there anyone here in favor of "sweetheart contracts?"

4. Protects union members' welfare and pension programs. (This provision protects the welfare programs of union members whether they are controlled by unions or management).

Does this threaten the interests of the rank and file?

5. Requires that where unions, under the existing law, represent all employees in an industry or plant, then all employees are entitled to be admitted into the union if they should desire union membership.

Who here believes in class A and class B membership or in discrimination in union membership?

6. Provides that union members shall by secret ballot have the determining voice in the conditions, terms and duration of strikes.

Should not union members, who are called on to make the sacrifices in strikes have the right to determine the issue?

7. Prevents arbitrary control over local unions by trustees appointed by national or international unions.

Can this be considered detrimental to either the members or the locals?

8. Provides for regulation by union members of the actions of their unions on questions of excessive union fees, assessments or arbitrary actions.

Is this undemocratic or harmful to the rank and file?

Of course, I understand that there may be some of the provisions I mentioned on which some of you may recommend a different approach.

Those who completely opposed this basic bill of rights for the working men and women are the ones not serving the best interests of their members or the public.

A question has arisen as to where my opponent for governor stands on the workers' bill of rights. On February 26 in a speech at the Press Club in Los Angeles, he supported it in principle. On March 25 in a speech in Albany, he opposed it. I do not know if his southern view or northern view currently prevails in the matter of giving the members control over their own unions. If he doesn't support the workers' bill of rights, just what is his alternative?

Public minded citizens and organizations, whose support for organized labor is publicly recognized, have recently expressed themselves on the subject of democratic reform in union organizations.

The American Civil Liberties Union, which states it has been urging the organized labor movement for 15 years to adopt improved internal practice of civil liberties, last month recommended a labor union bill of rights. The areas covered by their proposal are in substantial agreement to those covered in the legislation I have just outlined. You certainly do not consider the American Civil Liberties Union as antiunion.

Clark Kerr has recently authored a report for the fund for the republic on "Unions and Union Leaders of Their Own Choosing." Mr. Kerr comments:

"The title of this paper suggests that national policy might move from the 'unions of their own choosing' of the 1930's to 'union leaders of their own choosing' and even, to a degree, to 'union rules of their own choosing.' But how is this to be accomplished? Action by the unions themselves would be most desirable and there has been a surprising amount of it during the past year. Experience here and abroad, however, suggests it will not be sufficient, that behind the good intentions of most union leaders will need to stand the power of the law, as in the case of corporations in the past.

"This is a troublesome issue. The pluralist will defend the private association from the control of the State. The individual, however, also needs defense against being controlled by the private government of the trade union, and ultimately this defense can be guaranteed only by the State."

Does anyone accuse Mr. Kerr, who is a member of the United Auto Workers Review Board, of being unfriendly to labor?

Mr. Clyde Summers, a labor expert and professor of law at Yale University, recently submitted an article for the New Leader magazine, a liberal weekly published by the American Labor Conference on International Affairs. Mr. Summers recommends a bill of rights affirmatively guaranteeing the rights of membership. He also recommends removal from union constitutions of those provisions which stifle the democratic processes. Is Mr. Summers antiunion or working against the interests of union organizations?

Mr. J. B. S. Hardman, former editor of Labor and Nation as well as the CIO Advance, has recently written:

"Unionism as a whole may well find it of advantage to itself, in the long run, to have the members' rights and leaders' responsibility bolstered by adequate legislation, carefully devised and properly administered under foolproof institutional setups."

Mr. Hardman concludes his remarks with the following:

"There still lingers in the recesses of union consciousness that ancient fear of government, of law, of the courts. That no longer fits the new state and status of the 20-million-member union movement in the democratic United States."

I have stated my position in support of voluntary unionism, and I intend to bring

this issue to labor organizations and their members and to the people of California this year.

I believe that unions, in order to grow, prosper and function effectively, must induce employees to become members of their organizations voluntarily and not by compulsion.

The late Samuel Gompers, the founder and the father of the American Federation of Labor, pleaded the cause of voluntarism in unions. He also wrote in his autobiography printed in 1925, page 132 (this quote has been curiously omitted from the newly revised and edited edition of 1957):

"I held and I hold that if a union expels a member and he is deprived of a livelihood, in theory or in fact, insofar as he and his dependents upon him are concerned, it is capital punishment."

No permanent progress has been achieved in our society, or in any other civilized nation, where people are compelled to belong to particular organizations in order to exist.

The strength and contribution of our churches, parent-teacher associations, and fraternal, charitable, veterans, and civic organizations has been due to the free and willing participation of our citizens.

I believe in the right of an individual to decide, without coercion, his intention to become and remain a member of a union. Good leadership and promoting the real interests of the workers will produce stronger unions than trying to hold reluctant captive members who feel they have been coerced.

In voluntary organizations, there will always be some individuals who will not participate in the activities of institutions working in their behalf. But that is the price we must willingly pay for liberty. Its alternative is compulsion without cooperation.

This is not a partisan issue.

If we are to continue to make progress through our free enterprise system with its benefits flowing to all, responsible management and responsible unions are necessary to achieve this objective. We are all, in a real sense, each our brothers' keepers.

I have great faith in the ability of the citizens of California to independently see the difference between truth and falsehood. I am convinced that the recommendations and policies that I propose will be supported by the members of organized unions when they are fully and fairly informed.

Freedom and democracy must prevail throughout organized labor, for only responsible union organizations operate in the best interests of our society and their own membership.

Can any reasonable man believe that attendance at union meetings will be increased by compulsory membership in our unions? In the early days of our country, there was a requirement in some sections of the Nation, where the citizens of a community were compelled to belong to a particular church or religious group, and severe penalties in the form of exclusion from all community life were levied for noncompliance.

We must never forget that unions, as all other organizations, are a means to an end, not an end in themselves. Unions are a medium through which individuals are able to act not only in their own best interests but in the best interests of all the people.

I have stated in my public speeches in California and elsewhere that neither the record of the McClellan committee nor the legislation I have introduced in the Senate should be construed to constitute an indictment against all labor officials.

Many of these officials, past and present, have labored unceasingly in the best interests of their fellow workingmen. And I know they will continue to do so.

Despite the honest differences of opinion that may exist between us as to the merits of the proposals and objectives we seek, I want the membership of all labor organizations in this State to know that if I am elected Governor of California they will always have a fair hearing in matters coming before my administration. I will seek to the best of my ability to serve the people of the entire State.

In the meeting of the problems of our generation, we must show the same courage and common sense as the men who gave us our Republic and have helped to maintain it.

As Republicans, Democrats, or Independents we can all join in subscribing to the oath of Thomas Jefferson when he said:

"I have sworn upon the altar of God eternal hostility to every form of tyranny over the mind of man."

In Praise of Lester Holtzman

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following in praise of my colleague, LESTER HOLTZMAN:

LESTER HOLTZMAN is a most exemplary member of the House Judiciary Committee, of which I am chairman. No longer a novice in the House, he has won his spurs and is a man to be reckoned with. Affable, easy to approach, he is a redoubtable opponent. Anyone who seeks to worst him had better watch his step. His weapons are sharpness of wit, keenness of mind, speedy action. Although young in years, he is old in political acumen and parliamentary skill.

His approach to problems is along common sense and logical lines. He never hesitates when he knows that his course is right. He is indeed a man of impeccable character. It has been said that you cannot dream yourself into a good character. You must hammer and forge yourself into one. This is exactly what LESTER has done. LESTER is a good man at all times and is a loyal friend—through thick or thin, in victory or defeat, in prosperity or adversity. He is respected by his colleagues and loved by his associates.

He expresses an avid interest in public affairs. The present economic depression has caused him considerable anxiety and stress of mind. He wrote a forthright letter to the New York Times recently wherein he suggested to the President the need to assemble the country's best brains, savants, publicists, and pundits to evolve a plan to solve our present economic perplexities. It was a compelling suggestion, couched in cogent phrases. I hope the President takes heed and follows LESTER's suggestion. On the day that the New York Times published the letter, that valued paper published an editorial approving, in part, the idea of such a conclave. Thus, LESTER indirectly won approval of his idea from the editorial staff of the New York Times.

This is but symptomatic of LESTER's work in the House of Representatives. Often, during debates in our Committee on the Judiciary, when doubt and uncertainty descend upon the members, LESTER, in his quiet and unassuming way, presents a solution that dashes away doubt and difficulty. He clears the atmosphere with a simple, logical observation. Many of us are startled and say to ourselves, "Why did we not think of that?" Thus, LESTER renders incalculably valuable services in the House. I am proud of his friendship.

The good people of his district, in their wisdom, must return him to Congress. They would do disservice to themselves to do otherwise.

Address by Hon. Edward Martin, of Pennsylvania, at 49th Annual Meeting of Pennsylvania Manufacturers Association

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, April 21, 1958

Mr. MARTIN of Pennsylvania. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered at the 49th annual meeting of the Pennsylvania Manufacturers Association in Philadelphia on Tuesday evening, February 25, 1958.

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

REMARKS OF SENATOR EDWARD MARTIN, OF PENNSYLVANIA, AT THE 49TH ANNUAL MEETING OF THE PENNSYLVANIA MANUFACTURERS ASSOCIATION, IN PHILADELPHIA, FEBRUARY 25, 1958

It is an honor to address this distinguished group of leaders of business and industry.

Your influence and example can accomplish great things for our country. In meetings such as this we can plan the defense of America on every front where danger threatens.

In the month of February patriotic Americans commemorate the birthday anniversaries of George Washington and Abraham Lincoln. These greatest of all Americans guided the destiny of our Nation in the most critical periods of our history.

Washington's military genius led us to victory in the struggle for independence. His statesmanship helped to organize a Government dedicated to the ideals that we hold sacred.

Lincoln's great achievement was the preservation of the Union.

In our day we face another time of crisis and we are fortunate to have another great President, Dwight Eisenhower, upholding freedom of the individual against those who would enslave mankind under the dictatorship of the state.

The course of world history has made the United States the backbone of the forces fighting to retain God's greatest gift to the human race—freedom of the individual to choose for himself. This sacred right was never more wonderfully expressed than in the immortal words of the Declaration of Independence:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

On the other side of today's conflict stands the power and might of the Communist conspiracy to destroy those rights and to dominate the world. The Soviet Union, by terror and tyranny, enforces its unholy doctrine that every man owes everything to the state.

With such powerful forces arrayed against each other, armed with weapons of unbelievable destructive capacity, it would be folly to minimize the dangers confronting us—not only from beyond our borders but also within our own midst.

What is our job in this critical situation?

During my long career as a soldier and public official I have always advocated the most powerful defense preparations. We must have the best weapons that scientific knowledge can produce. These weapons must be in the hands of dedicated men and women who are imbued with the ideals of our Republic. They must be backed up by the patriotism and sacrifice of a people who have pride in our flag and our way of life.

At the same time I have always maintained that one of the great elements of our defense against aggression is a strong domestic economy. Keeping our economy strong, sound, and stable is no less important than building our military power—and, my fellow Americans, in striving for that goal your part is just as important as the part played by government.

For 5 years we have enjoyed the greatest and most widely shared prosperity our country has ever experienced. Now we have moved into a period of economic adjustment—call it a recession if you will. This condition calls for economic statesmanship of the highest order—yet there are some politicians who seem to welcome the rise in unemployment as a vehicle on which they can ride to political advantage.

These are the prophets of gloom who would rob people of their faith in the future. They criticize and seek to tear down the forceful program put forward by President Eisenhower to create new job opportunities. The President is to be commended for mobilizing all the power of Government to alleviate the plight of the unemployed. I am sure every one in this meeting will support his efforts to accelerate industrial and business recovery.

The point I want to make most emphatically is that this is no time to abandon sound principles.

No wishful thinking or political demagogery can upset the fundamental truth that our system of competitive, private enterprise produces more jobs than any other system ever devised. It does not depend upon Government. On the contrary, when Government, through excessive taxation, burdensome debt, restrictive controls, and special privilege destroys individual initiative, it wipes out incentive, drys up venture capital and reduces job opportunities for our workers.

Those who are familiar with my record in public life know that I have always been on the side of economy in government. But I do believe that we are on safe ground when we favor the investment of public funds in the sound and constructive public works program launched by President Eisenhower. Such investments in highways, river, and harbor improvements, flood control, post office construction and renovation will not only provide immediate employment but will bring long-range benefits of a lasting character.

In order to carry out these programs it becomes increasingly important to exercise the strictest economy in other fields of Government spending. All unnecessary government must be abandoned. Overlapping and duplication must be eliminated.

As businessmen you can take leadership in that direction. You must work to bring about a proper balance between wages, prices, and profits. You must battle against inflation because a stabilized currency is the strongest foundation of a sound economy.

Working together, labor, industry, and Government can overcome the difficulty facing us today and can build a healthy, vigorous, stable, and expanding economy.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my weekly newsletter of April 19, 1958:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, 5th District, Texas)

APRIL 19, 1958.

Cherry blossoms (3 weeks late), plus alternately balmy and brisk temperatures, have delighted throngs of Washington visitors. The pale pink blossoms are profuse, edging the Tidal Basin and Jefferson Memorial. Washington is lovely in the spring. The dockside *Mayflower II* is another visitors' attraction.

The freedom of information bill, H. R. 2767, occasioned an afternoon's lively debate. The bill amends an existing statute (sec. 161) which authorizes Government department heads to prescribe regulations for conduct and for custody, use, and preservation of records. The bill then adds this amendment: "This section does not authorize withholding information from the public or limiting the availability of records to the public." With the announced intention to prevent the needless withholding of information from the people, press, and Congress, no one disagreed. However, the possible misinterpretation of the specific langauge used (including by the court) occasioned a near rhubarb. Arguments for: (1) Only section 161 is hereby amended (not any of the other 78 laws concerning secrecy are affected, such as military information, FBI files, Internal Revenue Department files and many others); (2) section 161 has been abused as a convenient device: (a) For department heads to take the easy course (stamp a matter "Classified" rather than laboriously examine it); (b) For too many, who now have authority, to determine whether material is to be classified or not; (c) For the concealment of mistakes and wrong actions; (3) The intent of the original law of 1789 is thus restored, which intended section 161 only as a housekeeping authority, and not for the withholding of information, which should result only from further Congressional legislative authority. Arguments against: (1) The wording becomes ambiguous by not being tied to section 161 closely enough, therefore the other 78 statutes are jeopardized, and necessary Government security is removed; (2) the press, including Congressional staff men who are newspapermen, have lobbied this through under the catchy slogan, "The people's right to know"; (3) the people have no absolute right to know having given up this right in the constitutional division of powers with accompanying discretionary authority.

The bill passed handily, after all amendments were defeated. Many misgivings remain. This bill is labeled "freedom of information", yet coincidentally several of us were cut off in asking questions in debate seeking information. Equally damaging is the fact that Congress isn't practicing what this bill preaches, since many of our committee hearings are secret (33 percent of them according to Congressional Quarterly survey).

The basic dilemma remains—no matter how sincere our intention in opening up Government files, the Court as ultimate arbiter of Congress' intent, can particularly if liberal, reinterpret the Constitution as it sees fit.

The rivers and harbors bill veto saves the taxpayers $349 million of unfounded boondoggle projects. The President should be commended for his courageous action on this and on his earlier veto of the farm price freeze bill. In my opinion, he should have vetoed the housing and highway bills, too, because of the haste-makes-waste treatment in the name of recession. Now the liberal Democrat-controlled Congress is pushing a new Community Facilities Act which would loan Federal money to local communities. Isn't this rich? The most heavily indebted Government entity in history is offering the loan of money to the people from whom the money is taken, for the reason that these people in the local communities haven't the money. And our Texas Senators are responsible for this gem.

The Dallas community refused the money, although only because the city could borrow the money elsewhere for less. What an opportunity existed there for telling the Federal men, the Senators, "We don't want the money because it isn't the role of Federal Government to offer it; it's taxpayers' money; stop spending it and give it back to us in the form of a tax cut." What an opportunity still exists, too, to tell Uncle Sam the same thing in public housing, now that Dallas wants to get all it can, too, in the name of "urban renewal" under existing law. So it is, that a people lose their right to demand the return of tax moneys and the local and personal freedom that goes with it. Los Angeles people finally flatly refused Federal public housing. Will Dallas?

Briefs that deserve fuller treatment: (1) the public housing and race issue in northern cities is breeding crime and unhappiness; (2) Congressional integrity is endangered by Members who change what they said on the House floor or add more (Curtis debate—April 16, 1958); (3) President Truman was caught in a lapse of memory or falsehood, denying the earlier Krock interview (recalls Cordell Hull's statement, "A lie can get halfway round the world while the truth is getting on its pants"; (4) Congressman POAGE's Dallas speech saying, "The administration is dedicated to kicking the farmer in the face" needs rebuttal; the farmers' hardships, whatever they are, are obviously the result of earlier Democrat programs and Democrat-controlled Congresses.

Address by Hon. Barry Goldwater, of Arizona, at the Annual Awards Dinner of Indianapolis Junior Chamber of Commerce

EXTENSION OF REMARKS

OF

HON. WILLIAM E. JENNER

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, April 21, 1958

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by my colleague, the Senator from Arizona [Mr. GOLDWATER], at the annual awards dinner of the Jaycees, honoring the outstanding young farmers

of the year, in Indianapolis, Ind., on April 16, 1958.

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

ADDRESS OF HON. BARRY GOLDWATER, UNITED STATES SENATOR, BEFORE THE ANNUAL AWARDS DINNER OF THE JAYCEES HONORING THE OUTSTANDING YOUNG FARMERS OF THE YEAR, INDIANAPOLIS, IND., APRIL 16, 1958

It is a distinct privilege for me to come to Indiana tonight to participate in this tribute to the accomplishments of young Americans.

In attempting to appraise the future of our country, there is nothing more gratifying than the knowledge that such potential citizen-leaders as these are already recognizing and accepting their place in the continuing march of freedom.

Likewise, to those of us who respect the fundamental economic tradition by which our Republic has grown great, there is no place where more significant contributions can be made to the perpetuation and enlargement of those traditions than in the field of agriculture.

America was, first and foremost, an agricultural nation.

Through farming, and constantly improved farming techniques, we have been able over the years to feed, clothe, and house a people whose progress has been aptly characterized by our undisputed recognition as the breadbasket of the world.

Farming is basic to America's growth—not only economically, but morally and spiritually, as well.

It is inconceivable to me that there could be a more wholesome atmosphere than the American farm in which to nurture the qualities of character, morality, and love of God and country.

The crowded, bustling, smoldering cities of this land sometimes distort and undermine man's perspective upon his life and his responsibilities to the world into which he was born. But in the rich, bountiful, and untarnished atmosphere of our farmlands it is possible, even in the dizzy swirl of this age of space, to feel the closeness with the purpose of our existence and to discover our most real and lasting values.

Truly, America is suffering today from a grave imbalance in both personal and political standards.

We have allowed ourselves to relax too comfortably upon the laurels of material achievement.

We need to pause, as it were, beside the highway of life and decide just where we are going and why.

If human liberty is to survive, we must take stock of our own lives and ask ourselves whether or not we are following a course that will preserve the American system.

We must determine whether or not the America we leave to our children and our grandchildren will provide for them the same opportunities in freedom that we have had, or whether the twilight of human dignity and individual liberty is now actually upon us.

It is here, in this midwestern heartland of America, that the determination of these questions can best be made.

It is in the preparation and devotion of young Americans—young farmers—to the challenges of freedom that we can devise our best estimate of the shape of tomorrow.

Certainly, these issues will not be resolved in Washington.

Neither will they be resolved in the expedient promises and platitudes of any politician who is willing to compromise liberty for a headline or the welfare of the next generation for victory in an election.

Yet, in every front, and in both major parties, we find that political considerations are too often the criteria for actions which will reverberate upon the lives and fortunes of the American people for years to come.

And no area of our economy has been treated with less respect or more shockingly maligned and abused by political power enthusiasts than has American agriculture.

To my mind, the one American, above all others, who personifies our traditional spirit of individual initiative and personal incentive is Ezra Taft Benson, our Secretary of Agriculture.

He is a man who learned about farming by being a farmer.

He is a man who learned about free enterprise by operating in the field of agriculture when agriculture was able to function without federally instituted systems of price support—when the agricultural economy was strong and vibrant by virtue of its own genius in a climate of unrestricted opportunity.

If ever there was a man who unfailingly put principle above partisan advantage or personal popularity, that man is Ezra Taft Benson.

Still, today, and for the greater portion of his tenure in the high office which he holds, he is vilified and condemned by those in the Congress who would continue to shackle the American farmer with governmental restraints and phony profit stimulus.

Consider for a moment the impact of politics upon the American farmer.

Observe, if you will, the ridiculous imbalance of economic concepts which has brought American agriculture to the brink of a potentially disastrous revamping of its institutional structure.

Fundamentally, the farm policy under which we are functioning in this country today was developed during a period of economic stress.

Minor changes in this policy notwithstanding, Government planners have foisted upon us an acceptance of the illusion that the Federal Government should either fix prices on certain commodities or, at the very least, exert a maximum influence upon them.

During the periods of economic upswing following World War II and Korea, the farmers proved a significant and disturbing exception to the rule of general prosperity. The reason for this, I think, is that we followed too closely these policies of earlier years: We did not allow for readjustments in the agricultural economy as a result of improved conditions generally.

Since 1951 Government surpluses have been increased from approximately $3 billion to $8 billion. At the same time, the Government has bartered, sold, or otherwise disposed of an estimated $18 billion worth of farm commodities.

Forgotten, of course, has been the fact that some of the most important farm commodities are not under Government price supports. For example, our farm and range producers of beef have suffered because the props under grains have increased their feed costs without giving them any relief at the market place.

The result has been that, despite the application of practically every conceivable Government program for agriculture, farmers in the main have been more hurt than helped by Washington-inspired directives designed to inflate a prosperity balloon for them.

Added to this bureaucratic confusion, and perhaps aided and abetted by it, is the rapidly decreasing farm population. That such a confused and deteriorating situation should occur at a time when the technological revolution in agriculture offers so much hope and inspiration is a challenge to all who will but apply themselves to a rekindling of the fires of free farming enterprise.

There may be a host of answers to this problem. Not being blessed with an intricate knowledge of farming, I am unable to project any series of formulas which would satisfy the total agricultural needs of our country today.

This much I can say, however: a man who farms his land in order to provide crops to sell at the marketplace, and to reap a maximum of profit for himself, is no different from the shopkeeper, or the barber, or the restaurant owner, or any of the myriad of other types of people who derive their living from the provision of goods and services to the consumer public.

The farmer, like his small-business counterpart in the urban areas, depends for his livelihood upon the laws of supply and demand.

Logically, the Government's role in his affairs must be a minor one.

Subsidy "crutches" remove him from the competitive pattern of the economy and make him nothing less than a pawn of Government.

On the other hand, a minimum of restrictions on farm production and marketing will permit the farmer a maximum of dependence upon free markets as the best guides to production and consumption.

As Secretary Benson has said:

"Farmers should not be placed in a position of working for Government bounty rather than producing for a free market."

I would like to ask, therefore, just who in this country do those who abuse Ezra Benson suggest to take his place?

What kind of superman do they have in mind who can unscramble the unholy mess of planned agriculture so as to make it work and, at the same time, to enable the farmer to maintain his rightful balance in our total economic structure?

Or am I correct in assuming that those in both political parties who dispute the integrity and moral soundness of Secretary Benson deliberately desire to supplant economic principle with expedient measures whose only consequence will be the destruction of American agriculture?

The truth is—and this is a particularly basic lesson for the young farmers of this Nation—that politics and agriculture don't mix.

Politics means government, and whenever the Government starts doing things for people in any walk of life it automatically and unavoidably takes from them certain rights by which their initial opportunities were inspired.

Now you may be wondering why I, admittedly not a student of agricultural problems, should express such an intense interest in this critical issue, as well as such a devout respect for the thinking of Secretary Benson.

Well, there are several reasons. And not the least of these is the fact that Ezra Benson is a Mormon—in fact, one of the leaders of the Mormon Church—and I was brought up among these people out in my home State of Arizona. I know their intense strength of character, their abhorrence of governmental addicts and welfare-state handouts. I have seen their enormous contributions to the development of our Rocky Mountain West. In fact, the colonization efforts of the Mormons in Arizona have been a foundation and an inspiration in the progress my State has made.

Perhaps I should add, as well, that I have personally tried to part Ezra Benson from his adherence to principle on one matter which could have been of benefit to me politically and to Arizonians generally—and I have seen the immovable devotion with which he follows his creed of ethical, honest, objective, and selfless government.

Another reason why I, as an Arizonan, feel qualified to adopt this view of our farm situation is reflected in the attitude of Arizona agriculturalists toward the Government price support program.

Arizona still depends extensively upon farming for the development of its expanding economy. Particularly in the cotton and cattle industries Arizona exerts a forceful influence upon the national market. And our

cattlemen and cottongrowers indicated opposition to Federal subsidy programs.

The attitude of the Arizona Cotton Growers Association, for example, is plainly and simply, "We want to sell our cotton to the mills, not to the United States Government."

And that, I suggest, is the kind of courage and economic know-how which built our farm economy. And it's the only way that economy is going to be spared the ax of socialistic annihilation.

We in Arizona are proud of this spirit of rugged independence on the part of our cottongrowers, just as we are proud of their development of the extra-long-staple Supima cotton which is the product of that wonderful Pima cotton that outwears, outlasts, and outshines all other cotton fibers.

But the Agricultural Act, under which we now operate, invokes heavy restraints upon the growth of cotton in the areas of the great Southwest where it can be grown easiest and cheapest—namely, Arizona, California, and west Texas.

The long-staple cottongrowers who comprise the Supima Association assessed themselves $3 per bale of cotton for the purpose of raising additional revenue for advertising and promotion; and, by this device, the demand for their product has been increased to a point where the Secretary of Agriculture has lowered the support price to 75 percent and, at the same time, allowed them to double their acreage.

Obviously, if cotton could be removed from the Agricultural Act, Arizona's farm income would at least double.

By legislation, we are controlling the law of supply and demand to the point where agriculture in Arizona, California, and west Texas suffers in order to support inefficient cotton farming in the Deep South.

The resultant expense is detrimental to both farmers and consumers.

To show you how strongly Arizona depends upon the free operation of our agricultural economy, and how adversely present unrealistic conditions affect the outlook in my own State, consider that between 1920 and 1950 the farm population of Arizona dropped from 92,000 to 84,000.

At the same time, the cash receipts from farm marketings in Arizona increased from $53.2 million in 1924 to $369.6 million in 1957.

Isn't this revealing testimony to great progress, scientifically and technologically, in Arizona farming, despite a farm population decline?

Isn't this a clear indication that Washington farm strategists ought to begin considering this problem from a point of view that is at least as up to date as the methods which have made such advances possible?

The plain truth is that Arizona farmers don't want their chance for prosperity crippled by restrictions emanating from Washington.

They don't want to be told what to plant and what not to plant; when to plant and when not to plant; and at what prices to sell their yield.

Above all, I suggest that it is contrary to the bent of our farmers—just as it is contrary to the bent of all Americans—to be given something for nothing, to be paid for not producing, to have their opportunity and incentive destroyed by being forced into a common mold where every individual's capacity is judged in terms of the lowest standard of production.

Now the sum and substance of what I have been saying is simply this: The farm problem, by itself, should be solved in terms of fundamental American economics, not in terms of political expediency.

Additionally, a great portion of the problem in agriculture today is the result of political misadventures of the recent past.

It is high time the swivel-chair farmers in the Congress of the United States stopped making American agriculture the "whipping boy" for their political dreams.

It is time to give the business of farming back to those who know what it's all about and who have the biggest stake in it—the farmers themselves.

It is time that all Americans stopped questioning, quarreling, and quipping about Secretary of Agriculture Ezra Taft Benson, and started thanking their lucky stars that we finally have a man in the national administration—in the Department of Agriculture—whose dedication to the principles of a free economy is so great that he will not sacrifice the opportunities of the next generation for an illusory victory in the next election.

American agriculture can survive this present turmoil. But it can only do so when the Federal Government stops trying to legislate farm income through direct price supports, stops the idiotic flow of crops into the Government's bulging bins, undertakes the job of finding new uses and markets for our farm products, and gives the farmers of this Nation the freedom to produce in accordance with free market prices.

It is up to farmers—it is up to citizens generally—to understand the historic truths behind our present agricultural capacity.

It is up to all of us to stem the tide of that philosophy which would wreck the free institution of farming in this country.

Most of all, however, it is up to coming generations of Americans, today's young farmers and tomorrow's farm leaders, to recognize that the only sound course for our future, in any area, is one of a firm reliance upon the individual citizen for the accomplishment of our basic social, political, and economic needs.

That is why I am happy to join in this occasion of commendation to these young farmers for their outstanding achievements.

My charge to them, as I know it is yours, is that by holding fast to the concepts of human liberty they may ever be worthy of the high responsibility to the field of agriculture which is theirs.

Radio Activity Is Boon to Nation

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. HILLINGS. Mr. Speaker, an event of considerable importance has been scheduled for the month of May, and that is National Radio Month.

From the day when the first faint reception was received until today when the "beep, beep" signals are heard around the world from orbiting satellites, radio has become an important, necessary part of our lives.

Radio's role in our daily lives becomes increasingly important because it is through this medium that we track our ventures and adventures in outer space.

The National Association of Broadcasters has advised me that Americans own 150 million radio sets—ample testimony to this medium's value to the continued progress of our Nation.

Moreover, statistics show that 66 million Americans listen to radio daily and the dramatic growth of this industry in our vast communications network is exemplified by the 3,600 AM and FM stations now broadcasting in the United States compared with 600 stations just 10 years ago.

Our reliance on radio is demonstrated by the fact that the stations throughout the country are geared to broadcast on a second's notice any threat to our national security, while giving us timely information on disasters and other emergency situations from day to day.

I, for one, salute radio—for while orbiting in space, it has kept its feet on the ground to provide Americans with maximum performance.

The Propaganda Struggle Between East and West

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I insert into the RECORD the text of an address which I delivered on Saturday evening, April 19, 1958, before the Delta Theta Phi Law Fraternity of St. John's University School of Law at a dinner at the Waldorf-Astoria Hotel in New York. The address was as follows:

ADDRESS BY CONGRESSMAN VICTOR L. ANFUSO BEFORE THE DELTA THETA PHI LAW FRATERNITY, ST. JOHN'S UNIVERSITY SCHOOL OF LAW, APRIL 19, 1958

Mr. Chairman, distinguished clergy, friends, this is the second time that I have had the distinct pleasure to address the members of this honored fraternity. I am indeed very happy to be here with you once again.

I had been told by a mutual friend that a few remarks on brotherhood and fraternity would be most appropriate on this occasion. Frankly, that would have pleased me too. But then it occurred to me that you did not simply invite me to come up here from Washington to speak to you on a subject which can be handled more capably by anyone in this room. With your kind permission, therefore, I have decided on a compromise subject which I consider to be both timely and appropriate.

Not so very long ago, during the course of an address in Congress, I had called to the attention of my colleagues a very interesting and significant fact, and it is this:

Since 1939 approximately 5½ million square miles of territory and about 732 million people in Europe and Asia have been brought under direct domination or control of the Soviet Union and its partner Communist China. Of this total, no less than 700 million people came under Communist control since the end of World War II, only about 12 to 13 years ago. The strange fact about it all is that in many instances this was achieved by the Communists without firing a single shot; it was done not through war, but by means of propaganda, subversion, and chicanery.

This has made all thinking men's hair turn gray, and me to lose mine altogether, trying to figure out why. At this rate, I am afraid there will be no United States of America, as we know it, within the lifetime of most of the people here tonight—unless we are able to beat the Russians at their own game.

What is this game which is being played for the highest stakes of all time? For us,

if we win, it spells freedom, independence, economic prosperity, morality, and human dignity. If we lose the game as played by the other side, it means enslavement, poverty, human degradation, godlessness, and brainwashing.

This game which we have been forced to play is called propaganda, where words lose all meaning, where lies are shamefacedly described as the truth, where day is night and black is white, and where deception is used far more effectively than atomic weapons or missiles. The Russians apply their ingenuity in the field of propaganda merely as a subterfuge to deplete our resources and to bankrupt us financially. They do not expect to engage us in a battle with weapons of total destruction, because they are well aware that it would mean suicide for them too.

No, my friends, it is with a constant barrage of words that they hope to take over control of the free world and bring us down to our knees. In this respect they feel safe because they know we will never start a new war and new bloodshed.

The situation is such that, whether we like it or not, we must match them in the field of propaganda. Unfortunately, however, we are very weak in this field. In promoting a product for sale to the public, Americans are capable of the most imaginative advertising gimmicks; yet at heart they are basically modest, shy, and reserved individuals. When it comes to extending aid to the needy abroad or even to bolster the economics or defenses of whole nations, we don't ask too many questions once the need is established—we just act. We send our aid to the far corners of the earth, wherever it is needed. Yet often these humanitarian and charitable deeds are overlooked by the very nations we strive to aid, while they listen to the glib tongues of Khrushchev and his ilk who shout from the rooftops about the piddling aid given by Russia.

A recent Senate report shows that in the 11-year period 1945 to 1956 the United States assistance programs to foreign countries, including military, economic, and technical aid, amounted to $57 billion. Of this, $47.5 billion was in the form of grants and $9.5 billions in loans. During the same period, Russia has extended only $1.5 billion in assistance to countries outside the Iron Curtain, and it was almost all in the form of loans (only $125 million in grants out of $1.5 billion). Much of what is termed "Communist economic assistance" is actually paid back by the recipient countries in exports to Russia or its satellites.

Let us look at it from another angle. India and Yugoslavia are reputed to be the two most important neutralist countries. Frankly, they are playing both sides of the street. What are the figures on aid to these two countries, as given them by the United States and by Russia? Here they are:

During the years 1945–57, we have given India in grants, $273 million; in loans, $227 million; total, $500 million.

During the same period 1945–57, we have given Yugoslavia in grants, $780 million; in loans, $56 million; total, $836 million.

Now, let us see what Russia has done for these two countries. The Russian foreign-aid program first began about 2 or 3 years ago. Before 1956, Russia had given no aid to India or Yugoslavia. Since 1956 it has granted to India loans amounting to $270 million, primarily for the construction of a steel mill. The steel mill is still not in operation, while India will have to repay the loan. Meanwhile, Russian propaganda is capitalizing on the construction of a mill for India.

To Yugoslavia, Russia has extended loans in recent years for $465 million for the construction of a fertilizer plant and an aluminum plant, neither of which is in full production.

Thus we have given to these two countries twice as much aid as Russia, and the bulk of our aid (three-fourths of it) has been in outright grants, while Russia has given them only loans.

In extending this aid, whether to India, Yugoslavia, or other countries, we have never given ourselves a pat on the back, nor did we convey to them that Americans were paying for this aid through the nose in back-breaking taxes and assessments, nor that we were indeed sacrificing ourselves for their welfare. Thus, in the greatest public-relations test in the world, the test which will ultimately determine our security and the survival of the Free World, we act like amateurs.

Notwithstanding the aid we have given and continue to give to the neutral countries, they lean toward Russia and not toward the United States. Invariably, they support Russia in the United Nations. They are quick to take up every Russian propaganda trick against the West; for example, the current Kremlin campaign for a summit conference and Moscow's unilateral ban on nuclear testing after Russia had completed the dirtiest atomic tests in history. Our emissaries are scorned at, while the Russians are greeted with brass bands, confetti, and searchlight parades. Compare, for example, the reception given to Khrushchev and Bulganin in India a year or two ago, with that given to Secretary of State Dulles.

When we ask: Why? these neutralist or undecided peoples say that we deal with them as superiors, we give them a handout from our tremendous resources, while the Russians, who are much poorer than we are, treat them as equals, as brothers in distress, in a fraternal spirit, without any strings attached to their help. Communist propaganda stresses that Russia's only concern is the welfare of all humanity.

These are nothing more than words, words, and more words. We know that after having gained a foothold in these countries, the Russians will swallow them as they have swallowed all those other countries which I have enumerated a few moments ago. But the millions of people in these backward and underdeveloped countries, who are illiterate and unfamiliar with Communist tactics, are exploited through all kinds of gimmicks by this phony Soviet propaganda. They are not aware that they are the intended victims, while their extreme poverty makes them fall for it.

What are we doing about it? How are we counteracting this flow of words and lies?

In their vicious propaganda of spreading lies about us and placing halos on themselves the Russians last year spent close to a billion dollars, compared to $95 million on the part of the United States. I do not want this fact to be misinterpreted that we should blindly spend as much or more than the Russians for propaganda. We must be more imaginative. We must have ideas. Our expenditures must be directed into more fruitful channels.

Today we do have two imaginative and dedicated experts in the fields of propaganda and intelligence. I refer to Allen Dulles of the Central Intelligence Agency and George Allen of the United States Information Agency. The Congress will be glad to back these men to the limit if they come up with an effective program to outsmart and outtalk the Russians in retaining the friends we now have and in gaining new ones.

Take the case of the Russian sputniks. We now know that Russian periodicals, in our possession for months before their launching, spoke about them and even described them. Yet we failed to translate these articles—presumably because of lack of funds—and in this way we failed to inform the American people of the threatened danger.

The success achieved by the Communists in this adventure made the undecided and fence-sitting peoples of the world forget all about Soviet brutality and its suppression of liberty in Hungary. It again placed Russia far ahead of the United States in the cold war struggle for men's minds.

Now comes their latest propaganda gimmick—the Kremlin's new peace offensive to terminate all nuclear tests for the safety of mankind. The vast majority of the peoples whom we are trying to reach seem to have overlooked the fact that there is a catch in the Russian pronouncement. We have not yet been able to get across to the neutral and uncommitted nations that this was just another phony type of propaganda; that having concluded a series of elaborate tests herself—in which she released the dirtiest fallout destined to shorten human lives—Russia is anxious to call a halt now before the United States has had a chance to perfect its nuclear research and weapons. Nor did these neutral peoples attach any significance to Moscow's qualification of its pronouncement, namely, that if we went through with our already announced Pacific tests, Soviet Russia would resume further testing.

If we and our allies are to combat successfully the effects of Soviet propaganda, we must develop a new program and new initiative—and we must do it quickly. If we fail to do so, millions of people all over the world will believe Moscow's propaganda about stopping nuclear bomb testing and banning nuclear weapons, while branding us as those desiring to destroy humanity. I, therefore, propose the following bold program:

The United States should issue an official declaration to the nations of the world (with the necessary steps being taken that the message reaches in particular the neutral and uncommitted peoples, as well as those behind the Iron Curtain who are opposed to us) to the effect that the United States desires and will do everything within its power to abolish war and bloodshed as a means of settling international disputes; that it is willing to destroy or discard all of its nuclear weapons and missiles; that it will never again undertake further nuclear tests designed for war purposes; and that it is ready to go so far in the interests of world peace and the security of all mankind as to withdraw all its troops from foreign soil and to liquidate its military bases abroad.

At the same time the United States insists that Russia take similar steps, as follows:

1. Russia must destroy its nuclear weapons and missiles, and abandon all future nuclear tests designed for war purposes.

2. Russia is to remove her troops from foreign soil under Communist domination, including East Germany, Hungary, Poland, Czechoslovakia, and other countries in Europe and Asia.

3. Russia is to agree to genuine disarmament, or if this is not feasible at least to an effective arms-control system.

4. Russia is to agree to the establishment of an international police force, attached to the United Nations, whose purpose it shall be to help maintain the peace of the world.

5. The Soviet Union is to join with the United States in raising the standard of living of all undernourished and underprivileged peoples of the world.

6. The Soviet Union is to join with the United States and other member nations of the U. N. to promote free elections in all countries and to guarantee the sovereignty of all duly constituted governments.

To attain these objectives, I feel certain the President of the United States would be ready at all times to sit down at a summit conference with other heads of governments and to keep on talking with them until the light of peace shall shine on all.

This, my friends, is the kind of language peoples all over the world, including the Russian people, understand and want to believe.

Add to this propaganda the fact that the nations of the world are today spending more than $100 billion annually on armaments, which could be used to combat poverty and disease and to help raise the living standards of all nations—and you have made a most convincing argument which can be readily understood by all peoples.

We must get this argument across to them, if we are to save ourselves and all of mankind from total destruction.

Item Veto Needed

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. MACK of Washington. Mr. Speaker, twice in the past 2 years the President has vetoed river and harbor flood-control bills that had been passed by Congress. Both bills were a hodgepodge of good projects and bad. He vetoed the bills for that reason.

Some of the projects in both bills had been inserted against the advice and recommendations of the agencies—United States Army Engineers, Budget Bureau, and Secretary of the Army—which are especially charged with the responsibilities of studying such projects and reporting their findings to Congress. In many cases the recommendations of these agencies were ignored. Some projects had not gone through the customary procedure of reporting on them.

When the river and harbor flood-control bill came before the House there were 132 projects in it which almost everyone agreed were economically sound and desirable. There were 18 projects that were objectionable to many for various reasons. Almost everyone wanted the good projects approved. To obtain authorization of the good projects, however, would have involved approving 18 projects, total cost of which exceeded $300 million, which were not acceptable. Accepting $300 million of objectionable projects in order to obtain the good projects many felt was too big and wasteful a price to pay.

Dispute over issues of this kind could be eliminated if the President were granted the item veto, which he does not now have. Under Federal law the President must accept every project or item in a bill or veto the entire bill. In many States governors have the right of item veto; the President does not.

The item veto would deprive the Congress of no rights it now enjoys. If the President were to veto several items in a bill the Congress, if it had the votes, could override his veto of any one or of all the vetoed items.

Had the President possessed the power of item veto, he could have vetoed in the river and harbor flood-control bill those projects he considered objectionable. Such action would have authorized the good projects in the bill and left to Congress the power to authorize over the President's veto any of the projects in the bill he had vetoed.

The item veto is in keeping with the salutary provision of checks and balances provided by the Constitution. This often would work for less waste and for more efficiency in Government.

The Oregonian, Portland, Oreg., one of the most outstanding daily newspapers in the Pacific Northwest, in an editorial in commenting on the recent veto by the President of the river and harbor bill, recommended the item veto for river and harbor flood-control bills. On this subject the Oregonian editorial said:

ITEM VETO NEEDED

Impasses such as that developing between Congress and President Eisenhower over important bills, including the vetoed rivers and harbors bill, could be prevented by the grant of an additional legislative power to the Executive: The item veto.

Every United States President of modern times has sought authority to accept or reject separate items in appropriation bills rather than deal with an omnibus bill as a unit. Some have taken the view that a constitutional amendment is necessary. President Eisenhower has held, however, to the opinion that Congressional legislation is all that is necessary. In May 1957, he publicly asked Congress to pass such legislation.

Congress has much to gain by following the recommendation. The President surely would never veto in its entirety a measure like the rivers and harbors bill if he were authorized to reject items selectively. Such procedure would give greater assurance that worthy projects would pass into law unincumbered by the products of logrolling and the pork barrel. In fact, pork could be expected to be at a minimum in a bill subject to the President's selective veto. Congress would still have the power to pass vetoed items over the Presidential objection; but patently unworthy projects, such as now ride in, would seldom survive.

Congress Should Act Promptly To Correct Supreme Court Mistake in Mallory Decision

EXTENSION OF REMARKS

OF

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. FISHER. Mr. Speaker, the Committee on the Judiciary is to be commended for reporting H. R. 11477, of which our distinguished colleague from Louisiana [Mr. WILLIS] is author. Action on this bill is urgent, and it is hoped the Rules Committee will promptly grant a rule and clear the measure for House debate.

This bill undertakes to correct what appears to be an obvious mistake made by the Supreme Court in the Mallory case. The error, which seems self-evident even to the layman, was in a misinterpretation placed by the Court on rule 5 (a) of the Federal Rules of Criminal Procedure.

That rule requires the arraignment of defendants "without unnecessary delay" after being arrested. It provides that an officer making an arrest shall take the arrested person without unnecessary delay before the nearest available commissioner or before any other nearby officer empowered to commit persons charged with offenses against the laws of the United States. The rule does not state that the prisoner must be taken before a committing magistrate forthwith or immediately. It simply provides that it shall be done "without unnecessary delay." The Supreme Court rules that "without unnecessary delay" means, in effect, forthwith or immediately.

With that background, let us examine the Mallory decision and other developments which I think will demonstrate the imperative necessity of prompt corrective action by the Congress.

In the Mallory case, the defendant, a Negro, was charged with raping a white woman in the basement of her apartment house here in the District of Columbia. That occurred on April 7, 1954. With his identity concealed by a handkerchief over his face, the defendant committed the offense in the basement of the victim's apartment project where she went to do some family washing. There was no witness. The following afternoon at 2:30 the defendant was arrested. His brother was the janitor in the apartment where the crime took place. He denied the offense and, along with others, was questioned at some length. In his case he was questioned for 7½ hours, and confessed.

Mallory was detained that night, his confession coming after closing hours for magistrates. He had been questioned for 2 hours, and the 7½ hours elapsed between his arrest and his confession. The following morning he was arraigned. During the time he was held he was given food and water. He confessed freely and voluntarily. His confession was corroborated by supporting evidence. There was no claim that he was mistreated in any manner.

But the Supreme Court reversed the jury's conviction, holding that the 7½ hours during which he was detained before he confessed made his confession inadmissible. So by action of the Supreme Court Mallory was turned loose upon society. Since then he has committed another crime of a serious nature.

COURT DECISION UNSOUND

It is significant that Federal Judge Alexander Holtzoff, who presided over the trial of Mallory and sentenced him, has been very critical of the Supreme Court's decision. Here is his statement, in part:

It so happens that I was a member and secretary of the Advisory Committee appointed by the Supreme Court to prepare a draft of the Federal Rules of Criminal Procedure. The record of the Committee will show that the words "without unnecessary delay" were deliberately chosen and were not to be taken as synonymous with "immediately" or "forthwith." The notes of the Advisory Committee appended to the rules discloses the intent of the Committee. To be sure, they are not binding on the Supreme Court, but they fulfill the same analogous role as that played by a Congressional committee report in determining what

the Congressional intent was in framing a statute. The notes of the Advisory Committee indicate that the words "without unnecessary delay" were used as equivalent to "reasonable time."

And some of the authorities referred to in the notes, cited to indicate the intention of the committee, sanctioned a much longer interval of time than is involved in the Mallory case.

Is it any wonder, Mr. Speaker, that even an average layman can see the utter unsoundness of the Supreme Court's interpretation of rule 5 (a)?

SUPREME COURT PRECEDENT HAS TURNED OTHER CRIMINALS LOOSE

This drastic decision, which has shocked not only members of the legal profession and law enforcement officers but also the general public, was cited by the court of appeals here last fall in reversing three murder cases. Many can recall the words of the late Mr. Justice Cordoza when he said: "Justice, though due the accused, is due the accuser as well."

In one of the cases, against Clarence Watson, a Negro, the accused was twice convicted for the brutal murder of Alyce O. Taggart at Scott's Hotel in the District of Columbia. Even though his confession was free and voluntary and well corroborated by other evidence, because of the Supreme Court's ruling in the Mallory case he was turned loose, and he walks the streets today.

In another case, one Russell Carter was duly convicted for murdering 15-year-old Caroline Nelson, whom he had never seen before. He was convicted by a jury, confessed voluntarily, and was protected by all constitutional rights. Yet, by order of the Supreme Court in the Mallory case Carter was turned loose upon society, unpunished.

In a third case one Robert Starr killed his wife on June 11, 1956, in the presence of witnesses. He pleaded insanity and was duly convicted for the crime. He had confessed, and his written confession was admitted because of its bearing on the issue of sanity. But under the Supreme Court's decision in the Mallory case, the conviction was reversed.

The net effect of the Supreme Court ruling has been to protect criminals and obstruct police officers in their investigation of crime. It means that when a crime is committed and the police pick up a suspect, and it is finally decided in the course of the investigation that the evidence justifies charging him, if during that investigation he has voluntarily confessed, and is arraigned following that determination, the arraignment is too late and the confession is null and void.

JUSTICE BEING OBSTRUCTED BY MALLORY DECISION

In order to comply with the Supreme Court's new doctrine, police will in some instances be constrained to arraign innocent persons and thereby place the stigma of a police record upon them, because there would be no time to clear them by interrogation and investigation before arraignment. Indeed police would hardly dare question a suspect before arraignment because in that event if the questioning led to a confession it would, under the Mallory decision, be null and void.

Moreover, multiple defendants in many cases could not be prosecuted, as has been pointed out by Mr. Dwight S. Strong, president of the National Association of Citizens Crime Commissions. When the first defendant is arrested, if, as required by the Mallory case, he is immediately arraigned that fact would be publicized. It would then be difficult to obtain further evidence implicating codefendants. They would scatter and conceal themselves. The Mallory decision is a built-in shield for clever criminals.

Police Chief Stanley R. Schrotel of the Cincinnati Police Department is quoted as saying:

I can't tell you how to live with the Mallory decision. We haven't had to learn how. I don't know how we could. Unless you have an army of policemen to search for evidence, I don't see any alternative to questioning. It is an injustice to the innocent not to question.

PENDING BILL IS BOTH FAIR AND NECESSARY

The pending bill to correct the grave error committed by the Supreme Court is fair and it is reasonable. It does not sanction the use of confessions obtained by force, coercion, threats or improper promises. It simply provides that mere delay in arraignment, standing alone, is not enough to outlaw an otherwise voluntary confession. And that is the way it should be in order to protect society against criminals. After all, it is our duty not only to provide safeguards to protect the rights of those accused of crime; it is also our duty to provide some protection for people who have not been murdered, robbed, or raped. This measure simply gives the police a reasonable opportunity to question a person suspected of a crime.

VOLUNTARINESS IS THE PROPER TEST

Mr. Speaker, voluntariness has always been the test for admission or rejection of confessions in most if not all of the States. Under that rule confessions that are voluntary are admissible, regardless of the delay in arraignment. If, of course, the delay is unreasonable, it might raise a presumption against the voluntary character of the confession. But that would be a question of fact for the presiding judge or the jury to determine.

The point is that a reasonable delay after a suspect has been arrested before he is formally arraigned should not be the test of whether a confession given during an investigation should be admitted in evidence. Such a rule is dangerous and it is manifestly unsound.

Before I conclude I should like to congratulate the Washington Evening Star for the valuable service it has rendered to the public in publicizing the Mallory decision, with all its implications. That service has helped educate the public and arouse the people to the seriousness of the effect of the Supreme Court's action. It is imperative that the Congress act promptly and effectively to correct the unfortunate blunder made by the Supreme Court.

Report on Hill-Burton Funds in Iowa

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. SCHWENGEL. Mr. Speaker, since it has been my pleasure to be a Member of Congress, I have had an opportunity on several occasions to help a number of hospitals qualify for and receive Hill-Burton funds to build and improve hospitals in the various parts of my District. This experience suggested that it might be of interest to do a study of this program as it relates to the State of Iowa. I am happy to take this opportunity to report to the Members of this body the results of my study of 10 years of grants-in-aid or better known as Hill-Burton program for hospital construction in Iowa. First, it may be well to recall the apparent intent of the Congress in the passage of Public Law 725 and its subsequent amendments.

First. To study the comparative need of all communities for hospital facilities in terms of national standards consistent with the best thinking available.

Second. To provide funds to assist communities with greatest unmet need for hospital facilities who demonstrated sufficient incentive by providing two-thirds of the funds required for the subject.

Third. To utilize commercial practices of design and construction which would result in the maximum hospital facilties for the fewest Federal dollars with the shortest period of time.

Fourth. Administration of the program would be by State agencies with only technical assistance from the Federal agency.

Fifth. Planning.

When the program was inaugurated in Iowa, the public reacted rather skeptically. Most sponsoring groups inquired with reservations because of their experiences with previous Federal WPA and other public works programs where control and regulations were entirely in Federal hands and where excessive regulation and control had been continuously demonstrated. The architectural profession of this State was equally reluctant to participate in the program because of these same unreasonable regulations and control.

During the first 5 years, most of the public reluctance was overcome. The Federal agency offered assistance in expediting projects to completion with a minimum interference through regulations. Their interpretations of the intent of Congress seemed acceptable. While Public Law 725 authorized an annual appropriation of $150 million, it should be pointed out that in all but 1 year the appropriation was below the authorization and ranged down to as low as $60 million.

Accordingly, the Iowa agency has never been able to assign Federal funds to every eligible applicant responding to the

annual invitation in spite of the dire need of many communities. As a result, many communities whose needs could not be denied utilized their maximum local resources, reduced the scope of their planning, and proceeded without Federal assistance.

During the past few years, certain groups within the State have expressed themselves in regard to the effect of the program. A criticism occasionally heard is that the program is stimulating construction beyond the needs of communities. This seems to be an inaccurate statement and not based on facts. The basic program permits participation only in areas with existing unmet need for hospital beds, needs based on accepted national standards. Demand for participation has always been beyond the funds available to the State, thereby precluding allotment of moneys to the projects with least unmet need. Such comment seems to stem from the larger hospitals that are apparently jealous of the service rendered the smaller communities by the smaller hospitals built with help of the program. There is no question that the program has benefited, either directly or indirectly, the citizens of every community in Iowa. Thousands of people now have access to adequate hospital facilities and treatment who would otherwise be denied this opportunity.

INDIRECT RESULTS

Mr. Speaker, it is also very gratifying to note the indirect results of this construction program. It was stated earlier that many hospitals could not participate in the grants program and proceeded to build a smaller facility than was needed but without grants-in-aid. It is conservatively estimated that during the past 10 years, there has been $120 million worth of needed hospital construction in the State, exclusive of construction in State owned hospitals. Of this total, approximately $64 million worth of hospital construction was with grants-in-aid which totaled less than $19 million. Directly or indirectly, 1 Federal dollar stimulated $6.32 worth of hospital construction.

At this point, it might be well to pursue further the possibility of overbuilding. The hospital experience of the past 10 years in Iowa has been reviewed from several angles by highly qualified people. None give indication of excessive building. All facilities are being used to the maximum. It is safe to say that the rate of construction in the past has done little more than eliminate some of the obsolete facilities which existed at the beginning of the program.

The initial study criteria for hospital beds classed them as acceptable and nonacceptable. No initial provision was made for determining the degree of obsolescence or the future life expectancy for the acceptable beds. On the basis of this simple criteria, it was determined that in 1948, 35.56 percent of the total statewide bed need was met. After constructing $120 million worth of hospitals, with $19 million aid, Iowa can provide only 51.98 percent of the total bed need. If the acceptable beds were studied further, however, we would find that a portion of these have only limited future expectancy in terms of obsolescence based upon present day standards.

FUTURE NEEDS

The Iowa State Department of Health has made preliminary studies toward projecting a 20-year program designed to fulfill all unmet needs, replace obsolete hospital structures which cannot reasonably be licensed, and meet needs for population increase. Several basic assumptions were necessary, such as—

First. That population trends would be reasonably constant.

Second. That the average life expectancy of buildings is 50 years from the date of construction.

Third. That bed need per unit of population is not inconsistent from the conservative criteria utilized in the current grants program.

Projecting the above assumptions and correlating the past construction of beds to fulfill unmet need, a conservative estimate indicates that a construction rate of at least 1,236 new beds per year is necessary until 1978. During the past 10 years when hospital construction has been most active, we have built at an average rate of 582 new beds per year. In other words, Iowa would have to triple its present rate of construction to approach fulfillment of such a goal. Interpolated to dollars, and assuming that construction costs were comparable with the past 10-year average, Iowa needs to construct hospitals at a rate of from $35 million to $40 million per year until 1978.

OTHER NEEDS

The earlier comments were in terms of hospitals as defined in Public Law 725. The amending Public Law 482 which incorporated related health facilities into the program introduces an additional need for nursing-home bed. In this category Iowa, as many other States, presently finds itself in a deplorable condition. The problem of adequate and pleasant homes for our fathers, mothers, and other people in their age group is becoming more acute every year. This may be the next great social problem that we will have to face as a Nation. Many communities and States have already recognized this problem and have pointed the way toward meeting the challenge with and without Government encouragement and help.

Examples of the fine contributions that have already been made are found in Friendship Haven, Inc., a home for the retired people of Ft. Dodge, Iowa, sponsored by the North Iowa Conference of the Methodist Church. And another community that has seen fit to meet the challenge is Washington, Iowa, where the Presbyterian Church has maintained a home and where now other citizens of the city see the need for meeting the challenge and have already improved and bettered the facilities for more people in their community. Robert Blue, former Governor of Iowa and now a member of the governing board of Friendship Haven and who through the years has given much thought and study and furnished fine leadership in this whole area of the problem of retired people, has this to say in reference to the problem in Iowa. "There is a very large need for modern nursing homes. There are practically as many people in nursing homes in the State of Iowa as there are in all of the board of control institutions, which include the penitentiary, reformatory, boys and girls reformatories, mental hospitals, and hospitals for the feebleminded and epileptic."

He further observes, "most of the present nursing homes in this State are secondhand buildings that were originally constructed for a home, a hotel, a hospital, or a factory."

In the discussion of this subject, he points out further that "one of the facts that is too little understood is that an aged person or a chronically ill person can be adequately cared for in a modern nursing home at approximately half the cost of care in an ordinary hospital."

Here, then, is testimony of dire need by a competent and able public official who has dedicated his life to a study and consideration of this problem and then set about trying to do something about it.

He further states that it is his considered opinion that "a substantial amount of the overcrowding at State mental institutions and in the ordinary hospitals could be relieved if we had a nationwide program for building modern nursing homes. This care, whether it be for the chronically ill, the senile, or the person with ordinary medical ailments, can be furnished in modern nursing homes at a saving of approximately 50 percent, either to the individual who pays his own way or to the public body that must care for such a case."

Finally he makes a statement saying that Congress should recognize the situation that has been created and seek to rectify it and endorse a nationwide program for building modern nursing homes with the Federal Government furnishing part of the money and the balance furnished by State, county, or the municipality, and says that if Congress wants a building program of real worth, constructive in its nature, and looking toward the future to help ease the present unemployment situation, a nationwide program for nursing homes would be one of the most commendable programs that it could adopt.

Organizations that were most prominent in the success of this program in Iowa are the Iowa Hospital Association, State Medical Society, Iowa Osteopathic Physician and Surgeons Society, and the Iowa Nursing Home Association.

There are many people who have been very helpful in many ways and they include Harold K. Wright, Sioux City; Sister Mary Edmunda, R. N., Fort Dodge; Miss Esther Squire, R. N., Washington; David H. Grau, D. O., Muscatine; Con R. Harken, M. D., Osceola; E. E. Munger, Jr., M. D. Spencer; Miss Anna A. Carlson, R. N., Ida Grove; Mrs. A. D. Wiese, Manning; Mrs. Ralph D. Jacobson, Boone; Thomas W. Purcell, Hampton; and Roy Hawkins, Leon.

The people who have been appointed by the governor and given the responsibility for the administration of this program in the State of Iowa are: Dr. Edmund G. Zimmerer, Polk County, commissioner of public health for the State of Iowa; Mr. James Anderson, Fort Dodge, member of State Hospital Licensing Board; Dr. G. H. Ashline, medical doctor, Keokuk; Mr. Louis B. Blair, Cedar Rapids; B. D. Fickness, registered nurse, Nevada; Dr. Charles H. Flynn, medical doctor, Clarinda; Dr. Gerhard Hartman, doctor of philosophy, Iowa City; Mr. G. Edward Harvey, Missouri Valley; Mrs. James Henderson, Waterloo; Merrill E. Hunt, Des Moines, Iowa; Dr. C. N. Hyatt, medical doctor, Corydon; Mrs. Phyllis Kocur, Des Moines; Dr. R. N. Larimer, medical doctor, Sioux City; Mrs. Alice Nuzum, Des Moines; Marjorie Perrine, registered nurse, Council Bluffs; Dr. Floyd Pillars, dental surgeon, Des Moines; Mrs. Jay S. Tone, Jr., Des Moines; and Dr. H. B. Willard, D. O., Manchester.

The people hired by this council and who are eminently qualified and have had the responsibility for successfully carrying out the policies outlined by the council are: Felix W. Pickorth, Des Moines, director of Division of Hospital Services for the State of Iowa; and H. W. Stricker, Des Moines, Chief Engineer of Division of Hospital Services for the State of Iowa.

A Fair Deal for the Textile Industry

EXTENSION OF REMARKS

OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. DORN of South Carolina. Senator RICHARD B. RUSSELL, of Georgia, is an American. He places the welfare of our country ahead of any personal or political consideration. I commend to the Congress and to the country his eloquent and timely address before the American Cotton Manufacturers Institute:

A FAIR DEAL FOR THE TEXTILE INDUSTRY

(Address of Senator RICHARD B. RUSSELL at the annual meeting of the American Cotton Manufacturers Institute, April 12, 1958)

Mr. Chairman, members of the American Cotton Manufacturers Institute, and fellow guests, it is a happy privilege indeed to be with you this morning. In other years, you have done me the honor to invite me to meet with you. I rarely ever leave Washington when the Congress is in session. This has denied me the pleasure of foregathering with this distinguished group, among whose members are many whose friendship I have enjoyed over many years.

I must confess that I might have visited with you during times when economic and international conditions created a much happier climate. We could all view prospects with much more confidence before the advent of sputnik and the current decline in our own economy.

This is overbalanced by the fact that I am with you during the presidency of my good friend, Lamartine Hardman. Our fathers were friends before us, and I have enjoyed the most cordial relationship with him and his family for all of my adult life. I am sure that all of you who know him share my high regard for his character, business ability, and warm personal characteristics. He will serve you well as your president during these trying days.

Beyond the personal pleasures involved, it is gratifying to be with this group. A large part of your activities have to do with the processing and merchandising of cotton. In a large sense, this is a commodity in which we have a common interest. The economy of the State that I have sought to serve depends to a great degree on the welfare of producers, processors, and manufacturers of cotton. We also have substantial interests in other textiles. It is by all odds our largest industry, for the value of Georgia's annual textile output is more than a billion dollars.

The cotton business in all of its aspects is one of the oldest in our Nation. It is safe to say that no other single business has contributed more to the building of the American way of life and the great and prosperous civilization of which we are so proud. Time will not permit a discussion of the details of cotton's contributions to American world leadership.

And yet, cotton today is a sick business. A careful study might indicate that many elements of the present recession are attributable to the distress of the cotton industry. It is little wonder that those of us most vitally concerned in cotton and textiles should be disturbed over the precarious condition in which this great industry finds itself. We have not been able to accomplish a great deal, but we have certainly talked about it and tried.

We have agitated to such an extent that one Government official observed in the recent past that before coming to Washington he had thought that cotton was a commodity, but since being there he had come to know it as a religion.

No other industry has been beset with so many difficulties. No other industry knows a higher degree of domestic competition. When one considers the buffets you have endured from national policy, the competition to which you have been subjected, the squeeze of rising costs and declining prices, the fact that you have been able to survive and maintain your enthusiasm is eloquent evidence of your stamina and business acumen.

The great development of all of America's industry and business was brought about by competition. Initiative, self-reliance and ingenuity have been necessary to survive and go forward. Our great textile industry is a product of competition. It expects to meet and solve the normal problems of technical demands, capital investment, new techniques, more modern products that come from research and technological progress. It knows that the best managed plant will get the most business. It expects this type of competition. Where elements and individuals fall by the wayside in this kind of a contest, they are accepted as casualties of our competitive system.

These are the ordinary hazards of business life.

But the textile industry, more than any other major industry in the Nation, has been beset by problems that had their origin in Government and national policy. The industry has not only been called upon to bear its fair share of the taxes to pay for foreign aid, but it has been peculiarly victimized by foreign competition generated by this aid. Unless the present policies are changed or the Congress can be persuaded to take the steps necessary to prevent it, this great industry is threatened with liquidation. It will become the No. 1 casualty of a foreign policy which in some cases seems to be dedicated to the building of unfair competition for American business to develop the economy of foreign nations.

We are now in the midst of a great drive to extend the reciprocal trade program for a period of 5 years. The proposed legislation would give to the executive branch of the Government the power of life and death over American business and industry.

I was a member of the Congress of the United States when the reciprocal trade concept was first enacted into law. I supported that bill. It was originally contemplated that the United States would export to other nations goods that we produced or could produce in surplus quantities. It contemplated that the United States would import from other countries goods or raw products which we either did not produce or which we produced only in negligible quantities. The whole idea was built about the word "reciprocal" and, as originally conceived and planned it was a great piece of legislation.

The act and its several extensions delegated to the President the power to regulate our foreign trade program. The President, of course, could not handle the matter personally and he, in turn, delegated the power to the State Department. For many years, this legislation served a useful purpose. There were few complaints of abuses and it did stimulate world trade on a reciprocal basis.

With the end of World War II, we have seen a change in the purpose of the reciprocal trade program. Instead of being used purely to stimulate trade, the State Department has now seized upon it as a method of extending additional foreign aid.

Since World War II, we have expended directly more than $60 billion in foreign lands for almost every conceivable purpose. We have restored the devastation of war. We have revived sagging economies. We have enabled some nations to reduce their taxes and their public indebtedness at the expense of the American taxpayer. More than that, we have built many industries throughout the world with dollars in part paid as taxes by similar industries in the United States. We have built these industries in low-wage areas and have brought them in direct competition with American industries that are saddled with costs of production in the form of wages and raw materials much higher than those borne by their foreign competitors.

I supported both the original reciprocal trade and the original Marshall plan, to restore the ravages of war and get Europe back on its economic feet.

Several years ago, I concluded that our State Department did not have any foreign policy other than that built on the expenditure of American tax dollars as foreign aid. I was unwilling to continue economic aid after the original objectives of the Marshall plan had been reached. Since that time, I have vigorously opposed the various economic-aid programs.

There has been an increasing resistance in Congress to continue to increase the appropriations of American tax dollars for economic foreign aid. When the State Department became unable to get the appropriations of dollars that they desired, they continued to expand economic aid by administering what should be a reciprocal trade program in such a way as to provide economic aid, not from appropriated funds—but at the expense of certain segments of American business.

I still believe in the original concept of reciprocal trade, but I shall not support a program to liquidate vital American industries, to throw thousands of American citizens out of work in order to create an economy in some foreign land suitable to some dreamer in the Department of State merely because the bill bears the title of "Reciprocal Trade Program."

In the last analysis, the Free World is dependent upon the armed strength and the powerful industrial complex of the United States to prevent war and to confine Communist aggression. We cannot maintain the necessary military strength nor the industrial plant essential to its support if we kill the industrial goose which lays the golden egg of taxes by pursuing unrealistic and unnecessarily expensive policies and programs.

I am aware of the importance of a strong Japan to the Free World. However, the American textile industry is essential to the maintenance of a strong America. Our friends throughout the world know in their hearts that the Free World cannot of itself contain communism any longer than America is able to maintain the military force which deters aggression.

The Congress has the power to save the textile industry and the jobs of all of those who derive their livelihood from it. It can do it by a policy of true reciprocal trade instead of distorting it into a means of extending aid. It can do it by directing that American industries that are in distress shall have priority over offshore procurement, at least in foreign lands that today do not have as high unemployment percentagewise as we do.

We are making the fight. I was one of the sponsors of an amendment to the Mutual Security Act for 1957 which sought to prevent the swamping of certain segments of American business by foreign importation. That amendment lost by a margin of two votes in the Senate.

I propose to continue the fight to try to compel the Government of the United States to deal fairly with its own people in order to protect our own economy as the only means to assure our survival.

Figures are often given as to the number of people whose jobs are claimed to be dependent upon the foreign aid and reciprocal trade programs. It would be interesting to know just how many of the 5½ million Americans who are now unemployed have lost their jobs due to the policies and programs of the Department of State.

If means are not found to change the present operations of the State Department that will sacrifice any and all things at the demands of foreign countries, we can produce an unemployment situation in this country that will pull down the whole structure of our Government.

The Congress has been hastily improvising an extensive program of public works as a means of stemming the rising tide of unemployment. Extreme situations may justify a public works program, but in our economy, tax-supported public works can never be an acceptable substitute for steady employment by private enterprise in a free competitive system.

THE THREAT THAT THE SOVIETS WILL PREEMPT FIELD OF FOREIGN AID

In the attempt to persuade the Congress and the American people to increase our own foreign aid program 13 years after the conclusion of World War II, the proponents of the increases press upon us the threat that unless the United States increases its economic assistance, the Soviets will move in with their own aid program and eventually take over the recipient countries. To me, the least persuasive of all of the arguments for foreign aid is the threat that the Russians will take it over on a worldwide basis. Up until now, outright grants by the Soviets have been insignificant. Their dealings in this field have been in the form of loans, usually well secured, as in the case of the Egyptian cotton crop—or sales that are made on a cash-on-the-barrelhead basis. It does not speak well for the efficiency of our program to have those who administer it contend that Russia gets more credit for transactions based on sales and loans than the United States can get for outright gifts. If this contention be true, the only thing it proves to me is that the United States needs a new set of diplomats to administer the program.

The fundamental weakness of the whole business is the lack of a clearly defined and easily understood national objective. The American people would feel better about the program if there were a target date for termination or reduction. Instead, they are only presented each year with arguments in favor of increases in foreign spending.

ADEQUATE DEFENSE ESTABLISHMENT MUST BE MAINTAINED

In this presence, it is stating a commonplace to say that the cost of national defense is the most formidable part of our fiscal problem. In the light of world conditions, no sensible person would advocate wholesale reductions in the strength of our Armed Forces. It has been said that it profits one little to be the richest man in the graveyard. An epitaph as the wealthiest and most powerful Nation in oblivion is not an attractive prospect for the United States.

The success of the Soviet in launching satellites and their stride forward in the field of missiles has intensified criticism of the organization of our Defense Department. I would be the last to contend that great improvements cannot be made, but we must resist the danger of oversimplification.

Whether we have three military departments or a single Department of Defense, whether there are four members of the Joint Chiefs of Staff or a single Chief of Staff, the responsibility for initiating and implementing defense decisions is with the President and the Secretary of Defense. In the final analysis, many of the reorganization proposals will only determine the sources from which the President and the Secretary of Defense will secure advice. In my opinion, a determined exercise of authority that the Secretary of Defense already possesses could go a long way toward eliminating many of the unnecessary committees and complicated procedures and produce faster decisions.

It could be fatal to place all of our faith in some procedural gimmick as a substitute for vision and willingness to make decisions. There is much room for improvement in the efficiency of administration, but reorganization cannot produce a formula to provide defense with magic instead of money.

Even if we achieve the maximum of efficiency, the costs of adequate defense will remain high. The technological revolution constantly introduces new weapons systems and causes the abandonment of old ones that were of themselves costly. This does not mean that the investment in the old system was unwise. The cost of the B-36 program, for instance, was great. But it was in the nature of peace insurance, and good insurance it proved to be. Let us hope that the new bombers and our ballistic missiles will serve as well.

The cost of the new missiles is exceeded only by their intricacy and complexity. Many obstacles must be overcome to perfect ballistic missiles of intercontinental range.

For example, 1 of these missiles has more than 36,000 components. If each of these components has such a reliability that its rate of failure is only 1 in 100,000, simple mathematical computation shows that only 2 out of 3 firings could be successful.

Another arresting illustration of our difficulties occurs as we work to achieve accuracy in pinpointing targets. What is known as the cutoff velocity of a missile vitally affects its accuracy. This cutoff velocity, which means the speed at which the missile is moving when its power source is cut off, is 23,000 feet—more than 4 miles—per second. This velocity of 23,000 feet per second must be very precise. Every deviation of only 1 foot per second will cause a difference of 1 mile in where the missile will hit after traveling 6,000 miles.

Whatever it may cost, we must maintain adequate military strength and the most modern and powerful weapons. We are confronted by a ruthless and unconscionable enemy that neither heeds nor understands any language other than might.

We have become committed to a series of agreements and treaties that obligate us to respond to an attack on any 1 of 42 countries as an attack on these United States. Most of these nations, and many others who are not party to these treaties and agreements, are, of course, interested in securing financial aid from us, whether it be in the form of dollar aid or preferred American trade. But, in the final analysis, the one outstanding amalgam that holds the Free World together is the belief in the chancelleries of all of the nations associated with us that American military might and potential is greater than that available to the Soviet Union. If that faith be shaken, the combinations that we have made at such great effort and expense will fall to pieces overnight.

So firm is my conviction on this score, that I have strongly urged that the increased cost of our missile program should be taken from the military assistance being extended largely in conventional weapons rather than by weakening our country by increasing either taxes or the debt limit.

The fact that the Soviet beat us into space with a sputnik did more to shake the faith of those associated with us and to weaken Free World unity than would be caused by a drastic reduction in the military assistance program.

My faith in the capacity of the American people and our great industrial plant is unshakable. There is no objective attainable by human beings that we cannot accomplish if the American system is properly utilized. We have a long tradition of success and we would be unworthy to strive for less, whatever the odds, but our resources are not unlimited, and it is essential that we confine our efforts to those problems that are really important to our national security and survival. That great aim can be achieved within the framework of our system without frittering away our resources or our heritage.

Italian Elections

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement on the Italian elections:

ITALIAN ELECTIONS

It is interesting for Americans to watch political events in Italy, particularly the coming campaign for the general elections scheduled for May. Thirty-two million Italians, as voters, will choose 596 deputies and 224 senators.

Such a campaign is accompanied by the usual meetings and assemblies of the contending parties and the plastering of the walls and fences with flamboyant posters and throwaway sheets containing trenchant cartoons, lampooning candidates and poohpoohing issues. Personally, I love cartoons and caricatures of men and events. Cartoons are often more effective than polemics and speeches, especially when liberty and democracy are threatened. "Cartoons," says

the famous cartoonist David Low, "are a more direct medium with a wider appeal, since pictures speak even to the illiterate."

I am no expert on Italian politics. I have trouble enough with politics in the United States. But, from what I have observed and read about, politicians in Italy are not too unlike the politicos here in our country. Human nature is pretty much the same everywhere. Human reactions are generally the same in every country, with due allowance for local influences and national idiosyncracies. There are decided exceptions. I would say that Nenni, the extreme left Socialist, is such a one. He could not fit into the American scene. He is sui generis. He sways in many directions. He is very much like a mule with two heads—one in the front and one in the rear. One does not know, nor does he know, whether he is going or coming. And being a mule he is without pride of ancestry or hope of posterity. Nenni, at times, makes common cause with the Communists.

To me, all Communists are obnoxious, but Togliatti is particularly so. He certainly is dissimilar to anyone in the United States. He is too dangerous for comfort. He is a mere puppet of Moscow and all the more dangerous for Italy. Togliatti is the Italian prototype of his Russian boss, Khrushchev. He probably applauded that Russian braggart, when he recently said in Budapest that, as for the West, "we advise them not to poke their noses, or as we Russians say, their pigs' snouts, into our Socialist garden." That is the language of a bully and gangster.

Togliatti would turn Italy into a Communist state with all its trials and tribulations for its people. He would even tell you conditions are getting better in the Soviet Union. He probably would tell you that when one dies in the Soviet Union, they bury one now in a coffin.

And what can be more absurd than the chatter of Nenni and the babble of Togliatti on peace. They are the most contentious and cantankerous persons one knows. They represent the very opposite of peace. Their conduct and character are consistent with the Kremlin's presenting the dove as a symbol of peace. Actually, the dove is a quarrelsome, not peaceful bird. Just so, Nenni and Togliatti would stir up quarrels and muddy the waters for their selfish ends.

Italy's Christian Democratic Party, the ruling party, presents a platform to the voters that manifests complete loyalty to Western Democracy. It proposes to keep faith with the North Atlantic Treaty. Any plank of the platform of the Christian Democratic Party headed by former Premier Amintore Fanfani, is a recommendation for an East-West agreement to end the production and testing of nuclear weapons, but only under effective supervision. Fanfani and his party call for close political ties with other European countries of Euromarket and Euratom. The Christian Democrats will continue to seek the liberation of Hungary and other satellite countries from the Communist yoke. The Christian Democrats seek to protect free enterprise and would tighten control over economic monopolies and cartels. They urge better schools, fairer taxes and the spending of more money for the development of the underprivileged suffering of Italy. Party workers will spread the gospel of their platform at some 20,000 election rallies to be staged all over Italy. One hundred and twenty-five thousand canvassers have been trained to make house-to-house calls to win votes. Hundreds of trucks will tour remote areas, staging outdoor campaign movies.

The Christian Democratic Party, under the able leadership of Fanfani, the old Tuscan economist, could make giant strides by winning over the Italian population to the ways of democracy. If the Christian Democratic Party is called upon to form a government, Signor Fanfani will probably become Premier. In the event the present Premier relinquishes the Premiership after the elections, Fanfani would be a worthy successor. Italy has made a good record under the Christian Democrats. It has signed various treaties for European collaboration, it has strengthened its position in Trieste, it has become a most worthy member of the United Nations, it has done a great deal toward rejuvenation of industry in the south, although much more remains to be done in that regard. The financing of a land reform program is almost completed. The INA-Casa plan, which seeks to provide housing for the indigent, has been expanded, unemployment has decreased, there has been a steady increase in national income, and economic progress has been continuous. Even greater would have been the progress, had not the Communists sought to impede the progress of Italy by their obstructionist tactics.

Togliatti and his confreres have one objective—the overthrow of the democratic Italian Government—by fair means or foul. Instructions from Moscow are: put forth a weak sort of Parliament in Italy to serve as arms for launching the missiles of the Communist revolution.

It is to be hoped the Italian electors will resent this Kremlin interference in their domestic elections and register that resentment by a thumping victory for Amintore Fanfani and the democratic parties. Italians should boldly resist the effects of the tainted lucre that Moscow sends into Italy to influence voting. Italians would fight off any physical invasion of their land by Russians. The invasion by the subtle means of money and fifth column is just as dangerous—even more dangerous, since it is an attack that is covert and unseen. Khrushchev's aim is the same in both cases—the overthrow of Italy's democratic regime.

Italians, I am sure, must realize the diabolical mischief of Khrushchev. One day, through (the now deposed) Bulganin, he sends in honeyed words to Italian Premier Zoli a proposal for coexistence and the next day he seconds Togliatti's campaign to win the coming elections—a victory that would make Italy a mere dependency of Soviet Russia. Common sense must force Italians to fight off such an insidious campaign. There can be no slackening of the struggle against communism.

Communism is far from dead in Italy. It still has strength of numbers of its adherents. Ten years ago they almost threw out DeGasperi and other democratic leaders. Now there has been a drop in party membership and Communists are on the defensive. Leaders in Milan, Naples, and Sicily have deserted the party. Labor unions under Communist domination have been losing steadily to democratic unions. The fight of 10 years against communism has not been fruitless.

But the Communists are still sufficiently strong for liberty-loving Italians everywhere to continue their fight against the baneful ideology that would make Italians slaves of Khrushchev, the new imperial czar.

Italians (and Americans too) must keep incessantly in the fore the recent tragedies attendant upon the unrest in East Germany and Poland and the uprising in Hungary.

Italians must be told that their choice is freedom and liberty or tyranny and brutality. Let Togliatti (and Nenni too), if he will, wash away the horrors of Poznan. Let him explain to Italian voters the murder of the innocent in Budapest by Russian tanks and machineguns.

It is hoped that in the coming election, the democratic parties will emerge stronger than ever. The job of insuring victory will not be easy. With precinct captains and leaders working hard and ceaselessly until the election, the votes necessary to obtain a majority of seats in the National Chamber may be attained.

In the cold war against Soviet Russia and its new Czar every member nation of NATO must be democratic and strong. We, in America, therefore, realize the importance of the Italian election. Democracy must win it, so that Italy as a NATO adherent remains strong. Thus this election is not merely a matter of domestic concern. It concerns the United States and all other democracies.

Cystic Fibrosis, Children, and a Challenge

EXTENSION OF REMARKS

OF

HON. COYA KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mrs. KNUTSON. Mr. Speaker, if it had been a cattle disease, a constituent of mine recently wrote me, something might well have been done long ago to conquer it. This constituent's letter was one of over 900 thoughtful letters, telegrams, postcards and telephone calls I received within 3 weeks after I gave the March 20 address to you on the subject of CF.

In our lifetimes many new words, phrases and abbreviations have found their way into our household vocabulary. Some of these expressions have come and gone; others have stayed with us and have become permanent fixtures of our language. CF is an ugly word. In time, we must rid the language of this word as well as the ugly disease for which it stands. But first, CF must become a rallying word. CF must become a slogan, to gather within us all the creative energies we can muster, through research, necessary to discover a cure for this disease.

If we hope to eliminate CF from our language, we must first make it an important part in our calendar for action. As I said to you on March 20, we must declare war on CF.

CF is cystic fibrosis. As Sam Dann has so aptly put it, "a physician can define it in 13 words." And if you believe that the number 13 is an unlucky number, let me read you one of the most unfortunate 13-word sentences in the English language:

> Cystic fibrosis is a generalized disorder of unknown etiology affecting the exocrine glands.

Now I would not be here talking to you today if I did not think that cystic fibrosis was important enough for current Congressional consideration in these complex times so pregnant with problems.

One out of twenty of us in America, it has been estimated, carry the recessive genes which cause this hereditary congenital child-withering disease. One out of six hundred children are born with cystic fibrosis—about seven thousand flesh and blood boys and girls each year. About half of these CF-stricken children

die before they reach the tender age of 5; not many of these children survive their teens. Unless we find a cure or new treatment in the meantime, almost 100 percent of CF victims will die of CF before they are old enough to die of something else.

President Eisenhower's heart condition and ileitis did much to trigger medical research in these fields. President Roosevelt's handicap drew attention to polio—and dimes marched against this dread disease. But cystic fibrosis with its thousands of victims, born to die before reaching adulthood, might very well never have a President to carry the banner against it.

The complexion of all I am saying here today would be different if it were impossible to cure this disease, if there were no hope. But as so many parents have written me, from all parts of the country, during the past few weeks, "where there's help, there's hope." Today, we know that there is very little that man cannot do if he puts his mind to it—if he put his God-given mind to it.

Dr. Sheldon C. Reed, director of the Dight Institute for Human Genetics, in Minnesota, has written me:

The prospects for survival of the affected child are improving with medical research.

Last week, I asked the National Institutes of Health and the National Cystic Fibrosis Research Foundation to meet with representatives of my office to discuss the matter of CF research.

I have learned that CF research appears to be getting somewhat shortchanged because NIH has to compete for the Congressional dollar, other diseases have been more widely publicized, competent research physicians and clinicians interested in CF are scarce, bedspace at the Institute is hard to come by. Little is known about CF—and little is known about the little which is known.

The House, when it passed on the appropriation which covers NIH, gave NIH the mandate to accelerate its research. Representative JOHN E. FOGARTY, chairman of the subcommittee which handles this appropriation, asked the head of one of the Institutes:

What are we doing in this field [cystic fibrosis] now? What are you doing about it? * * * How much are you spending in that area?

The answer was: "Not very much."

I realize, of course, the great progress which has been made since the disease was first identified by Dr. Dorothy Andersen only 20 years ago. But I am impatient because it would almost appear that only those persons affected personally by the disease are concerned with it. There are, of course, some dedicated researchers in this country and abroad who are investigating CF. I named a few of them the other day when I talked with you. We all are grateful to them.

I plan to insert in the CONGRESSIONAL RECORD a few of the nine hundred or so touching letters I have received urging additional research in CF. I cannot answer each one of these letters personally but I want to say that I hope and trust that an all-out war against CF will be forthcoming in the months to come.

I hope that the Senate will endorse the House's mandate to NIH to get substantial CF research under way, and that NIH will get whatever appropriations such stepped-up medical research demands.

Meanwhile I have written the following letter to the Surgeon General of the United States, urging that a conference of CF researchers be called to find out where we are and where we need to go. I have also asked for certain data relating to present NIH research efforts:

APRIL 14, 1958.

DR. LEROY E. BURNEY,
Surgeon General, National Institutes of Health, Bethesda, Md.

DEAR DR. BURNEY: On March 10, 1958, I asked the Congress to declare war on cystic fibrosis. You are undoubtedly aware that this disease strikes about one out of 600 children born each year in the United States and that during the past 20 years since the disease was first identified, it has been almost 100 percent fatal. I understand that cystic fibrosis has a lower incidence rate than polio or cerebral palsy but, even so, apparently has one of the highest mortality rates among children's diseases.

Research, of course, is the answer.

On April 9, 1958, representatives of my office met with Drs. Justin Andrews, Donald Whedon, and Norman B. McCullough of the National Institutes of Health, Dr. Robert H. Parrott of the Children's Hospital of the District of Columbia, and officials of the National Cystic Fibrosis Research Foundation. I should like to thank the representatives of the Institutes for their constructive suggestions regarding the following through on our declaration of war against CF. I was assured by them that the Institutes will do everything within their power to bring CF research into proper perspective.

In order that I may properly bring the progress of your CF research at the Institutes to the attention of the Congress, I respectfully request that you furnish the following data on your NIH programs:

1. How many professional persons are now engaged in research on cystic fibrosis of the pancreas: (a) Intramurally? (b) Extramurally?

2. What was NIH expenditure on cystic fibrosis research in 1955, 1956, 1957, and estimated 1958: (a) Intramural? (b) Extramural?

3. How many applications for extramural CF research projects have you considered during the past 3 years?

Of those applications received and considered, how many CF grants were approved?

What percentage of total applications for extramural research grants do those in the field of CF represent?

4. Please list the six children's diseases with highest mortality rates, in rank order of mortality rate, and provide data as to (a) number of professional persons now engaged in research intramurally and extramurally, (b) cost of each of these research programs for 1955, 1956, 1957, and estimated 1958.

5. Are the persons who consider applications for grants (extramural) fully aware of the high incidence and mortality rate of cystic fibrosis?

6. Because the nature of cystic fibrosis research must be carried on at the several Institutes, would it be feasible to get up a research center at the Institutes to coordinate such research? Give reason.

At the meeting of April 9, Drs. Whedon, McCullough, and Andrews all agreed that much of the difficulty in substantially expanding present research activities in cystic fibrosis is the shortage of researchers interested in this area of research. Little is known about the disease.

I therefore respectfully urge that a conference be called by the appropriate Institute at NIH, as an intramural project, a conference of the Nation's leading "cystic fibrologists," as Dr. Andrews called them, to find out what research has been and is being carried on in CF in the United States. Such a conference should let us know where we are and, if a conference report might be published, might stimulate medical professional interest.

Kindest personal regards.

Sincerely yours,

Congresswoman COYA KNUTSON.

Mr. Speaker, in a few days I shall introduce a bill to promote additional research. This bill, discussed last week with representatives of NIH, is presently being drafted for me by legislative counsel.

Let us make "beat CF" your slogan, now.

As Minnesota's Victor Cohn, in his fascinating book entitled "1999," said:

Defeat of most diseases will never be total. One person out of one must always die of something. But we may expect wonderful progress. * * * Medical progress, like all other kinds, fathers problems. Linus Pauling is even worried about the consequences of perfect drugs. What will people die of? But the progress must come. * * * The possible bad comes along with the good, but the good, if past medical history is prediction, should overwhelm us.

One person out of one must always die of something. But, with the necessary research, perhaps we can prevent the spectacle of children dying before they have even a chance to live.

The love of life is a built-in feature of life itself. Today's and tomorrow's CF victims also love life. They are counting on us to do something about CF.

Cystic fibrosis is children's foe. It is a word and a disease and a challenge.

Increased Federal Forest Timber Sales Will Increase Employment in Many Western Communities

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1958

Mr. MACK of Washington. Mr. Speaker, there are only two departments of the Federal Government that make a profit. These are the Internal Revenue Service, which collects the taxes, and the Federal Forest Service, which manages and sells federally owned forest timber.

The Federal Forest Service last year sold 7 billion feet of Federal timber and for that timber received $111 million. This $111 million from the sale of Federal timber after paying for all operating costs of the Department left a $32 million surplus which business would call a profit.

Desirable and helpful as that $32 million profit from timber sales was to the Federal Treasury, it could have been

better. It could have been bigger and better because, while the Federal Forest Service sold 7 billion feet of timber it, according to statements of its chief foresters, could have sold 11 billion feet of Federal forest timber and still have grown timber on the federally owned forest lands as fast as the timber was cut.

The Federal Government by selling 11 billion feet of timber from its Federal lands annually, instead of the present 7 billion feet, can increase the Federal Government's revenue from timber sales by more than $60 million a year. This will be far above all costs involved for the sale of extra timber and will leave the Government an additional profit of many millions of dollars a year to help finance the cost of Government.

Also the making of more Federal timber available will improve the economy of communities in the federally forested areas by assuring these communities an uninterrupted increased supply of logs which their woodworking industries require to assure full employment.

An artificial shortage of timber available for cutting has existed in the Pacific Northwest for several years due to undercutting on Government sustained yield forest lands. This certified shortage has resulted in many communities in curtailed employment.

By selling more Federal timber the Federal Government still, according to its own experts, can grow young trees to replace the old as fast as the old trees are cut. By doing so it can make money for the Federal Treasury and at the same time increase employment and prosperity in the timbered areas.

I am in full agreement with the text of a letter sent to President Eisenhower, under date of April 17, 1958, urging increased timber cutting on Federal forest lands by the Industrial Forestry Association, of Portland, Oreg. The text of the association's letter follows:

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

At the annual meeting of the Industrial Forestry Association, whose members employ more than 63,000 people in western Oregon and Washington today, our subscribers unanimously directed that we send you the following telegram:

"With the United States Government owning every other tree in Oregon and Washington which provide the American people with one-quarter of their forest products, it is imperative that a realistic allowable cut of Federal timber be sold each year. In the last 10 years, through failure of the United States to sell more than 7 billion feet of ripe timber which should have been harvested, the economy of Oregon and Washington has lost three-quarters of a billion dollars. Government's failure to sell the full allowable cut has created artificial timber shortages, contributed to inflation of timber prices, and resulted in fewer job opportunities in our States. We respectfully request that you direct the Forest Service and the Bureau of Land Management to sell each year the full allowable cut under sustained yield forest management. Harvest of the full allowable cut of Federal timber is essential to the new housing program, will increase employment, stabilize communities, speed attainment of long-range Federal forestry objectives, and return increased revenue to the Treasury and local governments."

NILS B. HULT,
President, Industrial Forestry Association, Portland, Oreg.

SENATE

TUESDAY, APRIL 22, 1958

Rev. John Prescott Robertson, D. D., minister, the First Congregational Church, Braintree, Mass., and chaplain of the Massachusetts Senate, offered the following prayer:

Almighty and Most Gracious God, Father of us all and of our Lord Jesus Christ, whose concerns have become our own: Look upon us now with Thy divine understanding and forgiving affection, as we bring the person Thou alone seest into Thy presence, through our noonday prayer.

Do Thou widen the horizons of our lives until we are as sensitive to the needs of others as we are to our own welfare. Make us restless both in vaunting our faith on street corners and in hiding our talents in the earth. Guard us alike from having too much trust in ourselves and too little faith in Thee.

Give us the courage and the vision, O God, to start where we are; to do what we can; and to speak as we are able; through Jesus Christ our Lord. 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 21, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

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

H. R. 3816. An act to amend section 752 of title 28, United States Code;

H. R. 5984. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colorado, and for other purposes;

H. R. 7515. An act to require pilots on certain vessels navigating United States waters of the Great Lakes, and for other purposes;

H. R. 7645. An act to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin;

H. R. 7681. An act 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;

H. R. 7710. An act to provide for the lump-sum payment of all accumulated and current accrued annual leave of deceased employees;

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes;

H. R. 8071. An act to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Va., known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co. in exchange for other lands and easements of said company;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouria Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 9022. An act to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress;

H. R. 9232. An act to amend Public Law 481, 84th Congress (70 Stat. 104);

H. R. 9281. An act to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes;

H. R. 9381. An act to designate the lake above the diversion dam of the Solano project in California as Lake Solano;

H. R. 9382. An act to designate the main dam of the Solano project in California as Monticello Dam;

H. R. 9738. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing 5.39 acres, more or less;

H. R. 10425. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H. R. 11058. An act to amend section 313 (g) of the Agricultural Adjustment Act of 1938, as amended, relating to tobacco acreage allotments;

H. R. 11519. An act to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels; and

H. R. 11668. An act to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 3816. An act to amend section 752 of title 28, United States Code;

H. R. 9022. An act to amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress;