The violence and terrorism which has been such an integral part of the growth of Israel as a nation is, of course, nothing new to the Jewish people. Violence and terrorism have been part of their history through the centuries, even to modern times; thousands upon thousands of present Israelis who have fought or aided innumerable battles in defense of their new homeland in the past 10 years were brought up in the tradition of Polish ghettos, of pogroms, of fiendish Nazi tortures. Establishment of a Jewish state in the Holy Land long had been a dream of millions of Zionists around the world who hoped to escape such violences; but the opposition was strong, the path toward its creation was studded with obstacles. Not until that historic day in May of 1948 was the dream of a Jewish state to become reality—and then it was a reality in which violence still could not be avoided.

In the April 1958, issue of the Hadassah Newsletter, is an interesting article by Cecil Roth, noted educator and historian and reader in Jewish studies at England's Oxford University, entitled "The State and World Jewry." One point made by Mr. Roth struck me particularly as most pertinent.

Before 1948, the article noted, there was a worldwide acceptance of the concept of a Jew as, and I quote Mr. Roth's article, "Intellectual, but unable to do things with his hands, unless it were with a needle; incapable of hard physical labor; and generally timid, unmilitary, and unsoldierlike." But in 1948, with the birth of the new nation, and I quote Mr. Roth again, "suddenly a new Jew forced himself on the attention of the western world; no less intellectual, perhaps, than before, but capable of and delighting in physical labor of the most exacting sort, and at the same time showing himself a superb fighting man." His characterization of the new Jew is so true. Only persons "capable of and delighting in physical labor of the most exacting sort" could have stuck it out in the nation and survived its initial years; any persons lacking those qualifications would have failed to survive, or would have tossed in the towel and migrated on to other lands. For it was in Israel, an era of toil and physical labor—hard, uncompromising, sweat-producing physical labor of the most exacting sort. As for the fighting qualities of the Israeli people, no one any longer can doubt them in the least. Whenever any nation with a population of only 2 million persons of all ages and conditions, can hold at bay and instill deathly fear in a surrounding ring of antagonistic neighbors whose populations total many, many times that number, none can doubt the fighting qualities and love of homeland of the 2 million. And it should be noted that Israel's heaviest defensive fighting occurred during its first year of being, when its population totalled less than 1 million people, not the 2 million of today, which makes the accomplishment even more notable.

There are those who decry these military accomplishments of the fledgling State of Israel, on grounds they demonstrate its aggressive nature. This argument I cannot accept. Had Israel not been willing to take up the gauntlet thrown down by its neighbors, and defend its people and its land against open hostility, I am confident there would have been no Israel today. There have been occasions when, I think, all of us would admit that the attitude of the Government of Israel has bordered on the truculent, perhaps on the obdurate. But I wonder what any American would have done under comparable circumstances. Again, it is difficult for persons living in this country to conceive of the difficult situation of those living in Israel. But if I may be permitted a flight of fancy, just suppose that Canada and Mexico were bigger, and more powerful on paper, at least, than the United States, and suppose that, in this imaginary case, Canada and Mexico openly proclaimed their hatred for the United States, and made known their intention of destroying the United States. Such a circumstance, of course, is sheer fantasy, and could never happen other than in a fanciful, hypothetical case. But hypothetical as it may be, if such a thing were to happen, I am sure we in the United States would become fully as truculent and obdurate in our attitude toward our neighbors, as Israel is today toward its neighbors.

The 5,000 Israelis who gave their lives in fighting to defend their new homeland during its first year of existence were imbued with the same love of country and deep desire for independent freedom as were our own American forefathers who gave their lives to prevent another foreign power from reestablishing its dominion over our American lands. It is that same love of country and yearning for independent freedom, that has caused leaders of the Israel Government to maintain an always-prepared, ready-for-anything attitude toward its Arab neighbors.

Israel, of course, has had its hotheads and its terrorists, such as those who a few days after the country had attained its independence, slew the United Nations mediator for Palestine, Count Folke Bernadotte; but those hotheads and terrorists are only a small minority, and their extravagances are as distasteful to the responsible leaders of Israel as they are to the rest of the peace-loving world. And those leaders, I am sure, desire peace and amity with their fellowman as earnestly and as deeply as do we who are convinced that the most effective way to maintain peace in this troubled world is to keep ourselves armed and strong enough to fight off any Communist aggression.

No discussion of Israel and its first 10 years would be complete without at least a word of tribute to the dogged determination, the perseverance, and the indomitable courage of the valiant leaders who helped to bring about its establishment as a nation and who have played major parts in steering it through the hazardous path of its first decade. Foremost in the public eye, undoubtedly, was the gallant Chaim Weizmann, the Russian-born British research chemist who as early as 1917 was instrumental in persuading the British Government to proclaim the famous Balfour Declaration, setting forth that country's objective of having Palestine established as a national home for the Jewish people, and who lived not only to see his dream of an Israel nation become reality but to become its first President. Nor can any historian overlook the scholarly, venerable David Ben-Gurion, who like Weizmann was born in Russia but as a young man migrated directly to Palestine—the Ben-Gurion, now 71, who as Prime Minister, has charted Israel's course ever since it became a nation, save for one brief period of retirement. There are many others who also should be mentioned, for their contributions both before and since Israel's establishment. Most of you perhaps are more familiar with their names and their achievements than I; suffice it to say that without their contributions, Israel today might not be.

Israel is highly deserving of the good will and support our country has extended, and of the encouragement it has received from our people. I am sure the preponderant majority of Americans would join me in predicting, for Israel, a bright and permanent future and the early attainment of its goal of a real position of power and influence in the family of nations.

SENATE

MONDAY, APRIL 28, 1958

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, who commandest the morning, into Thy hands we commit our wills and our work, in calm confidence that Thou art in the shadows and, behind them, working out Thy purposes for mankind, Thy children. Day by day set our feet on the shining path of righteous duty and selfless service.

In these days wherein the souls of men are sorely tried, when so much is demanded of those who would serve the present age, grant to this body of governance strength and grace, that they may prove worthy of every trust the Nation has committed to their hands, as on the anvil of vast issues there slowly is hammered into shape the new and better world that is to be: In the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
Washington, D. C., April 28, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, April 26, 1958, was dispensed with.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes, and it was signed by the Acting President pro tempore.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Finance and the Committee on the Judiciary were authorized to meet during the session of the Senate today.

CORRECTIONS OF THE RECORD

Mr. IVES. Mr. President, I rise to request the making of some corrections in the RECORD of Saturday, April 26. I wish it understood that I know the Official Reporters are in no way to blame for the errors.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Toward the bottom of the third column on page 7414 of the CONGRESSIONAL RECORD of Saturday, April 26, 1958, appears the following statement:

Mr. IVES. Mr. President, I yield to my junior colleague.

After which the Senator from Nebraska [Mr. CURTIS] proceeded with his remarks, which I had previously interrupted.

In yielding to "my junior colleague," I was referring to the junior Senator from New York [Mr. JAVITS], who took the floor to amplify remarks which he had previously made. This amplification appears in the first column of page 7412 of the CONGRESSIONAL RECORD of the same date.

When I yielded the floor back to the able Senator from Nebraska [Mr. CURTIS], I yielded with the following words, which appear at the conclusion of the remarks of the junior Senator from New York [Mr. JAVITS], in the third column of page 7414:

Let me ask whether other Senators desire to speak now on the same subject.

If not I yield the floor back to my good friend, the Senator from Nebraska.

In the light of the obvious error in the RECORD of Saturday, April 26, 1958, to which I have referred, I ask unanimous consent that the words I have just quoted be substituted for the language "Mr. President, I yield to my junior colleague.", which appears on page 7414.

The ACTING PRESIDENT pro tempore. The corrections will be made.

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 in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I wish to announce the anticipated legislative program, following the disposition of the pending business:

The military pay bill, H. R. 11470, which was reported last week, will be considered as soon as possible, after the disposition of the pending business, Senate bill 2888.

Later in the week we expect to have the Senate act on the Department of Interior appropriation bill, H. R. 10746.

It is also planned to have the Senate give consideration to Calendar No. 1488, H. R. 9655, to authorize the free importation of certain articles for exhibition at the Oregon Exposition; and also such other bills on the calendar as may be cleared for action during the week.

It is the present intention of the leadership to have the Senate proceed on Thursday or Friday to the call of the calendar for the consideration of measures to which there is no objection.

I should like to have all Senators on notice of this schedule.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO DISPOSAL OF CERTAIN UTILITIES BY UNITED STATES COAST GUARD

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 10, United States Code, section 2481, to authorize the United States Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO ASSIGNMENT OF RETIRED JUDGES TO ACTIVE DUTY

A letter from the Director, Administrative Office of the United States Courts, Washington, D. C., transmitting a draft of proposed legislation to amend subsections (b), (c), and (d) of section 294 of title 28, United States Code, relating to the assignment of retired judges to active duty (with an accompanying paper); to the Committee on the Judiciary.

REPORTS OF BOARD FOR FUNDAMENTAL EDUCATION

A letter from Harry T. Ice, of the firm of Ross, McCord, Ice & Miller, of Indianapolis, Ind., transmitting pursuant to law, the annual and audit reports of the Board for Fundamental Education, for the year 1957 (with accompanying reports); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

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

"Senate Joint Resolution 6

"Relating to the economics of disarmament

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

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

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

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

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

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

"1. The impact of defense industry upon specific heavily populated local areas throughout the State of California, where such industries constitute a substantial part of economic activity. Such a study should include information as to the numbers of people directly involved in such defense industries, the geographic distribution of such industries and a consideration of ways and means of encouraging the development of nondefense industry and the reconversion of defense to nondefense industry.

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

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

"*Resolved*, That the secretary of the senate is directed to send suitably prepared 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 Member of the Congress of the United States representing the State of California."

"Senate Joint Resolution 11

"Relative to the naming of nuclear-powered fleet ballistic missile submarines

"Whereas due to the changing tactics of naval warfare and the development of new forms of powerplants and armament for naval vessels, the United States Navy has now decommissioned the last of its battleships; and

"Whereas insofar as can be foreseen, the naval fleets of the future will not include battleships; and

"Whereas the battleships of the United States Navy have historically been named for the States, and the developments which have resulted in the retirement of battleships from the fleet will similarly result in the absence from the United States Fleet of any ships named for the States of the Union; and

"Whereas a new powerful type of vessel has been developed and is currently being constructed for use with the United States Fleet which vessels have been described in authoritative articles and otherwise as the 'battleships of the future'; and

"Whereas these vessels are designated as nuclear-powered fleet ballistic missile submarines and those currently under construction have the capability of carrying 16 Polaris missiles using atomic warheads which may be fired, while the vessel is submerged, against land targets 1,500 miles distant; and

"Whereas the Legislature of California is unaware of any decision by the United States Navy to assign a type of name to this new type of vessel; and

"Whereas informed sources advise that because of the high potentialities of these new type vessels it is highly improbable that more than 48 such ships would ever be simultaneously commissioned in the fleet; and

"Whereas one of the first of three such vessels now under construction, the SSGN 600, is now being built at the Mare Island Naval Shipyard at Vallejo, Calif.: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the United States Government is requested to give consideration to the naming of nuclear-powered fleet ballistic missile submarines with the names of the States of the Union in recognition of their potential capabilities; and be it further

"*Resolved*, That the Federal Government be urged to designate the SSGN 600 now under construction in this State as the U. S. S. *California;* and be it further

"*Resolved*, That the secretary of the senate is directed to forward copies of this resolution to the President of the United States, the Vice President of the United States, the

Speaker of the House of Representatives, the Secretary of Defense, the Secretary of the Navy, and to each Member of the Congress representing California."

A resolution adopted by the Board of County Supervisors of the County of Ventura, Calif., favoring the enactment of legislation to repeal all excise taxes; to the Committee on Finance.

A resolution adopted by the Westchester County Association, of New York, favoring the enactment of legislation to provide assistance to the railroad industry; to the Committee on Interstate and Foreign Commerce.

THIEF RIVER WATERSHED PROJECT, MINNESOTA—LETTER AND RESOLUTIONS

Mr. THYE. Mr. President, I have received letters and petitions asking that the Federal Government aid in the water conservation and flood-control work of the Thief River watershed project in Minnesota. One of these petitions has been signed by a total of 450 individuals. I ask unanimous consent that these resolutions and the letter of transmittal be printed in the RECORD, and appropriately referred.

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

CHAMBER OF COMMERCE,
Thief River Falls, Minn., April 25, 1958.

Re Thief River watershed project.

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

DEAR SENATOR THYE: I am forwarding to you a copy of the petition referred to in our letter of April 15, 1958, pertaining to the Thief River watershed project. This petition has been signed by over 300 freeholders of the area affected by this watershed.

I am also enclosing a copy of resolutions drawn and adopted by the Pennington County Soil Conservation District and the Marshall-Beltrami Soil Conservation District, emphasizing the support and importance of the enclosed petition.

Copies of this petition and the resolutions are also being filed with all respective organizations and agencies who will be involved in the overall project.

Thank you for your past promptness and courteous attention. We trust that this matter will receive similar attention.

Sincerely yours,
THIEF RIVER WATERSHED PROJECT,
J. M. ROCHE, *Secretary.*

PENNINGTON COUNTY
SOIL CONSERVATION DISTRICT,
Thief River Falls, Minn.

To Whom It May Concern:

Whereas the Thief River is the major outlet for a portion of Pennington County; and

Whereas said river is not adequate to carry off flood waters; and

Whereas many farmers in the affected area lose all or part of their crops in some years because of flooding or inadequate drainage;

Therefore we the supervisors of the Pennington County Soil Conservation District do support the farmers living in the Thief River watershed in their request to have a study made of the flooding and drainage problems of the area.

A motion was made, seconded, and duly carried to adopt the resolution at a meeting of the board of supervisors held Monday evening, April 7, 1958, at Thief River Falls, Minn.

EDGAR NAPLIN,
Secretary.

MARSHALL-BELTRAMI
SOIL CONSERVATION DISTRICT,
Grygla, Minn., April 21, 1958.

At the regular monthly meeting of the Marshall-Beltrami Soil Conservation District, the board of supervisors went on record, by unanimous vote, to support the Thief River Watershed Development Association in their request for an overall survey of the Thief River watershed.

OLIVER P. HOWLAND,
Chairman.
LEHART STOCK,
Secretary.

PETITION

Whereas the Thief River is a meandered stream in the State of Minnesota with a watershed of approximately 1 million acres and is a tributary of the Red Lake River in this State; and

Whereas, several hundred miles of drainage ditches have been constructed in the Thief River watershed which ditches have their outlet in the Thief River; and

Whereas, said ditches are now in a state of disrepair and there are now pending several petitions for the repair and improvement of said ditches in the Thief River watershed; and

Whereas the channel of the Thief River is wholly inadequate as an outlet for the drainage area and irreparable damage will be done if said projects are put through; and

Whereas there exists in the Thief River watershed State and Federal wildlife refuges, and the existence of such refuges requires a redesigning of the drainage systems for the establishment of a watershed plan for the proper control of waters in the watershed compatible with the interests of agriculture, conservation and wildlife; and

Whereas such watershed plan will necessarily require an improvement of the Thief River Channel as an outlet for the waters of the area; and

Whereas, said area has for the past several years been subjected to devastating floods; and

Whereas the Congress of the United States has heretofore constructed channel improvements on the Red Lake River and its tributary the Clearwater River at Federal costs; and

Whereas similar problems of flood control exist along the Thief River as heretofore existed along the Red Lake River and the Clearwater River channels;

Now, therefore, we respectfully petition the Congress of the United States and our duly elected Representatives and Senators in Congress to inaugurate legislation to provide funds for a survey of the entire watershed of the Thief River under the supervision and control of the Corps of Engineers, United States Army, for the correction and control of the flood waters of the area.

Respectfully submitted.

——— ———.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2984. A bill for the relief of Taka Motoki (Rept. No. 1475).

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

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 1476).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

S. 1524. A bill for the relief of Laurance F. Safford (Rept. No. 1473).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with amendments:

S. 1857. A bill to authorize the incorporation of the Congressional Medal of Honor Society of the United States of America (Rept. No. 1474).

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. R. 10746. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1479).

By Mr. BYRD, from the Committee on Finance, without amendment:

H. R. 1126. An act to amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition (Rept. No. 1481);

H. R. 5208. An act to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos (Rept. No. 1482);

H. R. 7516. An act to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations (Rept. No. 1483);

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite (Rept. No. 1484);

H. R. 9923. An act to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation, of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes (Rept. No. 1485);

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed (Rept. No. 1486);

H. R. 10792. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing (Rept. No. 1487);

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (Rept. No. 1488); and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes (Rept. No. 1480).

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

H. R. 358. An act to increase the monthly rates of pension payable to widows and former widows of deceased veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection (Rept. No. 1489);

H. R. 2151. An act to suspend for 3 years the import duties on certain coarse wool (Rept. No. 1490); and

H. R. 2783. An act to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite (Rept. No. 1491).

REPORT ENTITLED "INTERNAL SECURITY ANNUAL REPORT FOR 1957" (S. REPT. NO. 1477)

Mr. EASTLAND. Mr. President, pursuant to Senate Resolution 58, 85th Congress, 2d session, from the Committee on the Judiciary, I submit a report entitled "Internal Security Annual Report for 1957," which I ask to be printed.

The ACTING PRESIDENT pro tempore. The report will be received, and printed, as requested by the Senator from Mississippi.

REPORT ENTITLED "IMPROVING FEDERAL LAW ENFORCEMENT AND ADMINISTRATION OF JUSTICE" (S. REPT. NO. 1478)

Mr. O'MAHONEY, from the Committee on the Judiciary, pursuant to Senate Resolution 54, as extended by Senate Resolution 238, 85th Congress, submitted a report entitled "Improving Federal Law Enforcement and Administration of Justice," containing a summary of findings and recommendations of the Subcommittee on Improvements in the Federal Criminal Code, which was ordered to be printed.

REPORT ENTITLED "CONSTITUTIONAL RIGHTS" (S. REPT. NO. 1492)

Mr. HENNINGS, from the Committee on the Judiciary, pursuant to Senate Resolution 49, 85th Congress, 1st session, as extended, submitted a report entitled "Constitutional Rights," which was ordered to be printed.

REPORT ENTITLED "EMIGRATION OF REFUGEES AND ESCAPEES" (S. REPT. NO. 1493)

Mr. LANGER, from the Committee on the Judiciary, pursuant to Senate Resolution 53, 85th Congress, 1st session, as extended, submitted a report entitled "Emigration of Refugees and Escapees," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

Fred Elledge, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee.

By Mr. BYRD, from the Committee on Finance:

Walter R. Schreiber, of Maryland, to be a member of the United States Tariff Commission;

James L. Latimer, of Texas, to be collector of customs for customs collection district No. 21, with headquarters at Port Arthur, Tex.; and

Douglas Butler, of Texas, to be collector of customs for customs collection district No. 24, with headquarters at El Paso, Tex.

BILLS INTRODUCED

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

By Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. HILL, Mr. NEUBERGER, Mr. KENNEDY, Mr. JAVITS, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. LANGER, Mr. HUMPHREY, Mr. MAGNUSON, Mr. CHURCH, Mr. JACKSON, Mr. PASTORE, and Mr. SPARKMAN):

S. 3713. A bill to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities; to the Committee on Banking and Currency.

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

By Mr. KENNEDY:

S. 3714. A bill to amend section 414 of the Mutual Security Act of 1954 so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes; to the Committee on Foreign Relations.

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

By Mr. ELLENDER:

S. 3715. A bill to assist the States in providing additional facilities for agricultural research at State agricultural experiment stations; to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON:

S. 3716. A bill for the relief of Dr. Aldo Stampacchia; to the Committee on the Judiciary.

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

S. 3717. A bill to amend the Housing Act of 1954 with respect to urban planning for groups of adjacent communities; to the Committee on Banking and Currency.

By Mr. CAPEHART:

S. 3718. A bill for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income tax purposes; to the Committee on Finance.

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

By Mr. WILEY:

S. 3719. 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.

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

AMENDMENT OF TITLE IV OF THE HOUSING ACT OF 1950, RELATING TO COLLEGE HOUSING

Mr. CLARK. Mr. President, on behalf of myself and 15 colleagues, I introduce a bill to amend title IV of the Housing Act of 1950—college housing—to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities.

I ask unanimous consent that the bill be held at the desk, for additional cosponsors, for 1 legislative day.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 3713) to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities, introduced by Mr. CLARK (for himself, Mr. FULBRIGHT, Mr. HILL, Mr. NEUBERGER, Mr. KENNEDY, Mr. JAVITS, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. LANGER, Mr. HUMPHREY, Mr. MAGNUSON, Mr. CHURCH, Mr. JACKSON, Mr. SPARKMAN, and Mr. PASTORE) was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. CLARK. Mr. President, the bill would make Federal loans available to colleges and universities which desire to construct classrooms, libraries, administration buildings, and the like, in the same manner as loans are now available to these institutions for the construction of dormitories.

The program would be administered by the Housing and Home Finance Agency, and would provide for loans of $250 million, at 3 percent interest, for not to exceed 50 years. The program has worked with great success in the field of construction of college dormitories, for which an authorization of $925 million has been made and most of that amount loaned, without even one instance of default.

It has been estimated by the American Council on Education that during the next 10 years the enrollment in our colleges and universities will increase by from 3 million to 6 million. By 1968, perhaps $18 billion will be required in order to provide adequate college and university facilities, in order to take care of the increased enrollment.

The President's Commission on Education Beyond the High School, under the chairmanship of Devereux Josephs, has recommended grants-in-aid to help take care of this great need, like those provided by the Hill-Burton Act in the case of hospitals. I favor that approach, but there are difficulties, and there might be substantial opposition.

This loan program seems to me to be feasible and workable. I hope very much the bill will be enacted by the Congress as part of the omnibus housing bill which will be brought before the Senate at an early date.

I am happy to note that both the chairman of the Senate Committee on Banking and Currency [Mr. FULBRIGHT] and the chairman of the Senate Committee on Labor and Public Welfare [Mr. HILL] are cosponsors of the bill.

Mr. President, the bill has the additional advantage of being an antirecession, proemployment measure, as well as a bill to help solve our educational problems beyond the high-school level.

Let me point out that the bill will not create any competition with private lending agencies, since it is only rarely at present that colleges or universities go into the private credit market for funds with which to construct facilities.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the bill (S. 3713) was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That title IV of the Housing Act of 1950 is amended by adding at the end thereof a new section as follows:

"LOANS FOR CLASSROOM BUILDINGS AND OTHER ACADEMIC FACILITIES

"SEC. 405. (a) In addition to the other purposes for which financial assistance may

be extended under this title, the Administrator may make loans to educational institutions for (1) the construction of new structures suitable for use as classrooms, laboratories, and related facilities (including initial equipment, machinery, and utilities) necessary or appropriate for the instruction of students or the administration of the institution, and (2) the rehabilitation, alteration, conversion, or improvement of existing structures for the uses described above if such structures are otherwise inadequate for such uses. As used in this section, the term 'educational institution' means any educational institution offering at least a 2-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(b) Any educational institution which, prior to the effective date of this section, has contracted for the construction, rehabilitation, alteration, conversion, or improvement of any structures for the uses described in subsection (a) above may, in connection therewith, receive loans authorized by this section, as the Administrator may determine, but no such loan shall be made in connection with the construction, rehabilitation, alteration, conversion, or improvement of any such structure if the work thereon was commenced prior to the effective date of this section, or was completed prior to the filing of an application under this section."

SEC. 2. Title IV of the Housing Act of 1950 is further amended by—

(1) striking out "Housing" in the heading of such title and inserting in lieu thereof "Loans";

(2) striking out "Federal" in the heading of section 401 and inserting in lieu thereof "College Housing";

(3) inserting after "loan" in clause (1) of the first proviso to section 401 (a) the following: "(including any loan under sec. 405 of this title)";

(4) striking out "A loan to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administration" in section 401 (c) and inserting in lieu thereof the following: "A loan under this section to an educational institution may be in an amount not exceeding the total development cost of the facility, as determined by the Administrator, and a loan under section 405 of this title to an educational institution may be in an amount not exceeding the cost of construction of the structures involved (including related facilities), and the loan on which the structures are located, as determined by the Administrator";

(5) inserting "(1)" immediately before the text of subsection (d) of section 401, by striking out "under this title" in such subsection (d) and inserting in lieu thereof "under subsection (a) of this section" and by adding at the end of such subsection (d) a new paragraph as follows:

"(2) In addition to the notes and other obligations authorized in paragraph (1) of this subsection, the Administrator may issue to the Secretary, from time to time and have outstanding at any one time, in an amount not exceeding $250,000,000, notes and other obligations for the purpose of carrying out the provisions of section 405 of this title"; and

(6) inserting after "For the purposes of this title," in section 404 the following: "except as otherwise provided in section 405."

PROPOSED EXCLUSION OF IMPORTATION OF CERTAIN ARMS OR AMMUNITION

Mr. KENNEDY. Mr. President, I introduce, for appropriate reference, a bill to amend section 414 of the Mutual Security Act of 1954, so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3714) to amend section 414 of the Mutual Security Act of 1954 so as to exclude from importation or reimportation into the United States arms or ammunition originally manufactured for military purposes, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. KENNEDY. Mr. President, a similar amendment was favorably reported the other day from the House Foreign Affairs Committee by a vote of 26 to nothing.

The effect of the proposed amendment to the law would be to exclude from importation only arms or ammunition originally manufactured for military purposes. Ammunition and guns imported into the United States have helped spoil the domestic market and the market for imported guns which were originally manufactured for game purposes.

So I think the bill is in the interest of a great many jobbers, and at least 125,000 retailers located in all 48 States, and of particular importance to 5 arms manufacturers in Massachusetts, including Savage Arms, Harrington & Richardson, Nobel Manufacturing Co., Smith & Wesson, and Iver-Johnson Arms & Cycle Works.

FEDERAL LOANS TO DEVELOPMENT GROUPS THROUGH STATEWIDE CORPORATIONS

Mr. WILEY. Mr. President, last week I was privileged to serve as cosponsor of S. 3643, a bill which would expand the existing authority of the Small Business Administration to make long-term Federal loans to State and local development credit organizations. The principle on which these development credit corporations operate is one which I have long considered worthwhile. Organizations of this type are designed to utilize, to the fullest possible extent, private sources of capital. Up until the present time they have been 100 percent dependent on "credit pools" created by local investors.

However, in the current economic dip, it has become increasingly difficult for some of these corporations to meet small-business demands for loan capital because of the large increase in the number of applications. This situation can be remedied by making Federal loans to these organizations through SBA as provided in this bill.

Subsequent to the introduction of S. 3643, it was called to my attention that a similar measure was introduced in the House of Representatives by Representative WILLIAM S. HILL. However, his bill (H. R. 12026) contains one refinement which I believe is of considerable merit and will greatly facilitate the handling of loans by the SBA. This provision calls for the establishment of 48 State development credit corporations and 3 territorial corporations. These State organizations would act as intermediaries between the hundreds of local development corporations and the Federal Government. The SBA would make its funds available only to the one accredited corporation in each State or Territory.

In the State of Wisconsin, for example, there are more than 170 private development credit corporations. There is also a corporation at the State level. Under the provisions of this bill the State corporation would act as a clearinghouse for all loans and would borrow funds from the SBA only when its capital is depleted. This would, I believe, greatly expedite the loan procedure and would get the money into the hands of the deserving small-business man much more rapidly by screening undesirable applications at the State level.

The Banking and Currency Committee of the Senate is now conducting hearings on S. 3643 and S. 3651. I will have more to say at a later date, regarding S. 3651, a bill which calls for creation of a new agency, a principle which, I may say at this time, I oppose.

In order that the committee may have an opportunity to study the provisions I have just mentioned, I am pleased to introduce a bill which contains the same refinements as that of H. R. 12026, and ask for its appropriate reference.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3719) 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, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXTENSION OF NATIONAL WOOL ACT OF 1954—AMENDMENTS

Mr. PROXMIRE. Mr. President, I submit amendments which I intend to propose to the wool bill, Senate bill 2861. The wool bill would extend for an additional 4-year period the provisions of the National Wool Act of 1954. I ask that my amendments be printed and appropriately referred.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, the amendments would prevent reductions in other support prices or acreage allotments below the levels which were in effect in 1957, until Congress has had an opportunity to consider and to act on changes in the price-support laws which may be necessary. My amendments would have the same effect as would overriding President Eisenhower's veto of the agriculture commodity price-support freeze bill, except the amendments would require only a majority vote.

Mr. President, the bill to extend the Wool Act would give to wool producers for 4 more years the benefits of a very fine farm program. This program protects the returns of wool producers at up to 110 percent of parity price levels; it has assured growers of an average re-

turn of 62 cents a pound for wool since the program went into effect in the 1955 season. This price amounted to 104 percent of parity in the first year of the program. Today, because wool has been particularly favored by the modernized parity formula, the parity price of wool has climbed to 70 cents from 59 cents in 1955. As a consequence of the increase in parity for wool, the uniform support rate of 62 cents a pound represents a lower percentage of parity—only 88 percent, today, contrasted with 104 percent just 3 years ago.

The wool program is a good one in many respects. In my opinion, several of the basic principles followed in the wool program should be adapted for other farm commodities. Returns to family farm producers should be raised immediately to levels comparable to those that prevail under the wool program. Self-financing methods should be adopted. And the system of compensatory payments, which is the very heart of the wool program, should be used more widely for other commodities, as well.

Mr. President, as soon as it can be done, improved farm programs similar to the program for wool which was adopted in the National Wool Act of 1954 should be extended to the producers of other farm commodities.

The amendments I am proposing, Mr. President, will give to American farmers and to Congress a brief respite from the failures of the old farm programs to stabilize farmers' returns, so that a permanent, workable farm program for other commodities can be worked out on the patterns of the wool program. Certainly, Mr. President, the producers of dairy commodities, for example, are every bit as valuable to our economy, and every bit as entitled to protection for their returns, as are the producers of wool. It does not detract at all from the appreciation and high regard we have for our patriotic wool producers—and there are many of them in my State—to assert that justice for one group of producers should be extended to others as well.

As a matter of fact, Mr. President, I am convinced that there is no real security for the producers of wool that is separate and distinct from a comprehensive all-commodity farm program that gives real security and opportunity to all family farmers. It happens, by chance, that the present Secretary of Agriculture is favorably disposed toward producers of wool and producers of sugar. Perhaps the next one may not be. At any rate, wool producers and sugar producers will be much more secure if farmers generally are given fair and just protection, than if they remain as islands of relative prosperity in a sea of farm distress and depression.

My amendments, Mr. President, do not undertake to establish for producers of other farm commodities a program to provide the degree of protection that wool producers enjoy under the Wool Act. They will merely prevent their returns from being depressed further this year while Congress and the administration work to apply to other commodities the principles of the wool program.

It would be dangerous and a tragedy to permit farm prices to be forced down further this year, while the Nation's economy is drifting toward the brink of a disastrous depression.

The amendments I am proposing would provide exactly what was proposed by the joint resolution which was passed by Congress and which provided for strong supports, but which the President unwisely, in my estimation, vetoed.

Congress cannot afford to accept the President's veto as a final verdict. It is not fair to American farmers. It is dangerous to our economy. It will hurt everyone who depends upon agriculture for markets, and it will speed the demise of the family-type farm.

RIVERS AND HARBORS AND FLOOD CONTROL ACT OF 1958—AMENDMENT

Mr. BUSH submitted an amendment, intended to be proposed by him, to the bill (S. 3686) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works and ordered to be printed.

NATIONAL RESEARCH PROGRAM BY COLLEGES OF FORESTRY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of April 25, 1958,

The names of Mr. ALLOTT, Mr. MANSFIELD, Mr. MURRAY, and Mr. PROXMIRE were added as additional cosponsors of the bill (S. 3709) to authorize an increased program of research on forestry and forest products, and for other purposes, introduced by Mr. NEUBERGER (for himself, Mr. JAVITS, and Mr. MORSE) on April 25, 1958.

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. NEUBERGER:

Article entitled "TVA: Democracy in Action," written by Senator HILL, and published in the Progressive magazine for May 1958.

By Mr. HILL:

Article entitled "The Miracle of Rivers," written by Senator NEUBERGER, and published in the May issue of the Progressive magazine.

HUMAN WELFARE AND EDUCATION

Mr. SMITH of New Jersey. Mr. President, when the Senate convened in January, the orbiting Russian sputniks lent emphasis to the need for early action to strengthen our educational system, particularly in mathematics and science. In recent weeks we have been concerned primarily with economic legislation, and little attention has been paid to education.

I think it is time for a reminder that the need which existed in January has been made no less urgent by the success of our missile men in evening the score with the Russians.

Before the session was 1 month old, President Eisenhower asked Congress to demonstrate national leadership and concern in strengthening education, particularly in areas which are most critical to the national security. I had the privilege of introducing proposed legislation to implement his request, and the distinguished senior Senator from Alabama [Mr. HILL] proposed a similar approach in introducing his own bill.

On March 13 the Labor and Public Welfare Committee concluded 8 weeks of hearings on these and a number of other education bills. Work was then begun on a committee bill, which I earnestly hope will be reported in the very near future. Certainly it is time to get moving again on education legislation. We must put an end to the tremendous waste of national brainpower by providing more opportunity for our students to achieve their highest potential. We must raise our standards to place greater emphasis on the pursuit of learning, and promote greater respect for intellectual achievement.

These steps must be taken in the national interest, as part and parcel of our defense effort. They are the objectives of the President's education program. But they cannot be met without greater public acceptance of responsibility for strengthening our schools at the local level.

To this end Secretary Folsom has worked tirelessly in recent months, speaking throughout the country in an effort to promote understanding of the administration program. At the Biennial Convention of the National Jewish Welfare Board in Washington on Friday, April 18, he gave a particularly fine exposition of the central problems facing education and the way in which the President's program attempts to meet them. I ask unanimous consent that this speech on Human Welfare and Education be printed in the RECORD at this point in my remarks.

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

HUMAN WELFARE AND EDUCATION

(By Marion B. Folsom, Secretary of Health, Education, and Welfare)

It is indeed a pleasure to address you who are volunteering time and effort in important social work in communities across the Nation.

Voluntary agencies such as yours are a great blessing to American national life. Over the years, they have grown from isolated pioneering efforts into highly effective nationwide organizations. And in the process their concepts have become broader. No longer are such efforts concerned solely with the alleviation of the more pronounced forms of want and misery. Today, the concepts and practices of social work embrace not only the alleviation of want but increased efforts toward the elimination of its causes.

As the horizons of social welfare work have expanded, we have come to understand more clearly than ever before the extent to which the various factors affecting individual and family life play upon one another. While seeking to deal more effectively with specific problems of disease and financial need, we also try to see these problems in the context of the total environment which influences human welfare.

From the beginning of our national life, we have seen with varying degrees of clarity that one of the foundations upon which the whole structure of human welfare rests is knowledge and the development of the human intellect. From these flow protection from disease, financial security, effective democratic government, leisure for the pursuit of personal interests—these and many other things that we prize so highly.

It is this realization that led to the establishment of our free public school system and that has powered all of the other great forward thrusts toward universal education that have marked our progress as a nation. We are today, I devoutly hope, on the threshold of another surge ahead in education. I know that you, who in the normal course of your many activities regularly see the interplay of education on all facets of human welfare, share this hope.

I know that your organization also joins me in deep concern about the problems confronting our American educational system today. I believe that there are deficiencies in American education today that are downright tragic. None of us can rest easy about education until it is clear that more effective action is firmly under way at all levels of government and throughout society to help our schools and colleges meet the urgent needs of our times.

But let me make one thing perfectly plain. I do not believe we need to alter our basic concepts of the meaning and purpose of education. Never in history has a nation provided so much education for so many people. I believe that we should not swerve from our fundamental concept that the purpose of education is to enable each individual to achieve his highest potential.

The change I believe we should make is not to turn our sights to some other target but to train them more steadily and more effectively on that very target which has long been established. I think we are not moving fast enough or with a firm enough step on the course we have set. In my opinion, we are not making a sufficient effort to see that each boy and girl does, in fact, achieve through education his or her highest potential.

Our philosophy of education has produced a rich diversity of educational institutions, both public and private. We do not want to disturb or diminish the benefits derived from this diversity—the freedom, the initiative, the enterprise, the absence of rigid national uniformity. The control of education is where it should be and where it must continue to be—in the States and communities, and in private institutions.

The weaknesses in education today derive simply from insufficient effort and attention and support to make our fundamental concepts work as effectively as they should. Our society does not give the development of intellect and knowledge the high priority that is needed. We do not give academic achievement the respect and rewards we should. And we do not, as a nation, put enough money into education.

Somehow our conscience does not seem to be disturbed enough by the fact that our public schools are short this year by more than 140,000 classrooms and by 135,000 qualified teachers. This means simply that millions of children are losing educational opportunities every day. And these opportunities, once lost, are never fully made up—they are permanent losses both to the children and to our society as a whole.

A Senator expressed the point very well to me the other day: "I live in a well-to-do district in a prosperous community in a progressive State," he said. "And yet my children go to school for only half a day, because there isn't enough room for all the children for a full day. I think this is simply terrible, but nobody seems to be very excited or disturbed about it. Somehow our people have got to get more excited about education."

The richest nation on earth should also be ashamed of the fact that it pays its college teachers an average of only a little over $6,000 a year. And in 20 States, the average salary for all public elementary and secondary school teachers ranges somewhere below $4,000—down to as low as $2,500. Is it any wonder that many persons who are trained to teach and who would like to teach—especially those with families to support—go into other fields?

The low salaries we pay our teachers is but one manifestation, it seems to me, of an insufficient interest in and support for the system of education that we profess to prize so highly. This shows in other and equally serious ways.

It is obvious that science and mathematics are the fields of knowledge which are critically important to national security in our times. Yet only 1 out of 3 of our high-school graduates takes chemistry, only 1 out of 4 physics, 1 out of 3 intermediate algebra, and 1 out of 8 trigonometry or solid geometry. Some students cannot take such courses even if they want to. About 100,000 seniors are in public high schools which offer no advanced mathematics of any kind. Nearly 75,000 are in schools which offer neither chemistry nor physics.

We are even more deficient in the study of languages. Though some 3 million Americans are now living, traveling, or working abroad each year, we are the most backward major nation in the world in the vital field of language competence. A recent State Department study showed that only 1 out of 4 incoming Foreign Service officers had a proficiency in any foreign language.

Whereas a Russian student must start a foreign language in the fifth grade, and continue to study foreign languages for many years, foreign languages are seldom offered in American elementary schools and only about 15 percent of our high-school students are studying modern foreign languages in any one year.

Moreover, our young people are not especially proficient in the one language we presume they know well. English is our great medium of communication for all subjects and all disciplines. Yet large numbers of entering freshmen are appallingly ill-trained in the use of the English language.

The talents of American children are being wasted not only in such piecemeal ways involving those who are in school, but in wholesale lots for those able young people who drop out of school tragically early. Each year more than 200,000 young Americans who rank in the top 25 or 30 percent of their high-school classes drop out of school before graduation or fail to go on to college. And of those in the top 30 percent of their high-school graduating class who actually enter college, only about 7 out of 10 eventually graduate.

When talented youngsters drop out of school, the reason is usually lack of money or lack of motive, or both. It is worth noting that the Soviet Union thinks enough of education to provide free schooling for its more able students not only in grade school but all the way through the doctorate degree. And a college student who keeps his grades up gets regular pay in addition to his expenses. In the United States, it costs from $1,500 to $2,000 per year to attend college. Yet three-quarters of the scholarships provided by educational institutions are for less than $375 per year.

It seems to me the American people, by and large, have not faced up to the magnitude of the opportunities and the problems in education.

Consider, for example, the impact of enrollment increases alone. The number of young people knocking at the doors of our schools and colleges already has increased far beyond any measure we have known before. And the tide of students is still rising rapidly and will continue to do so for years ahead. The total number of students in school and college will probably increase, roughly, from 31 million in 1950 to 52 million in 1965.

Our schools and colleges, public and private, are now costing us about $20 billion a year. If we only maintain current standards as to classrooms, teacher pay, and the number of students per teacher, we will need to invest about $25 billion a year in education within 10 years merely to keep up with enrollment increases.

But the lack of funds for education is only a symptom of a more deep-seated problem. What is needed most of all is a new appreciation of the value and crucial importance of education—to the individual and to our free society as a whole. We need a new emphasis on the pursuit of learning, a greater respect for intellectual achievement. In many of our schools and homes we need more hard work in fundamental academic subjects, and higher academic standards. Good teaching and good scholarship should be highly prized and greatly rewarded—by the school, the family, and the community.

I do not believe we have made as much progress along these lines in this country as we should. If academic accomplishment has not fallen into disrepute, it is at least suffering under indifference and lack of esteem.

Under the American tradition, we have wisely placed the primary responsibility for meeting the needs of education in the States and communities. But as President Eisenhower has said, the Federal Government must do its part. And so the President has urged upon Congress action to demonstrate national leadership and national concern in strengthening education, particularly in those areas which are most directly critical to national security.

These proposals would help the States and communities identify talented youngsters at an earlier stage in education, encourage them to stay in school and challenge them to their best academic work. They would strengthen the teaching of science and mathematics and foreign languages, and help our graduate schools provide more collegiate teachers. Altogether, this program of emergency assistance calls for about $1 billion in Federal funds over the next 4 years.

It seems to me the need for these programs has been demonstrated so fully in recent extended hearings in both Houses of Congress that action in education should now be given a clear and compelling priority.

As with any legislation, the administration's proposals have their share of critics who would give more, or less, or a different form of assistance. But the chief threat to effective Federal action in education comes not from those who would go about it in a somewhat different way. The major opposition derives from a school of thought which always has opposed Federal action of any kind to advance education. This opposition rallies to the old cry of Federal control.

There would be some point to this, if the administration's program carried a real, or even an implied, threat of Federal control of our free education system. But there is no such plan or intent or even possibility.

Americans generally—and this emphatically includes everyone in this administration—are opposed to Federal control of education. As a matter of simple fact, measures to prevent Federal control are built into the proposed legislation itself. I fear that in some instances, perhaps, opposition to Federal aid may stem not so much from a concern that our great tradition of State and local control will be bypassed as from a lack of willingness to help pay the bill.

Actually, Federal assistance to education is older than the Constitution itself. For almost two centuries—and right up to today—the Federal Government has exercised its responsibility to assist the States and

communities to meet specific national needs in education.

As early as 1785 a Federal statute specified that in western territories specific plots of land should be set aside for public schools. The Continental Congress, in the Northwest Ordinance of 1787, expressed the national interest with this historic declaration: "Knowledge being necessary to good government and the happiness of mankind, schools and maintenance of education should be forever encouraged."

As the young Nation grew westward, the responsibilities of its citizens grew accordingly. In 1862, under the leadership of Abraham Lincoln, Federal aid began going to land-grant colleges and universities, and it continues today.

To those who fear that Federal support necessarily dries up other sources of support for education, I would point out that today in every dollar that finances the land-grant colleges, only one penny is Federal money.

The United States entered the First World War at the start of a new industrial revolution. The war demonstrated a national need for more people who were skilled in technical trades and in agricultural production. To meet these needs, Federal assistance for vocational education was begun in 1917, and in the following 40 years the National Government invested $605 million to improve the skills of its boys and girls.

But for every $1 the Federal Government spends for this purpose today, the States and communities put up $4, whereas in the beginning they contributed less than $3. Rather than stifling other efforts, Federal contributions resulted in greater State and local support.

By World War II the precedent of Federal assistance to education was well established and Congress declared the National Government's obligation to those men and women who had interrupted their education to fight for their country. The GI bill of rights and the Korean GI bill were the largest student assistance programs in history. At a cost of about $18 billion the Federal Government paid for the education of more than 10 million veterans—in colleges, high schools, vocational schools and for on-the-job training, including farm training. Many Korean veterans are still studying under the program.

This was a program operated exclusively by the Federal Government. Yet, the schools and colleges that these millions of veterans attended are just as free of Federal domination as they ever were.

More recently the Government recognized the burden imposed on local school districts by the influx of Federal employees in communities with large Federal installations. Congress has appropriated $1.25 billion in the past 6 years to help construct and operate schools in these overburdened communities. An independent survey recently made of 500 school administrators concluded that no Federal control over personnel, curriculum or programs of instruction had resulted from the funds granted to these school districts.

It has been estimated that today the Federal Government is spending almost $460 million annually to assist education, over and above the money allocated for veterans education and general research. The United States Public Health Service, for instance, has allocated more than $39 million for grants to medical schools, universities, and other institutions and for the training of thousands of medical research scientists and other professional personnel. Other Federal funds support the seven Armed Forces academies and graduate schools, the international-exchange program, military reserve training, and war orphans' schooling.

In all, more than 160 Federal laws to encourage education have been enacted by Congress since 1785.

And nobody—not even the most outspoken critics of Federal assistance—seriously contends that American education today is controlled or dominated by the Federal Government. The fear of Federal control is demonstrably an unfounded fear of an imaginary danger.

Who are the people who control our schools? They are:

The men and women elected to 48 State legislatures, which establish the State school codes, help finance education and establish certification requirements for teachers.

The people serving on more than 230 State boards that govern or regulate schools and colleges of many types.

The State school officials who perform supervisory and administrative duties.

The tens of thousands of businessmen, farmers, housewives, and other citizens who are elected to school boards by their communities to build schools, employ teachers, select courses and books.

The many men and women serving on the boards of private institutions.

The teachers and administrators in the schools themselves.

And, ultimately, the millions of American parents who play a direct role in the activities of their children's schools.

These are the people who control American education. Nothing in the administration's proposals would weaken that control.

On the contrary, the matching requirements and other provisions of these proposals would serve to increase State and local efforts and State and local responsibility in education.

These Federal proposals to help meet problems in education have a priority in national security at least equal to programs to speed the development of missiles and nuclear weapons. State legislatures, boards of education, all thinking citizens should give the same priority to action at the State and community level.

Americans must recognize the awesome fact that to a great extent we today determine what future generations will think and do about law and government and our free way of life, about labor and industry, about the quest for a durable world peace, about defense against aggressors. We determine those things in large part by the education we provide for our young people.

The boys and girls now growing up in America must be equipped in the best possible way for the perilous new age we are entering. Let us not pennypinch our children to intellectual poverty as the door of the universe swings open.

Mr. PROXMIRE. Mr. President, first, I wish to commend warmly the distinguished Senator from New Jersey for his emphasis on the importance of education and his calling to the attention of the Senate the desirability of enacting measures for special educational assistance during this session.

Mr. President, I now turn to another subject.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has the floor.

IMPACT OF RECESSION ON ECONOMY OF WISCONSIN

Mr. PROXMIRE. Mr. President, the Wisconsin State Chamber of Commerce has made an excellent analysis of the impact of the recession on the economy of my State, as well as on Federal and State tax collections within Wisconsin.

This unusually competent study points out that the national economy is in particular danger because of the large drop in the two most important economic statistics, personal income and industrial product. The article points out that this drop is significant because economists recognize that "staying even" actually means serious worsening in welfare, because of the steady rise in the cost of living. The report indicates that the number of production workers employed in Wisconsin manufacturing industries declined in February to the lowest level in 8 years. Subsequent reports suggest that the situation is deteriorating. In face of the steady rise in population in my State, these facts are particularly alarming.

Mr. President, I ask unanimous consent that this study by the Wisconsin State Chamber of Commerce be included in the RECORD following my remarks at this point.

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

UNITED STATES AND WISCONSIN PERSONAL INCOME, 1957 AND 1958—THE RECESSION AND THE IMPACT ON FEDERAL AND STATE TAX COLLECTIONS

This limited statement is in response to many inquiries that have been directed to the research department of the State chamber as to the effect of the current business recession on tax collections of the Federal and State Governments and, of course, principally Wisconsin State and local government.

The following observations, while corroborated by the tables and statistics found within the report, are not meant to be taken as an exhaustive discourse on the economics of the present decline. They are presented primarily to aid in a helpful analysis of the impact of the recession on State and local tax revenues.

Analysis of preliminary reports of the United States Department of Commerce indicate that Wisconsin's personal income for 1957 was approximately $7,374,000,000. This represents an increase of 5.1 percent over 1956 but a lessening increase than 1956 was over 1955, which was 7.69 percent.

Wisconsin's per capita personal income, still well under the Nation's average, was approximately $1,949 in 1957, a gain of 4.56 percent over 1956.

Personal income—the income received by individuals during a given period of time—includes a good many types of income: Wages and salaries, other labor income, proprietor's income, rents, interest on savings, dividends from investments, pensions, unemployment compensation, social security benefits, and the market value of home-grown foodstuffs are all included in the estimate of personal income made annually by the Department of Commerce. These estimates are frequently used to compare economic conditions of the various States. These figures are also used to estimate the sales potentials of a State, receipts from taxes, the level of personal savings, and as one ingredient in forecasts of gross national product.

Wisconsin's $7,374,000,000 was 2.14 percent of the national total personal income in 1957, $343.4 billion. This was less percentagewise of the Nation's total than 1956 when Wisconsin's personal income in the aggregate was 2.164 percent of the national income of $324.3 billion.

Undoubtedly, Wisconsin's personal income figure would have been higher if the trend in personal income between January and August 1957 had been maintained throughout the year. In August the high point of 1957 was reached when the national seasonally adjusted figure reached $347.3 billion; the monthly figures have declined each month since then and the March 1958 figure is computed at $341.4 billion nationally. The 7 months' drop from last August to this month is 1.7 percent, which by any

measurement is a serious drop and certainly a most precipitous one in so short a time.

Personal income totals would be even lower than they are if the Government transfer payments factor wasn't stronger than it has been in the two preceding recessions. In March, the Commerce Department reported these payments were up $4.1 billion from March 1957 and nearly $3 billion above August last year when personal income hits its record annual rate.

In Wisconsin, as it is nationally, wage and salary payments is the biggest single component of the personal income statistic. In Wisconsin it runs between 66 and 68 percent of the total personal income. It is from this source that the greatest falling off has been observed; this is especially true of Wisconsin and undoubtedly the comparatively poor payroll totals announced in Wisconsin for each of the 3 months in the first quarter of 1958 are going to show up in the personal income total for Wisconsin in 1958.

Only three times in the past quarter of a century has a Wisconsin annual personal income total dropped from the previous year; in 1938, 1949 and 1954.

The large drop nationally in the two most important economic statistics, personal income and industrial product, the precipitousness of the drop and the fact that they are both falling substantially beyond the first quarter all give evidence that personal income in Wisconsin in 1958 will be less than in 1957. It must be noted that most economists consider staying even a serious thing, especially in light of the still-inflating dollar, more people to make more income and ever-increasing standards of living. Therefore a drop in personal income from one annual rate to another becomes a matter of serious concern.

Wisconsin manufacturing payrolls fell to a 38-month low in February of this year and the number of production workers employed in Wisconsin manufacturing industries declined to the lowest level in 8 years. Full reports for March are not yet available for Wisconsin, but there is no discernible trend toward an upturn in total manufacturing payrolls. It should be noted that unemployment statistics are not very helpful in analyzing payroll and personal income. The steady drop in hours worked per week by men and women employed in Wisconsin manufacturing is a much more useful statistic in relation to personal income than are the unemployment figures.

Only once in the past 10 years, April of 1949, has the average workweek slipped below the current level of 39.5 hours. It seems doubtful now that the average workweek figure of the last high period will be reached before August or September, if then.

It is now quite generally agreed that the 1957–58 economic decline is as great as the one which occurred in 1949; that one (1949) being greater than the subsequent one which occurred in 1954. If business conditions contract to the same extent in April of this year as they did in March we will be experiencing the largest relative downturn of business in postwar years.

The Department of Commerce, in a report on industrial production for March, based on the 1947–49 average at 100, showed the month's output was 128, compared with 145 last August when the downturn began. This was a decline of 11.7 percent. In neither of the two other postwar recessions did this indicator drop more than 10.5 percent from peak to trough.

The Rockefeller Fund issued a report a few days ago called "The Challenge to America: Its Economic and Social Aspects." Among many important items the report said that "the current slump would result in a $6 billion loss in annual Government (Federal) revenues if production for all 1958 doesn't average above current levels."

All of this gives evidence that Federal and State income tax revenues will not be up to previously expected totals, partly because of possible deliberate tax cuts to stimulate the economy and also because of reduced personal income and thereby reduced taxable income.

The Committee for Economic Development said in a report published in March of this year:

"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.

"Changes in production, incomes and employment indicate that by February we had experienced about as large a decline from the previous peak as occurred in 1949 and 1954. If the economic situation becomes clearly worse than in the earlier postwar recessions, strong action should be taken. 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."

This group in mid-April believes that the above conditions do now in fact prevail and just this past week demanded a Federal individual income tax cut of $7½ billion.

From the great array of National and State economic statistics available for all of 1957 and for the first quarter of 1958, the following observations may be made.

1. Wisconsin's $7.374 billion personal income figure for 1957 indicates that revenues from personal income taxes for Wisconsin government use will equal and may surpass 1958 budget expectations.

2. A national $2 billion loss in corporate profits in 1957 from the $43 billion high in 1956 indicates that Wisconsin corporation income taxes will not reach previous formal estimates.

3. Continuing downward trends in personal income and industrial product indicate that the instability of the Wisconsin personal income tax will bring about an even greater proportionate loss of personal income-tax revenues in 1959 than the almost inevitable loss in aggregate personal income.

4. Even greater losses in corporate profits by Wisconsin corporations in the first quarter of 1958 than those of 1957 indicate that corporation income revenue in 1959 will also fall off from 1957 and 1958 collections.

5. Because of Wisconsin's sharing of the revenues from income taxes only part of the burden of lessening revenues will be borne by the State government. Wisconsin's local units will have to increase other sources to make up for the probable tax losses. The makeup will be, of course, in the local property taxes.

DAVID CARLEY,
Research Director.

Personal income in the United States and Wisconsin

Year	United States	Percent increase or decrease over previous year	Wisconsin	Percent increase or decrease over previous year	Wisconsin's percent of United States
1935	$60,104	----------	$1,420	----------	2.36
1936	68,363	13.74	1,600	12.68	2.34
1937	73,803	7.96	1,707	6.69	2.31
1938	68,433	−7.28	1,585	−7.15	2.32
1939	72,753	6.31	1,615	1.89	2.22
1940	78,522	7.93	1,740	7.74	2.22
1941	95,953	22.20	2,118	21.72	2.21
1942	122,417	27.58	2,673	26.20	2.18
1943	148,409	21.23	3,167	18.48	2.13
1944	160,118	7.89	3,312	4.58	2.07
1945	164,549	2.77	3,511	6.01	2.13
1946	175,701	6.78	3,830	9.09	2.18
1947	189,077	7.61	4,204	9.77	2.22

Personal income in the United States and Wisconsin—Continued

Year	United States	Percent increase or decrease over previous year	Wisconsin	Pe ce t increase or decrease over previous year	Wisconsin's percent of United States
1948	$207,414	9.70	$4,646	10.51	2.24
1949	205,452	−.95	4,614	−.69	2.25
1950	225,473	9.74	5,060	9.67	2.24
1951	252,960	12.19	5,834	15.30	2.31
1952	269,050	6.36	6,094	4.46	2.27
1953	283,140	5.24	6,248	2.53	2.21
1954	284,823	0.59	6,161	−1.39	2.16
1955	303,268	6.48	6,515	5.75	2.15
1956	324,281	6.93	7,016	7.69	2.16
1957	343,400	5.90	7,374	5.10	2.15

1957—August	347.3
September	347.2
October	346.8
November	346.2
December	343.6
1958—January	343.6
February	341.7
March	[1] 341.4

[1] Down 1.7 percent since August 1957.

Source: Survey of Current Business, U. S. Department of Commerce, August 1957. Various issues of Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers. Personal Income by States, U. S. Department of Commerce, a supplement to the Survey of Current Business.

Wisconsin personal income by major sources, 1954–56

[Millions of dollars]

Item	1954	1955	1956
Personal income	6,161	6,515	7,016
Wage and salary disbursements	4,059	4,370	4,733
Farms	69	65	66
Mining	17	18	20
Bituminous and other soft coal mining	------	------	------
Crude petroleum and natural gas	------	------	------
Mining and quarrying, except fuel	17	18	20
Contract construction	128	252	281
Manufacturing	1,856	2,030	2,213
Wholesale and retail trade	678	720	770
Finance, insurance, and real estate	134	143	158
Banking and other finance	53	57	63
Insurance and real estate	81	87	95
Transportation	196	205	215
Railroads	98	98	103
Highway freight and warehousing	65	74	79
Other transportation	33	33	33
Communications and public utilities	115	120	130
Telephone, telegraph, and other communications	54	56	62
Electric, gas, and other public utilities	62	64	68
Services	311	332	357
Hotels and other lodging places	18	19	19
Personal services and private households	72	77	81
Business and repair services	34	36	41
Amusement and recreation	20	20	20
Professional, social, and related services	167	180	196
Government	460	483	516
Federal, civilian	76	86	93
Federal, military	41	38	43
State and local	344	359	381
Other industries	6	6	6
Other labor income	137	153	167
Proprietors' income	1,004	987	1,052
Farm	426	373	430
Nonfarm	577	614	622
Property income	714	747	796
Transfer payments	334	352	377
Less personal contributions for social insurance	87	99	109

Source: Survey of Current Business, U. S. Department of Commerce, August 1957.

Personal income, Midwestern States, 1957–58

State	Personal income 1956	Per capita income 1956	Personal income 1957	Per capita income 1957
	Billions		*Billions*	
Wisconsin	$7,016	$1,864	$7,374	$1,949
Indiana	8,586	1,946	9,041	2,041
Michigan	16,206	2,156	16,887	2,232
Illinois	22,472	2,383	23,663	2,511
Iowa	4,445	1,651	4,703	1,709
Ohio	19,594	2,154	20,495	2,264
Minnesota	5,657	1,745	6,104	1,875

Source: Survey of Current Business, U. S. Department of Commerce, August 1957. Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers, various issues.

Midwestern States—Percent 1957 State tax collections are of personal income

State	Total collections [1]	Percent collections of personal income	Rank	Per capita tax collections
Iowa	244,266	5.194	1	$88.76
Wisconsin	355,977	4.827	2	94.10
Minnesota	292,567	4.793	3	89.88
Michigan	771,482	4.568	4	101.98
Ohio	676,731	3.302	5	74.76
Indiana	298,122	3.297	6	67.30
Illinois	690,765	2.919	7	73.29

[1] 1957 Preliminary Collections.

Source: Detail of State Tax Collections in 1957, Bureau of the Census.

Economic Indicators, prepared for the Joint Economic Committee by the Council of Economic Advisers.

SALARIES OF TEACHERS AND THOSE IN OTHER OCCUPATIONS

Mr. PROXMIRE. Mr. President, there have been many eloquent pleas for higher salaries for teachers. Most Americans feel that these pleas are probably justified. An outstanding American economist, Seymour E. Harris, chairman of the department of economics, Harvard University, has written in the May issue of the Atlantic Monthly, an article entitled "Who Gets Paid What," in which he sets forth the facts on salaries of persons in a wide variety of occupations.

These statistics constitute a persuasive argument that our teachers, at grade school, high school and college levels, are paid disgracefully little. This material comes from a rich variety of official sources. The figures are indisputable. These cold facts constitute an unanswerable challenge to this Congress to act at once to provide some form of financial assistance to education in America.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD following my remarks.

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

WHO GETS PAID WHAT

(By Seymour E. Harris, chairman of the department of economics, Harvard University)

In our society, laws of the marketplace generally rule. High demand and small supply mean large rewards. Hence the millions for a performer like Frank Sinatra and $135,000 for a major league baseball player like Ted Williams.

But our interests as a nation and even our survival often require values divergent from those fixed by the market. Probably education ought to count for more. We want more able scientists and teachers desperately. But somehow we seem unable, or unwilling, to divert the monetary stream into the appropriate channels, and we pour more money into alcohol and tobacco than we spend for the education of 40 million Americans. No wonder the pay of a head of a distiller's corporation is close to $40,000; the highest paid college president receives $45,000; the lowest, $1,000; and the average, $11,000.

No single explanation of our pattern of rewards is adequate. Certainly costs of preparation do not account for differentials. Professionals with 16 years of education or more receive about the same income as managers, executives, and others with only 12 years of schooling; and the income of sales and clerical workers, each with an average schooling of 12 years, is roughly equal to that of craftsmen with only 9 years of schooling. I once told a group of incoming graduate students in my department that if they were interested in monetary rewards, they had better quit right then; for the bachelor of arts economist (as in many other fields) earns substantially more than the doctor of philosophy economist with from 3 to 4 years of additional schooling.

Incomes generally rise in proportion to education, though there are notable exceptions. In fact, the college graduate of 1958, on the basis of expected differentials of income (and with no inflation), can look forward to a lifetime income of $250,000 more than the noncollege graduate. For graduates of Harvard, Yale, Princeton, and other outstanding institutions the differential is even greater. The high rewards to the college trained have persisted despite a tenfold rise in the number of living college graduates in 50 years.

Is organization the explanation of high pay? The high pay of union labor, notably in the entertainment field, may suggest this. But what of the high incomes of doctors, who are not organized into trade unions and who, on the basis of expected incomes, may look forward to a lifetime income of a million dollars from 1958 to 2008? Restrictions of entry into medical schools are relevant here. In both instances the workers profit from artificially induced scarcities.

Perhaps organization of skilled workers with income greatly influenced by productivity in the automated industries helps account for the low average pay of entertainers, just as the organization of nonfaculty employees in colleges tends to depress income of the unorganized faculty; the available income goes disproportionately to those whose incomes respond to market forces and the pressure of union organization. The actors, directors, and others are squeezed, as are the unorganized teachers, by the organized workers sharing the entertainment or educational dollars.

Low pay of teachers is related also to the large number of women in public school teaching. Wherever women predominate, pay is low. In all occupations, men receive 50 percent higher incomes than women; in the professions, two-thirds more. The explanation—low productivity of women, with a short working life and preference for white-collar jobs; concentration where financial support is beset with obstacles—for example, teaching and nursing; and also male prejudices.

In a capitalist society, supply and demand are supposed to explain everything. When the public wants something badly enough, it pays the price. Compare the incomes of the head football coaches and the college librarians.

The table that follows gives some idea of the paradoxes of the American pay structure:

Who gets paid what [1]

[1956–57 dollars]

	Average	Minimum	Maximum	Comment
Accountants	$5,100 (census)	7 percent $2,500 or less	12 percent $7,000 or more	Starting salary, $4,668; 10 years' experience $9,336.
Airplane pilots and navigators	$7,473 (census)	15 percent $2,500 or less	32 percent $7,000 or more	
Architects:				
Beginners	$4,900 to $5,400	7 percent $2,500 or less	37 percent $7,000 or more	Census: $6,978.
Maximum age 62	$14,000		6 percent $18,000 to $25,000 7 percent $25,000 or more	
Authors	$5,325	33 percent $2,500 or less	26 percent $7,000 or more	
Barbers, beauticians, and manicurist (female).	$1,409	84 percent $2,500 or less	0.5 percent $7,000 or more	Helena Rubenstein has earned more than $25,000,000 in her career as a cosmetician since 1915.
Baseball players: Major league	$14,700	$6,000	Ted Williams' contract for 1958 was reported to be $135,000.	
Business executives	$70,000 (900 top executives)		$1,624,000	7 percent $500,000 or more. 22 percent $300,000 or more. A 1957 survey of Business Week put the top income at $809,000—Grace of Bethlehem Steel—and listed 235 with incomes in excess of $100,000. But the census reports 5,377,000 males in the proprietor, manager, official class with a median income of only $5,228 in 1955.

[1] This material comes from all kinds of sources: Official documents (Census and other branches of the Commerce Department, Department of Labor, Department of Health, Education and Welfare, Congressional Record, Congressional hearings), publications of trade associations, letters from experts, municipal year books, trade journals, and so forth. Many figures give only rough approximations but are adequate for comparative purposes.

Census coverage is generally wider than that from other sources and hence tends to yield lower figures. The coverage of professional workers frequently is more extensive (reaching lowest levels) by the census than in many other studies. I have, therefore, noted where census figures are used.

Where other information was not available, I used census material for 1949, adjusted by appropriate indexes for the rise since 1949 to yield the median for 1956 or 1957. But where the census figures are used, the distribution in each occupation is for 1949. Generally I have used the median (the income of the middle man), and from census sources incomes of males, except where females predominate. I have used census averages for female workers in schoolteaching, nursing, and social work.

Who gets paid what—Continued

[1956-57 dollars]

	Average	Minimum	Maximum	Comment
Clergymen (census)	$3,044	49 percent $2,500 or more	2 percent $7,000 or more	In large churches in large cities, as much as $15,000 or even more.
College:				
Head football coach	$6,183	22 percent $5,000 or more	17 percent $10,000 or more	Newspapers reported 1 football offer of $60,000 in 1957.
Librarian	$5,437	38 percent $5,000 or more	5 percent $10,000 or more	
Faculty	$5,243	1 percent $3,000 or more	13.3 percent $10,000 or more	
President	$11,314	1.5 percent $5,000 or more	0.5 percent $30,000 or more	
		Lowest, $1,000	Highest, $45,000	
Compositors (printing)		1st shift, $4,180 in Parsons, Kans.	1st shift, $6,337 in Detroit	
		3d shift $5,250 in New Orleans.	2d shift, $6,619 in Detroit	
Construction workers:	Based on union wage rates for full-time work:		Note: Plasterers' full-time pay varies:	The census figures are substantially lower because the census definition is more inclusive and the census income figures are based on income actually earned.
Bricklayers	$7,240		Atlanta, $4,000 to $6,750	
Carpenters	$6,260		Chicago, $6,800 to $8,150	
Electricians	$6,680			
Plumbers	$6,700			
All building	$6,440			
Dancing teachers and dancers (census).	$3,740	22 percent $2,500 or less	5 percent $7,000 or more	Ballet dancers' weekly minimum: New York City, $93; touring, $98.25.
Dentists	$8,900			Census: $8,000.
Newspaper editors and reporters (census).	$6,000	10 percent $2,500 or less	23 percent $7,000 or more	Top reporters: $20,000; even as high as $30,000 to $40,000. Columnists: As high as $100,000. Hired publishers: As high as $100,000.
Engineers:				
In Government	$6,600	$5,360 (1955 graduates)	$10,350 (1920-24 graduates)	Census: $6,000. A top engineer in private industry: $125,000 or more.
In education	$7,100			
In private industry	$8,400			
Employer and owner of business.	$14,700			
Farmers, foresters, and fishermen (family income).	$1,945	62 percent $2,500 or less	4.9 percent $7,000 or more 0.2 percent $25,000 or more	
Government:				
Federal civil service, professional.	$6,136	$3,410	$14,800	
Federal public administration (census).	$5,640	5 percent $2,500 or less	18 percent $7,000 or more	
State public administration (census).	$4,590	14 percent $2,500 or less	10 percent $7,000 or more	
Local public administration (census).	$4,200	22 percent $2,500 or less	9 percent $7,000 or more	
Governors	$16,900	$9,000 (North Dakota)	$50,000 (New York)	
Mayors:				
Population 500,000	$20,903	$10,000	$40 000	
Population 10,000-25,000	$2,625	$50	$8,500	
Health officers (public), local	$10,200			
Hucksters and peddlers	$1,728	80 percent, $2,500 or less	1 percent $7,000 or more	(Census).
Janitors and sextons	$2,632	73 percent $2,500 or less	0.2 percent $7,000 or more	
Lawyers	Mean, $10,218; median, $7,833	5.2 percent $3,000 or less	55.5 percent $7,000 or more 0.3 percent $75,000 or more	Census: $7,850 8 percent $2,500 or less. Leading lawyers in top New York firms: As much as $200,000; some as much as $300,000 or more.
Librarians (female, census)	$3,101	50 percent $2,500 or less	0.4 percent $7,000 or more	The maximum for director of a public library was $17,560 (Boston), with New York not reporting. Maximum salaries for special libraries (for example, commercial) exceed $20,000.
Motion pictures:				
All workers	$6,325		$10,000 or more	Directors: Many as little as $10,000; perhaps 30 will average over $100,000. Free-lance directors: 1 gets $300,000 per picture but top average near $100,000.
1st cameraman		$26,150		
Laboratory contact man		$12,096		
Chief set, electrician		$13,653		
Costumer, class I		$7,945		
Musicians	$16 per hour			
Musicians and music teachers (census).	$2,850	32 percent $2,500 or less	11 percent $7,000 or more	National scale: Phonograph, $41.25 (3 hours); symphony recordings, $38.50 (3 hours).
Newsboys	$392	92 percent $2,500 or less	0.3 percent $7,000 or more	
Nurses (female, census)	$3,000	51 percent $2,500 or less	0.4 percent $7,000 or more	Basic 8-hour day: Maximum (California), $15; minimum (Maine and Mississippi), $10.
Physicians	$16,017 (self-employed)	1 percent $2,500 or less	2 percent $75,000 or more; at least 1 more than $250,000.	Census: $10,050; 14 percent $2,500 or less; 59 percent $7,000 or more. Includes salaried practitioners.
Social welfare workers (female, census).	$3,800	35 percent $2,500 or less	1 percent $7,000 or more	
Teachers, school	$4,285	$831 (Mississippi beginners)	$5,200 in 11 years (New York).	Census: $3,410 (female); 39 percent $2,500 or less; 0.7 percent $7,000 or more.
Television:				
Producer	$12,500 to $15,000			Actor: Lead in typical ½-hour show, $10,000 frequently and a few at $25,000. For spectacular and other 1-time shows, as much as $50,000 or more.
Staff musician	$13,300			
Cameraman	$8,750			
Theater: New York Equity actors	5-year average: Yearly, $800. (Average work per year, 10 weeks; average percent of membership at work during year, 17.) Minimum weekly: Specialty act, $248; 5 lines or less, $77.50.	37 percent; $1 to $499	0.5 percent; $50,000 or more	Census figures are much higher than New York Equity figures. At the time covered by Equity, census figures average $2,500 to $3,000. The explanation in part is that income other than that earned in the theater is included in census figures; concentration of numbers is especially high in New York City and hence incomes are especially low.
Musicians: Contract house	$148.51			
Carpenters, electricians, propertymen.	$146.95			
Trade-union officers	Mean, $18,800; median, $15,000.	$4,730	$64,719	
Truck and tractor drivers	Mean, $4,640	$3,980 in Southwest	$4,860 in Pacific region	Based on 2,000-hour year and union rates (1957). Census figure for 1949, adjusted for rise, yields income of $3,750.

JESUIT COLLEGES AND UNIVERSITIES FACE THE FUTURE

Mr. PROXMIRE. Mr. President, this Nation owes a great debt to its private schools and colleges for the large share of the educational burden they have carried throughout our history. Among the most distinguished contributors to American education have been the churches. They have pioneered in many parts of the country, and even with mounting costs of education they continue to expand and enrich their programs.

One of the great church universities is Marquette University, in Milwaukee, Wis. It has made signal contributions to the spiritual and cultural life of our State. In the April 1958, issue of its alumni magazine, Marquette Alumnus, there appears a statement adopted by the presidents of Jesuit colleges and universities of America at their January meeting at Georgetown University.

Because of the importance to education in America, of the 28 Jesuit institutions of higher learning, and because of the crucial character of our educational problem, I ask unanimous consent, Mr. President, that the statement entitled "Better Ballistics, Yes; But Better Men, Sure" be printed in the RECORD at this point in my remarks.

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

BETTER BALLISTICS, YES; BUT BETTER MEN, SURE

(At their meeting held early in January at Georgetown University, the presidents of the Jesuit colleges and universities of America adopted the following statement on the current role of Jesuit higher education:)

The universities and colleges in the United States under the direction of members of the Jesuit Order (Society of Jesus) are part of the total educational resources of America. Twenty-eight institutions of higher learning have been developed out of a four-century old tradition of scholarship and liberal education, a tradition which has had a definite part in shaping western culture.

As America moves from today's dawn into tomorrow's full morning of the satellite age, Jesuit colleges firmly purpose to continue joining their strength with that of other American institutions in meeting the educational challenge which confronts our country.

Missiles and satellites have turned all eyes skyward. Quite naturally it is the military, the scientific, the technological aspect presented by the Soviet challenge that has captured our concern and would monopolize our energies. But here upon this planet dwell the men who launch the missiles and the satellites—for purposes of good or ill. The explosive complications and frightening responsibilities that spring from mankind's discovery of cosmic power are human and moral.

Accordingly, their solution must come from within man himself. The basic response of education to today's pressure lies not in a program of better ballistics (despite its importance) but in one that produces better men. Even though technological superiority is a condition for survival, its pursuit must not blind us to our reasons for survival. Any panic-inspired aping of an alien system could quickly destroy the very values we undertake to preserve.

It is with man and his motivation that today's educators must most deeply concern themselves. This motivation derives from a two-fold awareness: A sense of the enhancement of human dignity through growth in knowledge and wisdom; and a consciousness of the spiritual obligation incumbent on each human being to develop his God-given talents.

Respect for learning begins in the home. Understanding and stimulations there will supplement the effort of the school and create an environment in which a young person can develop his talent to the full and even take pride in the mastery of the more demanding subjects of the curriculum. Man's natural zest to make his own the truth and beauty of the arts and sciences is an innate yearning to take continually fuller possession of the universe entrusted to him by his Creator. If this desire is constantly encouraged throughout the years of primary and second school, more of our most capable high-school graduates will go on to college.

Whatever weight other motives may have had in inspiring the scientific renascence that has revitalized Russian education, we must admit that respect for learning and at least some freedom in its pursuit—inconsistent though this be with totalitarian ideology—did play a notable part.

There may seem to be more efficient ways to actualize latent human talent that the unwieldly system followed in our free democratic society in which persuasion and conviction precede choice. But whatever price must be paid to surpass Soviet science and technology it must not be the surrender of democracy nor denial of the proper autonomy of the individual citizen. Free motivation must do for America what mass compulsion has done for modern Russia.

America has sore need of all her human resources today. Talent must be discovered and encouraged and, if need be, assisted wherever it may be found. There is an immediacy regarding science education which all must recognize.

Science and mathematics must receive new emphasis in the curriculum and a larger proportion of our talented youth—at least for the present—should be encouraged to specialize in field related to the urgencies of the satellite age. Jesuit education will continue and deepen its characteristic concern with scientific and mathematical disciplines.

Jesuit colleges will expand within the framework of their resources and ideals to accommodate their proper share of the large college population expected in the 1960's. Even though continuing priority will be given to increased financial and academic support for the 9,000 devoted faculty members of the American Jesuit colleges, expansion of physical plants also will be earnestly undertaken.

Within the next few years a $102-million construction program will provide 91 new buildings on Jesuit campuses. This program is possible because of the loyal support of some 600,000 alumni of Jesuit schools, generous benefactors, industry, and philanthropic foundations.

In its fifth century of dedicated educational work Jesuit institutions are proud to join with other American colleges and universities in the shared task of preserving and developing for coming generations the values and ideals that have made the Western World the bastion of freedom under God.

AMENDMENT TO MUTUAL SECURITY BILL TO PREVENT CERTAIN UNITED STATES MILITARY PERSONNEL FROM ACCEPTING COMPENSATION AND OTHER BENEFITS FROM FOREIGN GOVERNMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be granted such additional time as necessary in excess of the 3-minute limitation in order to make a statement.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection? The Chair hears none, and the Senator may proceed.

Mr. MANSFIELD. Mr. President, the recent hearings which have been held by the Committee on Foreign Relations on S. 3318, the current mutual security program authorization bill, have revealed some disturbing facts about the administration of the military assistance program in Latin America.

United States military assistance programs in Latin America are administered by Regular Army, Navy, and Air Force officers. They serve in these countries in a dual capacity. On the one hand, these officers are detailed to and serve foreign governments as United States military missions and advise such governments on the administration of their military establishments. On the other hand, these same officers function in the United States Military Assistance Advisory Groups, known familiarly as MAAG's, in these countries, and in that capacity they have the responsibility of supervising the use made of military equipment furnished to the foreign countries under the Mutual Security Act and of recommending what kinds and amounts of military aid should be furnished to such countries.

Under existing arrangements, United States military personnel are permitted to receive compensation and other benefits directly from the foregin government to which they are attached. This arrangement cannot help but create a suspicion that there may be a conflict of interest in carrying out the function of advising the foreign government and the function of serving the United States Government.

Whether or not an officer performs Mutual Security Act functions in addition to his other duties, it is questionable whether while advising a foreign government he ought to receive compensation from such foreign government while he continues to serve in the Armed Forces of the United States. A different, but no less objectionable, kind of conflict of interest arises in such a case.

The existing arrangement is most unusual due to the fact that the Latin American foreign governments pay representation allowances to United States military personnel advising them. This practice seems questionable for two reasons. First, representation allowances are paid by the United States Government to its employees in order that such employees may entertain foreigners and otherwise properly represent this country in dealing with officials and citizens of foreign countries. It is incongruous for such an allowance to be paid to a United States Government employee by the foreign government which the American is assigned to advise. The second reason why this practice seems questionable is that, in addition to the military mission and military assistance advisory group personnel in Latin American countries, there are also other officers performing the normal military attaché function in such countries, whose representation allowances are paid by the United States Government.

The practice of United States military personnel collecting compensation and other benefits directly from Latin American governments is said to be sanctioned by section 712 of title 10 of the United States Code, which provides:

(a) Upon the application of the country concerned, the President, whenever he considers it in the public interest, may detail members of the Army, Navy, Air Force, and Marine Corps to assist in military matters—

(1) any republic in North America, Central America, or South America;

(2) the Republic of Cuba, Haiti, or Santo Domingo; and

(3) during a war or a declared national emergency, any other country that he considers it advisable to assist in the interest of national defense.

(b) Subject to the prior approval of the Secretary of the military department concerned, and in addition to receiving his pay and allowances as a member of the Armed Forces, a member detailed under this section may accept from the country to which he is detailed any office and any compensation or emoluments thereof. He is entitled to credit for all service while so detailed, as if serving with the Armed Forces of the United States (pp. 30–31 of the hearings of the Committee on Foreign Relations on S. 3318).

I have some doubt as to the legality of the present practice under title 10, United States Code, section 712, inasmuch as the Department of Defense has stated in the quoted material which appears in the next paragraph that members of the Armed Forces hold no offices in Latin American governments.

During the hearings by the Committee on Foreign Relations on the pending mutual security program authorization bill, on March 19, 1958, I asked Secretary of Defense McElroy the following question:

What do you think of the practice of United States military officers in Latin America acting as military advisers to foreign governments and receiving compensation from such governments in addition to their salaries, and at the same time acting as advisers to the United States Government as to how much military aid they should be given?

Secretary McElroy supplied an answer to this question later for the record which has been published as part of the committee hearings on page 31. This answer reads as follows:

Answer. In 1925, Congress authorized the sending of military and naval missions to Latin America under Public Law 247, 69th Congress. This legislation was amended and extended by Public Law 56, 74th Congress (1935) and Public Law 722, 77th Congress (1942). Under the foregoing the United States has established military missions in the countries.

The individual USAF, Army, and Navy missions operating in Latin America are not MAP organizations. However, the arrangements under which these separate missions function have been modified to permit mission personnel to perform MAP functions, with the agreement of the countries concerned. In this sense, one of the mission chiefs in each Latin American country where military assistance is being furnished has been designated as MAAG chief to provide for a MAP channel of communication.

The MAAG function was superimposed on the already established training and advisory functions provided for in the mission agreements, to obviate the cost and the duplication of effort and purpose which would otherwise arise.

With the inauguration of the military assistance program in Latin America in 1951, the Department of Defense established separate military assistance advisory groups in Latin American countries for the purpose of handling its military assistance responsibilities in that area. In 1954, the question was raised as to why it was necessary to maintain both a military mission and a MAAG in the same country. The matter was reviewed and a policy decision was arrived at that the practice of maintaining separate MAAG's in those Latin American countries where there already existed a military mission should be discontinued. Since 1956, therefore, MAAG's in Latin American countries have been reduced to zero strength and their functions transferred to the military missions.

We believe that this policy decision is fully justified in terms of sound administration and economy and presents no problem with respect to conflicting loyalties of the individual officers assigned to military missions in Latin American countries for the purpose of discharging military assistance duties.

As has been noted, the United States statute (10 U. S. C. 712) under which the military missions are established permits the detail of United States military personnel and expressly provides that the officer may accept from the country to which he is detailed "any office or [sic] compensation or emoluments thereof." While it is true that American military personnel so detailed receive emoluments from the foreign government to which accredited, and while in some cases the particular international agreement permits such personnel to enjoy the same prerogatives and perquisites which he would have if he were actually in the Armed Forces of the country, nevertheless, the agreements uniformly provide that the American officer is subject to rules and regulations of his own American service. To the best of my knowledge, no member of the United States military missions in Latin America holds any public office or civil-service office under the foreign government. The additional compensation and emoluments received from the foreign government depend on rank and cost of living in the particular country, and the rates were approved by the President in 1942.

In my opinion, the existing arrangement in Latin America has worked satisfactorily and in no case that I know of has any personnel of the Armed Forces serving in such a capacity acted in any manner other than that believed to be in the best interest of the United States.

A somewhat similar situation exists in Iran where the Chief of the Military Assistance Advisory Group is also Chief of the Army Mission. There is also a small mission in Liberia but this mission does not perform MAAG functions, there being no military assistance program in Liberia, and the members of the mission receive no compensation from the Liberian Government (pp. 31–32 of the hearings of the Committee on Foreign Relations on S. 3318).

I also asked Secretary McElroy this question:

Would you be willing to furnish the committee with information as to the amounts and kinds of extra compensation and other benefits received from the Latin American governments?

The answer which was subsequently filed for the record left much to be desired in the way of completeness. The answer reads as follows:

Answer. We now have military assistance programs with 12 Latin American countries (Brazil, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, and Uruguay). In each of these countries, there was at the time of the commencement of military assistance an existing military mission with the exception of the Dominican Republic. In the Dominican Republic, there is a military assistance advisory group. In addition to the countries listed above, we have military missions but no MAAG's with the following Latin American countries: Argentina, Bolivia, El Salvador, Panama, Paraguay, and Venezuela.

Altogether, there are 584 American military personnel assigned to military missions or MAAG's in Latin American countries. Of these, 404 are in countries in which we have a military assistance program. Of the above 584, 436 are accredited to respective governments and receive compensation therefrom.

The compensation received from foreign governments under the above arrangements ranges from a maximum of $4,500 per annum to a minimum of $240 per annum. It should be noted that in those cases where members of the United States Armed Forces are receiving compensation from foreign countries, station allowances are abated to the extent of the foreign compensation. * * *

In addition to the authorized compensation * * * each individual receives from the host government, in place of the prerequisites he and his dependents would receive from the United States, medical care (which in most cases is far below the standards enjoyed by the service personnel and their dependents within the continental United States or in areas where medical facilities are run by the United States Armed Forces); commissary and post exchange privileges (which are almost nonexistent within the connotation of the words as used in United States terminology); and, in a majority of cases (dependent upon financial ability of the country), payment of transportation, to include household effects, to and from the country (p. 32 of the hearings of the Committee on Foreign Relations on S. 3318).

This statement, coupled with other information contained in the answer, tended to leave open the question of the value of the other benefits received by United States military personnel from Latin American governments over and above the compensation received. Later on in the hearings in executive session the Senator from Oregon [Mr. MORSE] asked representatives of the Department of Defense whether the Department of Defense answer, just referred to, was to be interpreted as meaning that military officers gained no personal financial benefit on assignments in Latin America that they would not have in other areas, such as Europe. The following answer was received from the executive branch:

Answer. Additional remuneration for military personnel serving in foreign countries is not designed to provide additional economic benefits but, rather, to adjust the income of the individual to permit him to maintain a standard of living comparable to that which he would enjoy in the United States plus, in the case of certain positions, to provide additional amounts for the purpose of upholding United States prestige.

It is the view of the Department of Defense that positions occupied by United States military officers in Latin America are not comparable to those in Europe. To equate positions occupied by United States military officers serving in the two areas in order to compare economic benefits would require an extensive study inasmuch as there are numerous variables which apply, not only between areas, but between the countries within an area and the different positions

within each country. (P. 455 of the hearings of the Committee on Foreign Relations on S. 3318.)

The Senator from Oregon also asked this question:

Is there no conflict between this practice and section 528 (a) of the Mutual Security Act which authorizes the detail of personnel to foreign government positions to which no compensation is attached?

No answer to this question was received by the Committee on Foreign Relations by the time the mutual-security hearings went to press.

Inasmuch as the information which I have mentioned thus far was tantalizingly ambiguous and incomplete, I asked the staff of the Committee on Foreign Relations to meet with representatives of the Department of Defense and examine the subject in more detail. After consultation with the staff of the Committee on Armed Services, the staff of the Committee on Foreign Relations on April 18 invited representatives of the Departments of State and Defense to meet on April 21 to discuss certain questions which were supplied to them in advance.

Little additional information was obtained. The representatives of the executive branch were asked for the probable attitude of the executive branch toward an amendment of existing law which would, first, prohibit persons performing functions under the Mutual Security Act from accepting compensation or other benefits from foreign nations; and, second, put an end to the receipt of compensation and other benefits from Latin American governments by United States military officers serving as advisers to such governments. The executive branch representatives saw no objection to the first part of the amendment but asked for more time to study the second part.

In spite of the fact that more than a month had elapsed since the subject was first raised with Secretary McElroy, the representatives of the executive branch were not prepared to answer either of the following questions:

What are the facts as to the numbers, by functional categories and by country, of the United States military personnel stationed in Latin America, and what kind and amounts of income and other economic benefits do they receive?

Are military officers detailed under title 10, United States Code, section 712, or otherwise detailed under similar arrangements, better off financially and in their standard of living (a) than military attachés in the same countries, and (b) than the military officers of the same rank and seniority in foreign countries not so detailed, making allowances for differences in the cost of living? What are the comparative figures?

They were not prepared on April 21 to answer the following question even though it had been asked by the Senator from Oregon [Mr. MORSE] on March 31:

Does the practice of merging MAAG and mission functions in officers detailed under title 10, United States Code, page 712, conflict with existing law, having in mind particularly sections 512 and 528 of the Mutual Security Act of 1954, as amended?

The executive branch representatives were also asked this question:

Would countries now conferring economic benefits on officers detailed under title 10, United States Code, page 712, be willing (a) to reimburse the United States Government for the cost of such benefits, or (b) to enter into other arrangements to share the cost of such details? If not, why not?

Their answer was a qualified "Yes," on the basis that a firm answer was not possible until the subject had been discussed with the countries concerned.

Mr. President, the foregoing facts have led me to conclude that no persons performing functions under the Mutual Security Act should accept from any nation or international organization any compensation or other benefits. If other nations are willing to work out arrangements for reimbursement to the United States or other sharing of the cost of performing such functions, this would be welcome, but the arrangement should be on a Government-to-Government basis. Secondly, I have concluded that members of the Armed Forces detailed to missions with foreign governments should not receive compensation or other benefits from such governments. Again, if the costs of such missions are to be shared the sharing should be on a Government-to-Government basis so that the individual officer is not involved in any possible conflict of interest.

Mr. President, for myself and the Senator from Oregon [Mr. MORSE], I am accordingly submitting amendments to the pending Mutual Security bill, S. 3318, which will accomplish the changes which we believe are necessary to improve the administration of military aid to Latin America. I ask that they be printed at this point in my remarks. The executive branch will be asked to comment on these amendments, as is the practice of the Committee on Foreign Relations. If the administration can produce some convincing new evidence I may not press these amendments, but at the present time the burden of proof is with the executive branch.

Mr. President, I thank the Senate for allowing me the extra time to make these remarks this morning.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, the amendments will be received and printed, and appropriately referred, and without objection, the amendments will be printed in the RECORD at this point.

The amendments intended to be proposed by Mr. MANSFIELD for himself and Mr. MORSE were referred to the Committee on Foreign Relations, as follows:

On page 16, line 12, strike out "amended by changing" and insert the following: "amended as follows: (a) Amend section 527, which relates to the employment of personnel, by adding the following new subsection:

"'(e) Nothwithstanding the provisions of title 10, United States Code, section 712, or any other law containing similar authority, persons performing functions under this act shall not accept from any foreign nation or international organization any compensation or other benefits. Arrangements may be made by the President with nations or international organizations for reimbursement to the United States or other sharing of the cost of performing such functions.'

"(b) Amend."

On page 19, line 23, strike out the second closed quotation mark and insert: "(e) Section 712 (b) of title 10 of the United States Code is amended to read as follows: '(b) A member of the Armed Forces detailed under this section is entitled to credit for all service while so detailed, as if serving with the Armed Forces of the United States. Arrangements may be made by the President, with countries to which such members are detailed to perform functions under this section, for reimbursement to the United States or other sharing of the cost of performing such functions.'"

SEVENTH-DAY ADVENTIST HEALTH RECORD AND THE IMPACT OF THE TOBACCO HABIT

Mr. NEUBERGER. Mr. President, I am more convinced than ever of the urgent need to provide the Federal Trade Commission with additional authority to control the misleading and exaggerated claims presently being spread throughout the land by the manufacturers of cigarettes.

In my opinion, these claims can do a vast amount of harm to the future of our country by encouraging young men and young women to become addicts of the tobacco habit in general and of cigarettes in particular.

Virtually all cigarette advertising—particularly on television and radio—is designed to make the use of cigarettes appealing and acceptable to young people. Athletes and glamour girls are shown as habitual practitioners of the custom. My firm conviction that this is injurious to our country has been fortified by the recent announcement from the famous Sloan-Kettering Institute for Cancer Research that Seventh-day Adventist men, who as part of their religious beliefs refrain from cigarettes and alcohol, suffer far less from lung cancer and heart attacks than do American males in general.

The conclusions regarding the lower incidence of cancer and heart disease among nonusers of tobacco and alcohol were the result of a study of patients in eight Seventh-day Adventist hospitals. The researchers found that male patients who abstained from smoking or drinking, because of their religious precepts, suffered lung cancer only one-tenth as frequently and had heart attacks only three-fifths as often as the general male population. Of the 564 Seventh-day Adventists who were among the 8,692 hospital patients surveyed, only 1 was a victim of lung cancer and he had smoked a pack of cigarettes a day for 25 years before becoming a member of the Seventh-day Adventist sect.

Results of the research are described in a United Press story which appeared in the Washington Post and Times Herald of April 28, 1958. I ask unanimous consent to have the newspaper story printed in the RECORD with my remarks.

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

FEWER LUNG CANCERS AND HEART ILLS FOUND AMONG ADVENTISTS BY STUDY

NEW YORK, April 27.—Seventh-day Adventist men, who neither smoke nor drink because of religious convictions, suffer lung

cancer only one-tenth as often and heart attacks three-fifths as often as the general male population, two researchers reported today.

Drs. Ernest L. Wynder, of the Sloan-Kettering Institute for Cancer Research, and Frank R. Lemon, of the College of Medical Evangelists at Loma Linda, Calif., said they made the findings in a study of 8,692 patients in 8 Seventh-day Adventist hospitals.

Of the total, 564 patients were Seventh-day Adventists and 8,128 did not belong to the sect.

The researchers said the only case of lung cancer found among Seventh-day Adventist men occurred in a 63-year-old patient who had smoked a pack of cigarettes a day for 25 years before joining the sect.

They said they also found that most of the men in both groups lived in Los Angeles, which has an air-pollution problem, indicating that air pollution alone is not a major factor in lung-cancer development.

The doctors said that not only did fewer Seventh-day Adventist men suffer heart attacks, but those who did were stricken at a later age than nonmembers of the sect.

They said that among Seventh-day Adventist males, less than 2 percent of the heart attacks occurred before the age of 44, while in the other group the percentage was 8.

Among the older men, 11.6 percent of the heart attacks among members of the sect occurred before the age of 54, compared with 30 percent in the other group, and 38 percent before the age of 64, compared with 62 percent in the control group.

The doctors said the findings suggested that smoking may precipitate heart attacks (myocardic infarction) and coronary artery diseases and that the higher rate among young males in the general population may be associated with their smoking habits.

The Tobacco Industry Research Committee issued a statement saying, "This is another example of attributing general significance to a study involving a highly selected hospital population."

THE LABOR BILL—EDITORIAL COMMENT

Mr. IVES. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials. One of them, entitled "Labor Bill Juggling," appeared in the issue of the New York Times of yesterday, April 27, 1958; the other editorial entitled "Labor and the Senate," appears in the issue of the Washington Post for today, April 28, 1958. The authors of these editorials demonstrate an extraordinary knowledge of legislation dealing with labor-management relations and also for the legislative processes.

I commend the editorials to the attention of all who are interested in the current debate on Senate bill 2888.

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

[From the New York Times of April 27, 1958]

LABOR BILL JUGGLING

The Senate has shown admirable restraint and wisdom in voting down unwise attempts to load the welfare fund regulation bill with amendments designed to set up controls over unions themselves—and to further the political fortunes of Senator KNOWLAND, who started the maneuvering. Once the juggling began, it was inevitable, of course, that amendments to carry out the administration's program would have to be introduced.

Improper activities in the labor and management field have aroused the public—and organized labor itself—to an overwhelming demand for reform. But any effective remedial measures are sure to be stalled if they are overloaded with questionable baggage. Here is a situation, if there ever was one, where first things, in terms of need and practicability, should be dealt with first—and separately.

There are three areas for labor legislation which should be defined and rated on a scale of that size. First are the employee benefit funds which are entirely separate from union treasuries. So clear and urgent has been the need to protect them from manipulation that the AFL–CIO itself has taken a leading part in demanding the kind of regulation provided in the Senate bill.

Next on the scale are the finances of the unions themselves—their operating funds sustained by membership dues. It is in this field that the most sensational scandals have been disclosed by the probings of the McClellan committee. But these are far trickier problems to deal with than those of welfare funds. Measures to curb such abuses involve giving union officers a fiduciary status, requiring proper accounting and auditing practices, full financial disclosure, etc. While many of these measures are called for—and are covered in the spate of Senate amendments—some may open the door to undesirable restraint on legitimate union activities, and labor opposition to them is rising.

By far the most controversial one is the internal organization and government of labor unions in which lie measures that deal with the election and recall of officers, referendums on union policies, etc. It is here that labor's support will be most difficult to rally—even though some of these checks may be badly needed in the interest of the unions themselves.

A mere catalog such as this of the ground to be covered by labor legislation shows the absurdity of trying to write an effective, comprehensive measure on the floor of the Senate. But the attempt to do so by amending the welfare fund bill has had one most desirable result. It has spurred Senator KENNEDY, chairman of the Labor Subcommittee, to promise a resumption of its hearings on May 5 and a bill by the end of the month.

[From the Washington Post of April 28, 1958]

LABOR AND THE SENATE

The Senate's refusal to be stampeded into hasty enactment of general labor legislation shows good judgment. No emergency has arisen to require short-cuts in the delicate business of prescribing the rules by which labor-management relations shall be regulated. In the circumstances the Senate majority is fully justified in its insistence that the proposed amendments offered by Minority Leader KNOWLAND be scrutinized by the Labor and Public Welfare Committee, with the aid of public hearings, before the Senate as a whole is asked to pass final judgment on them.

Even if the Knowland amendments had been approved by the Labor Committee and if they were all sound in principle and draftsmanship, there would remain a real question as to the wisdom of attaching them to the pending bill. That measure would require public reports on the operation of welfare and pension funds, with stiff penalties for false reports and for embezzlement from such funds. The need for legislative protection of pension and welfare funds is now everywhere recognized. Surely that reform ought to be voted by Congress without risking its defeat by the attachment of more controversial items.

Since the Taft-Hartley Act was enacted in 1947 needed changes in the law have failed repeatedly because they have been presented in overly large doeses that Congress would not take. Certainly it is better to enact some relatively simple and urgently needed reforms than to insist on an omnibus measure that is especially vulnerable because of an accumulation of antagonisms.

It is clear, however, that the Senate will not be satisfied by voting the funds-control bill and calling it a day. The majority wants to pass other labor-management reforms, and the indications are that at least some of the Knowland amendments would have passed if they had had committee approval. Democratic Leader JOHNSON held his own following together and won 10 Republican votes only by giving assurance that there will be an opportunity at the present session to vote on a more comprehensive labor bill. At one point he declared, "We are going to have legislation in this field if I have any effectiveness at all in this body."

In supporting Mr. JOHNSON's position, Senator MCCLELLAN, chairman of the Select Committee which has exposed many abuses in organized labor, gave warning that if the Labor Committee does not soon report out a broader bill, he will move to discharge it and bring the problem once more to the Senate floor. There are indications that he will have much support for such a move; for a number of Senators who approve the Knowland amendments but who voted against them on procedural grounds will insist on clarifying their position before election day.

The public interest will best be served, in our opinion, by passing the funds-control bill promptly without cluttering amendments and by presenting a separate bill, including the best of the administration, Knowland and McClellan proposals, as soon as possible. The abortive move to write a major labor bill on the Senate floor could well be abandoned without further loss of time. But it is equally clear that the Labor Committee ought to speed up the process of getting a broader bill before the Senate. Those who have insisted on proper procedure, backed by explicit promises from the Senate leadership, will then be in a strong position to insist that action be taken before the adjournment.

REQUEST FOR CONSIDERATION BY BANKING AND CURRENCY COMMITTEE OF MEASURES RELATING TO FINANCIAL AID TO RAILROADS

Mr. FULBRIGHT. Mr. President, on April 22, 1958, the Secretary of Commerce sent a letter to the Senator from Florida [Mr. SMATHERS], who is chairman of the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce. The letter contains a number of recommendations for legislation to assist the railroad industry.

One of the recommendations is for a plan to provide financial aid to modernize and improve the plant, facilities, and equipment of the railroads. This financial aid would consist of $500 million in guaranteed loans and $200 million in guaranteed equipment obligations.

Rule XXV of the Standing Rules of the Senate requires that proposed legislation dealing with certain subjects be referred to the Committee on Banking and Currency, for consideration. Among the subjects listed is proposed legislation dealing with financial aid to commerce and industry, other than matters relating to such aid which are specifically assigned to other committees under this rule.

In view of this specific grant of jurisdiction, and the fact that rule XXV does not assign to the Committee on Interstate and Foreign Commerce, proposed legislation dealing with financial aid for railroads, I submit that the Committee on Banking and Currency has jurisdiction over such measures.

Therefore, if proposed legislation to implement the recommendations of the Secretary of Commerce is introduced, I wish to give notice, on behalf of myself and the Senator from Indiana [Mr. CAPEHART], of our intention to ask that the Committee on Banking and Currency be afforded an opportunity to consider the aspects of the proposed legislation which deal with financial assistance to the railroads.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, before the morning hour is concluded, I wish to suggest the absence of a quorum. I ask the attachés of the Senate to notify Senators on each side of the aisle that at the close of morning business the unanimous-consent agreement will begin to operate. I am hopeful that if any Member of the Senate has any material or any statement for the morning hour, he will be informed and asked to present the matter before the Senate begins to operate under the unanimous-consent agreement.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Case, N. J.	Johnson, Tex.	Payne
Curtis	Kennedy	Proxmire
Hickenlooper	Knowland	Smith, N. J.
Ives	Mansfield	Talmadge
Jackson	Neuberger	Thurmond

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARRETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of South DAKOTA, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HAYDEN, Mr. HILL, Mr. HOBLITZELL, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JAVITS, Mr. JENNER, Mr. JOHNSTON of South Carolina, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LANGER, Mr. LAUSCHE, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. O'MAHONEY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. REVERCOMB, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCHOEPPEL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. WILEY, Mr. WILLIAMS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

THE IMPORTANCE OF A NEW COUNTRY LIFE COMMISSION

Mr. WILEY. Mr. President, there is now pending before the Senate Agriculture and Forestry Committee a most important bill, which could go a long way toward an understanding of the needs of rural America and toward constructive steps being taken to meet the problems in the rural grassroots. I refer to S. 3596, which would establish a Commission on Country Life.

If ever there was a Commission which could illuminate the dynamic processes of our country, and which could shed light not only on where we are going, but how and why, and what we can do about it, it is this particular Commission.

The case for it has been ably presented in a letter which I have received this morning from one of the top farm spokesmen of my State, Mr. Milo K. Swanton, executive secretary of the Wisconsin Council of Agriculture Cooperative. Mr. Swanton has so briefly and clearly set forth the importance of such legislation that I can hardly add to it. I, therefore, ask unanimous consent that the text of his letter be printed at this point in the body of the RECORD.

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

WISCONSIN COUNCIL OF
AGRICULTURE COOPERATIVE,
Madison, Wis., April 24, 1958.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR ALEX: Personally and on behalf of our federation of 90 agricultural associations in Wisconsin, I recommend for your favorable consideration, bill S. 3596, introduced by Senator FLANDERS (for himself, Senator COOPER, Senator MORTON, Senator THYE, and Senator STENNIS). This bill, now before the Senate Committee on Agriculture and Forestry is identical with bill H. R. 11844 recently introduced by Congressman HAYS of Arkansas.

Bill S. 3596 would provide, on a limited time basis, for a Commission on Country Life. Generally it would follow the pattern of the valuable Roosevelt Country Life Commission of 1908. Analyses of population movements, trends in part-time farming, the challenge of vertical integration, influence of industrial decentralization, and other developments affecting rural life would be made.

Science and mechanization, increased mobility and hybridization of rural and urban people have greatly influenced agriculture and have intensified new problems at the crossroads. In America, more than anywhere else in the world, an agricultural revolution is taking place.

We are convinced that the prestige of a Presidential Commission, bipartisan in nature, would focus considerable attention on the situation that is engulfing the human resources of American agriculture. Factual analysis by a staff of top-ranking rural sociologists and economists, enlisting the cooperation of land grant colleges, agriculture leaders and various rural life related agencies, would do much to clarify issues and problems.

The job to be done is bigger than any one college and broader than any single organization or economic segment. We feel that again, as in 1908, a Presidential commission can best bring about the type of broad approach and coordination so essential in helping rural people to master rather than be the victims of change.

It is most heartening to know that the National Council of Churches, the National Lutheran Council, and the National Catholic Rural Life Conference are wholeheartedly in support of this proposed legislation. Likewise, educators, many farm leaders and organizations, as well as the rural press, are stanchly behind this program.

Sincerely we hope that bill S. 3596 will be scheduled for hearing promptly and that it will be acted on favorably by the Senate Committee on Agriculture and Forestry and by the Congress.

Most sincerely,

MILO K. SWANTON,
Executive Secretary.

ELEVENTH ANNUAL ASSEMBLY OF UNITED NATIONS WORLD HEALTH ORGANIZATION

Mr. THYE. Mr. President, the United Nations World Health Organization will hold its 11th annual assembly in Minneapolis next month. A health seminar, open to some 40 doctors and health specialists, will be conducted as an adjunct of this assembly. Recently there appeared an article in the Minneapolis Star commenting on this seminar. I ask unanimous consent that the article 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:

FORTY DOCTORS TO JOIN U. N. SEMINAR AT WHO ASSEMBLY

(By Bob Murphy)

A United Nations seminar will be an adjunct of the World Health Organization's 11th annual assembly when it meets in Minneapolis in May, and, of a variety of meetings at or about the same time, will be closest to the WHO in study and participation.

It will be open to some 40 doctors or health specialists through the world, as seminar participants, and about 200 other auditors, who may sit in on sessions but may not take part in discussions.

The seminar will be staged by Minnesota United Nations Association, in cooperation with the American United Nations Association, and World Federation of United Nations Associations.

Mrs. Bernard Marver, St. Paul, president of Minnesota U. N. Association, is heading the effort here and has named Mrs. Lawrence Steefel as chairman of the group

arranging study course sessions. Mrs. Arthur Strachauer heads the hospitality committee, the Reverend Roy Burt and Mrs. York Langton are working with Mrs. Marver in arranging accommodations for guests.

For the 10 previous WHO assemblies, United Nations have arranged eight such study courses, missing only the 1943 assembly in Geneva and the 1955 meeting in Mexico City.

The seminar will open May 28—when WHO goes into its regular assembly schedule after a 2-day 10th anniversary celebration—and will close June 4. The assembly meanwhile is scheduled to run through June 14.

The Minnesota U. N. group has responsibility for invitations to be issued to possible United States participants; for local arrangements as to place, accommodations, registration, and an informal opening reception, and for operation of the course, arranging speakers, secretarial help, setting meeting chairmen, introducing speakers, and so on.

The World Federation is charged with negotiating the study course, issuing world invitations through member associations, setting the schedule of speakers and negotiating possible financial help from WHO. Meetings will be held here in the auditorium of Lutheran Brotherhood Building.

Although the program is not complete, the first is expected to be devoted to general information about the Assembly. Speakers will be drafted from Assembly delegations and technical staffs.

Participants and auditors will be permitted to attend all WHO sessions. Ordinarily courses run in both English and French, but it is believed English discussion alone will be sufficient in Minneapolis.

Of previous seminars, Dr. M. G. Candau, WHO Director General, said: "Perhaps the most striking examples of the cooperation which has existed for a number of years between our organizations are the study courses. * * * These have been of greatest value in the past in disseminating knowledge of the objectives and achievements of WHO, and have given opportunity to technical staffs of WHO to address selected audiences on their work. It is my hope this fruitful type of cooperation will continue."

Invitations on the letterhead of the Minnesota WHO Centennial Committee, of which Dr. Charles W. Mayo is chairman, will go to doctors, medical students, public health officials, social workers, nursing specialists, and others.

Meanwhile many other meetings involving health are scheduled for the 2 months in which the assembly will be operating in Minneapolis.

Minnesota League for Nursing will hold its annual convention May 1 and 2 at Pick-Nicollet Hotel, with 300 expected. A medical continuation course on electrocardiography will be held at University of Minnesota May 5–9. Minnesota Association for Health, Physical Education, Recreation and Safety will meet May 10 at University of Minnesota.

A medical continuation course on proctology is set May 12–16 at University of Minnesota. The Upper Midwest Hospital conference is expected to draw 4,500 to Lemington Hotel and Minneapolis Auditorium May 14–16, the classifications including hospital administrators, business managers, engineers, architects, housekeepers, trustees, auxiliaries, nurses, technologists, librarians, dieticians, nurse anesthetists, social workers, therapists, and many others.

A medical continuation course on gynecology is set at University of Minnesota May 22–24, the same dates as the annual Minnesota State Medical Association convention in Minneapolis Auditorium, expected to draw some 3,000. Dr. Candau will be a speaker at this convention.

American Board of Preventive Medicine will meet May 24–25. A regional conference of State and territorial dental directors is set for May 26–29, during the assembly, and the University of Minnesota fourth institute on hospital recreation the same date.

Many of these are expected to draw observers to sessions of WHO in Vocational High School auditorium, where space will accommodate about 1,000 auditors and spectators.

The United States seminar, however, is the only meeting with a direct tie-in with the assembly, and drawing from its list of specialists for talks and leadership.

CONTRIBUTIONS OF WORLD HEALTH ORGANIZATION

Mr. THYE. Mr. President, the activities of the World Health Organization have been extremely important to many nations of the world. The contributions made by this international organization to the improvement of health and sanitation throughout the world should be better known among our citizens in order to emphasize the significance of its annual assembly being held for the first time on American soil. I ask unanimous consent that a series of articles, which recently appeared in the Minneapolis Sunday Tribune, be printed in the RECORD at this point as a part of my remarks.

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

[From the Minneapolis Tribune of April 6, 1958]

AN ARMY OF MEN LAUNCH ATTACK ON A COMMON ENEMY, DISEASE

(EDITOR'S NOTE.—This is the first of three articles on the World Health Organization which will open its 10th assembly in Minneapolis May 26.)

(By Daniel J. Hafrey)

In a classroom high above the Mississippi at the University of Minnesota school of public health, easygoing Alfonso Villera, of Colombia, is busily working away at plans and blueprints.

But he isn't easygoing now. The plans for a municipal water treatment plant he's working on are not an academic exercise. Rather, these plans will be used to give the 300,000 inhabitants of Cartagena, Colombia, their first really safe drinking water when he returns to his job in the office of public health there.

In a nearby classroom a tiny live wire of a woman, Mei Ying Wang, from T'ai-pei, Formosa, is learning the steps of teaching and supervising public health nurses.

Again, this is no idle ivory-tower pursuit. The young woman is on leave from her job as a public health nurse at a T'ai-pei training and demonstration center. When she returns, her main job will be to teach nurses who teach mothers proper health procedures.

For, she said, "in my country maternal and child health are among the greatest public health problems."

In Minneapolis' gleaming new public health center a graceful tall woman who had never seen snow until this year closely observes techniques and asks eager questions.

Preedar Boonyasiri, Chief Clerk of the Division of Vital Statistics for the Burmese Ministry of Health in Rangoon, is here to pick up practical pointers on how to do her job.

"Right now," she said, "we have no reliable vital statistics in my country. When I really get my job organized I think we can be very useful in helping develop a public health program for Burma."

This trio in Minneapolis, plus thousands of others across the country, plus tens of thousands across the face of the earth all are working for one ideal:

"The health of all peoples is fundamental to the achievement of peace and security. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic, or social condition."

These words from the constitution of the World Health Organization (WHO) have special meaning as hundreds of millions of men around the globe observe World Health Day, Monday.

For, as WHO prepares for its 10th anniversary assembly in Minneapolis May 26, the hope of a world free from age-old disease and suffering seems attainable for the first time.

Today it is a world where—in spite of tremendous medical progress and superior levels of health in some countries—its 2,700,000,000 inhabitants face these conditions:

Two out of three persons are ill or undernourished.

The life expectancy in vast areas of the world, such as Asia and Africa is 30 years compared to 70 in the United States and Western Europe.

The death rate in underdeveloped countries is 30 per 1,000 a year against 10 per 1,000 in the more advanced ones.

Four out of five people do not have safe drinking water.

More than half the earth's population lives on a diet of less than 2,000—and many below 1,500—calories a day when 3,000 is considered adequate.

Forty-four percent of all deaths in large areas of Latin America are among children under 5, while in the United States and Canada this rate has been reduced to 9 percent.

More than 200 million persons were stricken with malaria in 1956 and some 2 million of those died.

Some 600 million are chronically infested with roundworm.

Five million a year die of tuberculosis, the "white death" which practically has been eliminated in this country.

More than 80 million persons have yaws, a tropical disease producing open sores which cover the body.

Some 15 percent of the world has trachoma, the eye affliction which leads to blindness.

And some 8 million have leprosy.

This list could go on and on, to yellow fever, smallpox, and bilharziasis, to the fact that only few areas have adequate sewage disposal, that vast areas of the world may get enough food, but of the wrong kind.

Where, the American will ask, do our own killers figure in this list? What about heart disease, cancer, diabetes, and polio which loom so largely in our headlines?

The fact is that in the worldwide picture the luxury diseases of our complicated civilization mean very little. In Latin America, Asia, and Africa comparatively few people live long enough to develop any of the degenerative diseases such as cancer, which come with longer life.

In all these lands they succumb by the millions to the ancient scourges of mankind which strike at child, man, and oldster alike.

The fact is that this country is one of a few islands of relatively high health standards in a world where only the most rudimentary beginnings of proper health care now are being made.

Consider, for instance, some figures such as these:

While the United States, Denmark, and Israel have one physician per 1,000 of population, there is one for the total population of 1 million in Laos. In Indonesia the rate is one per 50,000, in rural India one per 75,000.

While the United States and New Zealand have 100 hospital beds per 10,000 population, the figure drops to seven per 10,000 in Burma, three per 10,000 in India, and one per 10,000 in China.

While the United States has one professionally trained nurse per 300 people, Kenya and Indonesia have one per 50,000, and India and French West Africa one per 100,000.

Canada, the United States or Western Europe have no bubonic plague or trachoma. But we have our own health problems, nonetheless.

By international agreement, as expressed in the WHO constitution, "health is a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity."

It is plain that hundreds of millions of Africans, Asians, and Latin Americans wracked by malarial fever and intestinal diseases, living in poverty and near starvation are far from well.

But what of our own United States, of Britain and France where half of all hospital beds are taken by mental patients?

What of the fact that all too often we still have no other solution to the problems of old age than to crowd our older citizens into mental institutions?

What of the mental health of the millions of children—in civilized Europe as well as in underdeveloped Asia—who have lost their parents and families in war and revolution and whom nobody wants?

What of the cardiovascular diseases and cancer which increasingly snuff out lives not only in the sixties and seventies but the thirties and forties as well?

What of the whole series of manmade killers that come with our industrial, high-speed civilization? What of accidents which account for half of all the deaths below 15 in this country? What of the mental breakdowns that come with our pace of living and working?

And what of atomic radiation, that dread mystery with its potential of untold service to mankind—and its equal potential, if carelessly handled, to exterminate the human race as we know it?

These will be some of the things in the minds of the 264 delegates and hundreds of observers from 88 countries as they gather in Vocational High School Auditorium for the World Health Assembly.

Because for the first time in man's history malaria and the black death, trachoma and yaws, smallpox, and hookworm need not be. For the first time, man is launching a united, worldwide attack on disease.

Health is not merely the absence of disease and infirmity. And also, again by WHO definition, "the achievement of any state in the promotion and protection of health is of value to all. Unequal development in different countries in the promotion of health and control of disease, especially communicable disease, is a common danger."

This realization came slowly to man. Only in 1892 did 14 European countries sign the first international convention to control the spread of cholera. In 1902 the Pan-American Sanitary Bureau was set up in Washington. And in 1907 the Office International d'Hygiene Publique was founded in Paris.

When the United Nations Charter was drawn in San Francisco, Calif., in 1945, Brazil proposed that health should be included as one of the vital factors for the stability and well-being essential for world peace.

In 1948 the World Health Organization, the first truly global Organization of this nature, was set up. Appropriately, a Brazilian, Dr. M. G. Candau, is Director General of WHO for its 10th anniversary session in Minneapolis, the first time the Organization meets on United States soil.

[From the Minneapolis Tribune of April 13, 1958]

YOU CAN THANK WHO FOR CONTROLLING ASIAN FLU

(EDITOR'S NOTE.—This is the second of three articles on the World Health Organization (WHO) which will open its 10th anniversary assembly in Minneapolis, May 26.)

(By Daniel J. Hafrey)

When last fall's Asian flu wave hit the United States, health authorities were ready with a vaccine and fully familiar with the disease.

Thanks to that, while there were some deaths and much individual suffering, the effects of the epidemic were held to a minimum.

Much of the credit for America's being armed in time goes to Epidnations, the medical intelligence warning system of WHO, the World Health Organization in Geneva, Switzerland, which collected the data and alerted health officers around the world.

This warning system is only one of myriad vital services performed by the 88-nation WHO which will open its 10th anniversary assembly in Minneapolis May 26.

For the first time in history, man through WHO and its handful of international civil servant is working on a truly universal scale for this ideal:

"The health of all peoples is fundamental to the achievement of peace and security. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition."

WHO is not a supergovernment. It has no power to compel. Its annual budget of $13,500,000 compares with $400 million for the health agency of just one member, the United States Public Health Service (USPHS). WHO has about 1,000 employees compared with 20,000 for the United States Public Health Service.

With John Donne, WHO recognizes that "no man is an Iland intire of itselfe," that the good health of every man everywhere is the concern of everybody. To press this worldwide attack and its causes, WHO has two basic functions:

Advisory services for member governments seeking to strengthen their people's health, and cooperative technical services available to all, such as Epidnations.

By agreement of the 1955 health assembly, man's first health target is malaria, which laid low 200 million persons in 1956 and killed 2 million of those.

To this end WHO in 1956 helped governments launch a 4-year campaign to rid the world of malaria. The program starts with a painstaking survey of every home, public building and family in an area, plus mass sprayings twice a year with a residual insecticide.

By killing the carrier mosquito and depriving the tiny organism which causes the fever—called a plasmodium—of its host the murderous cycle can be broken. After 3 years, the plasmodium gets too old and won't reproduce.

Thus, if an area can be kept malaria free for 3 years it should stay so indefinitely. But the attack has to be pushed everywhere at the same time.

Also, there is a critical need for the greatest speed. Already some strains of mosquitoes have become resistant to certain insecticides, such as DDT. The eradication campaign must be completed before more of them develop such resistance.

Already, 230 million persons around the globe have been protected against malaria. But 370 million more remain exposed.

Italy, Puerto Rico, Corsica, Cyprus, French Guiana, and other areas have been rid of malaria. When 13,000 villages in Iran were sprayed with DDT the incidence of malaria dropped from 90 to 10 percent.

Some 5 million persons around the world die of tuberculosis each year. In underdeveloped countries of Asia and Africa the death rate from tuberculosis is 333 per 100,000, while it is around 30 in the United States and six in Denmark.

With WHO advice and expert personnel, vast campaigns of vaccination with BCG are being carried out all over the world. Some 200 million persons have tested for tuberculosis. About 90 million have been vaccinated.

Syphilis and its cousin, yaws, which is spread by mere contact, are the next goal. Some 80 million persons in the Tropics are marked by the gaping sores which yaws produces.

A shot of penicillin will cure nine out of ten cases of yaws. It is also effective against syphilis. In Ecuador, for instance, a WHO-sponsored penicillin campaign has reduced yaws incidence to less than 1 percent.

Trachoma, the eye infection which produces the pitiful hordes of blind in the earth's warm areas, infests 15 percent of mankind. WHO found that mass treatments with antibiotics may control this scourge. Already, a million schoolchildren in Taiwan have been cured with aureomycin and terramycin.

Ten years ago the fate of the leper was as hopeless as in the dark days when his affliction was considered a punishment from God. For the first time today, treatment with sulphones arrests the disease and makes it noninfectious, giving the world's 8 million lepers their first hope for the semblance of a normal life.

To carry on its work most effectively, WHO has divided the world into six largely autonomous regions. They are:

The Americas, with offices in Washington, where the Pan American Sanitary Bureau has become WHO's regional office. Except for the United States and Canada, most of the region is economically underdeveloped or transitional. Malnutrition, poor sanitation, malaria, and yellow fever are the main problems. Population is 326 million.

Africa south of the Sahara Desert, with offices in Brazzaville, French Equatorial Africa. Malnutrition and most communicable diseases are widespread, but so far WHO work has been largely exploratory.

Southeast Asia, taking in Afghanistan, Burma, Ceylon, India, Indonesia, Nepal, and Thailand. Regional offices are in New Delhi, India. There's hardly a disease or health hazard to which this area is not prey.

Europe, including the Soviet Union, plus French North Africa and Turkey, with offices in Copenhagen, Denmark. Problems range from TB in Turkey to diseases of highly organized aging populations such as cancer, heart disease and mental health. Population is 610 millions.

Eastern Mediterranean, comprising the Middle East, Red Sea and Persian Gulf countries, Ethiopia, and Pakistan. Headquarters at Alexandria, Egypt. Shortage of trained personnel, malnutrition, TB, and bilharziasis are the main challenges.

Western Pacific, including China (although Red China is not a member), Japan, Korea, Indochina, Malaya, parts of Borneo, New Guinea, the Philippines, Australia, and New Zealand. Manila, the Philippines, is headquarters. Except for New Zealand and Australia, the main problems are sanitation, shortage of personnel, communicable diseases and yaws in the region's uncounted islands.

Thanks to WHO, no one nation's medical knowledge is kept secret, but every new finding beneficial to man is shared with all.

[From the Minneapolis Tribune of April 20, 1958]

WHO SEEKS COMPLETE WELL-BEING FOR ALL

(Last of series)

(By Daniel J. Hafrey)

The 88-nation World Health Organization (WHO) which will meet for its 10th anniversary assembly in Minneapolis May 26 states in its constitution:

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

To be sure, while hundreds of millions around the globe suffer the ravages of malaria, rabies, yellow fever, tuberculosis and the host of other diseases to which man is heir, curing the ill is the No. 1 goal of WHO.

Parallel with its work in helping countries attack specific diseases—such as the malaria-eradication campaign—WHO also makes expert help available so governments can strengthen their own health services.

Properly organized public health services include preventive and curative services, research and public education.

Most countries today are short of both physical facilities and trained personnel. WHO offers help in providing both.

Faraway Afghanistan, for instance, first asked for WHO help in 1949. Within 5 years economically important areas had been made safe from malaria and typhus, to the point where an acre which had sold for a few pennies increased 5,000–8,000-fold in worth.

At the same time a program of training health workers was launched. By 1950 Afghanistan asked WHO help in expanding maternal and child-care services. A public health engineer was brought in to improve sanitation. Then a public health adviser was called in. In 1952 Afghanistan sought international help in training nurses.

And, in 1954, an international team set up a demonstration training center for tuberculosis in Kabul, the capital. All along, Afghan health officers worked alongside their international advisers, so they could take over the work eventually.

Similar comprehensive health projects are under way in more than two dozen countries now.

The American who can turn on a faucet or step to a water cooler for a safe drink of water is decidedly in the minority. Up to 80 percent of the world's 2.7 billion inhabitants do not have safe drinking water.

Hookworm, gastrointestinal diseases, diarrhea, and schistosomiasis infest hundreds of millions, cutting down their productivity and weakening their resistance to other diseases. This is especially serious in areas of Asia and Africa where populations are growing rapidly.

In India, for instance, some 50 million a year fall victim to waterborne diseases. Two million of those die.

The international organization also helps train health officers for countries where their supply is so short. The Colombian at University of Minnesota's school of public health who learns how to build a water-treatment plant, or the Chinese going into raptures over a septic tank in suburban Minneapolis are just two examples.

Finally, WHO experts help tackle the underlying cause of poor sanitation: they help local governments in their public-education campaigns.

WHO helps governments set up prenatal, infant, and school health services. It helps introduce up-to-date methods of obstetrics, pediatric care, and midwifery. It helps train nurses and demonstrators.

And it helps teach mothers proper standards of cleanliness and nutrition and woos them from age-old superstitions.

Public-health students at the university from Indonesia, China, the Philippines, and Indochina agree with one voice: maternal and child care is their top public-health problem. As a reply, more than 5,000 child health centers have been set up in Southeast Asia.

Cleanliness may be next to godliness, but it doesn't feed the hundreds of millions who don't get enough to eat on our earth today. Malnutrition and starvation are near the top of WHO's list of targets.

The Institute of Nutrition of Central America and Panama is one answer. In 1946 Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama approached the Pan American Sanitary Bureau for help with their serious nutritional problem.

The institute launched dietary surveys, pinning down the specific shortcomings of local diets, and came up with inexpensive local products which can make up this deficiency.

The institute also carries on basic nutritional studies, the results of which are being used all over the world.

But even good health in Afghanistan or Indonesia in itself is important to Americans. By increasing productivity it lowers the price of things we must import. By helping more people live longer it also increases the demand for American exports.

Finally, by making for happier and more content people everywhere it also removes the threat of conflict, destruction, and violent death which today hangs over all of mankind.

DOWN THE INFLATION ROAD TO SOCIALISM

Mr. BUTLER. Mr. President, the American Letter, published by the Whaley-Eaton Service on March 22, 1958, contains a provocative analysis of the present inflationary age, under the title of "Down the Inflation Road to Socialism." The timeliness and thoroughness of these observations, in my judgment, warrant the consideration of all who seek the equation for economic recovery. I therefore ask unanimous consent that this excellent article be printed in the body of the RECORD.

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

DOWN THE INFLATION ROAD TO SOCIALISM

Inflation is an insidious disease. Yet the national dream of eternal prosperity and cradle-to-grave security has led us to accept it as a normal way of life. This is an informal effort to warn of the dangers facing us all.

The prosperity this country has enjoyed in recent years verges on the fantastic. Until mid-1957 it appeared there was no stopping the steady rise in America's living standards. We were saying that by 1965 we would all be living twice as well. And by 1975, life would be one long round of relaxed well-being in a transformed, efficient world.

This pretty dream assumed there was only one way for us to go—up. Unfortunately, it overlooked the simple fact that it is possible to move too fast. We had piled boom on top of boom, and by mid-1957 had stretched our industrial production capacity far beyond our immediate needs. Our system of easy consumer credit has led us to mortgage our personal incomes too far into the future. In other words, the economy needed a breathing spell.

We as a people move easily to extremes. We were undoubtedly far too optimistic last year. And we may be in danger now of going too far in the other direction. Fear of a deep depression may lead us again to listen to the quack doctors, and to try their fake remedies. We are already far down the road to socialism. A few more surrenders to politicians and businessmen seeking an easy way out of our present troubles may take us all the way.

America needs to pause and take a look at itself. The hectic pace of the past few years seemed very wholesome and natural at the time. As seen in perspective, there were worms in that apple. Americans were not only spending every cent of their income but were borrowing heavily as well. The Federal Government meanwhile assumed such enormous new financial responsibilities that it barely made both ends meet even during the best of years and even with the highest tax rates in peacetime history.

We have accepted this theory of enormous Government spending as not only an essential element of modern life but as the very lifeblood of our prosperity. Business, the farmer, the individual have all sought to lean on the special crutch of Federal aid. Even defense spending, which absorbs some 60 percent of all Federal outlays, is treated as a prop to prosperity rather than, as it really is, a necessary but horrible burden on the economy.

And so, if America is at an economic crossroads, we are all of us to blame. The restoration of sound prosperity calls for a facing up to the facts. More inflation will only put us on an endless merry-go-round which will some day burst under internal stresses. This is our clear danger.

LARGER AND LARGER DOSES OF INFLATION

Most of America's present economic headaches trace back one way or another to the great depression of the 1930's. First we tried various temporary measures to cure it; then we became panicky. As a result, the Government was asked to take over and manage the economy. Virtually every one of the great-welfare programs now in effect dates from that period.

All these programs involve heavy direct Government spending. For some of them, as old-age pensions, payroll taxes were imposed. But the great majority are financed directly out of the Treasury. From a small beginning, they have grown until Government now regularly takes more than a quarter of all we earn. The old-age pension and assistance programs alone currently contribute to the support of some 12 million of our people.

In addition to launching inflationary-spending programs, we decided in 1933 to tinker with the monetary system. The gold standard put an automatic brake on Government spending so we abandoned it domestically. American citizens could no longer exchange their currency for gold. Thus, the Government gained control of the Nation's monetary system and hence of the supply of money within the economy.

This combination of a managed currency and heavy spending sent us off to the races—with inflation always the lead horse. When World War II came, we multiplied our debt by three. The effect was to increase the money supply enormously. And since the war we have been unable to keep Government costs under control. From $3 billion in the 1930's, we have raised the Federal budget to the $75-billion level. Even now, every recession remedy that has been suggested calls for more Government spending, and this without increasing taxes—in fact, even while reducing them. Obviously, every new budgetary deficit means further inflation.

Looking back on the past 25 years we now find that the dollar has lost 55 percent of its value because of inflation. We get only 45 cents in real terms for our money. Since 1946 alone it has dropped 32 percent in value. We have talked about a sound dollar but we have not maintained one. Even with tax rates that are confiscatory, we cannot get enough money for the Government to spend except by borrowing it.

Orthodox economists would say that high taxes are deflationary, but permanently high taxes have the opposite effect. They are a cost to all of us. And as costs have to rise to meet taxes, so do all prices. As long as industry can raise prices and labor can force its wages up as an offset, the cycle goes on. We now have reached the status of having created a monster which we can no longer

control. For the first time in history, we have a recession without generally declining prices.

COMPOUNDING THE ERRORS

One of the gravest miscalculations in United States economic history, and business must bear the onus, was in giving organized labor monopoly powers. Business had been too greedy up to 1929, so it was penalized in the 1930's by having unions shoved down its throat. These unions were needed to assure workers a fair share of the wealth produced, but they now trade on the Nation's complete inability to curb them. Rigidity is the result at a time when flexibility in costs—and prices—is urgently necessary.

Enjoying absolute immunity from antitrust regulation, industrywide unions have demanded wage increases in excess of productivity increases. Basic industries have caved in to these demands and passed the costs along to consumers in the form of higher prices. The consequences of this self-defeating wage-price spiral became clear when the boom lost its bloom.

Even amid recession and unemployment labor is demanding new wage hikes. It is, in fact, arguing for these more strenuously than ever as needed to increase consumer buying power. This cuts business profits and consumes the Nation's seed-corn—investment capital. Shortsightedness of labor and management alike puts an ever-tightening rope around the economy's neck.

HOW WE GOT WHERE WE ARE

The great postwar boom which has now burst needs to be understood if one is to understand the present recession. This boom had its inception at the war's end and then endured 12 years because:

1. The war created an enormous pool of new money, of savings and of potential credit, all of which was released as the war ended.

2. We had been doing without because of the prewar depression and wartime controls—and people were wildly eager to buy.

3. From 1925 through 1945, for example, we had been underbuilding and there was a tremendous accumulated demand for new housing. Also, auto manufacture had been totally shut down since 1941.

4. Improving business, discharges of servicemen, rising incomes, and the buying desire all combined to create vast new markets.

5. Availability of savings touched off the spree, but easy credit carried it on and on.

6. The boom fed on itself, creating new jobs in manufacturing and service industries, accelerating the movement away from farms to city jobs and greater cash incomes. Family incomes rose sharply.

7. Transportation underwent a revolution as railroads replaced steam engines with diesels, trucks took over a greater share of total traffic, airlines came into their own, and the auto population jumped from 40 million to 65 million.

8. Finally, industry had to modernize and expand its facilities for greater efficiency and greater output. Capital outlays rose year by year, with an extraordinary jump from 1955 through 1957.

9. Along with this was a tremendous surge of births, a fast rising total population, and new demands for schools, hospitals, roads, public works, commercial buildings, and stores.

10. With prosperity apparently permanent, everybody joined in the same spending spree, including local governments.

Luck ran out on us in mid-1957. We had expanded industrial capacity beyond immediate needs, had mortgaged our incomes to the hilt. Public and private debt had jumped from under $300 billion in 1942 to over $800 billion. We had satisfied all our most urgent consumer wants.

And so the inevitable happened. Housing had already passed its peak. The auto companies brought out oversized, overpriced models which people no longer wanted. Individuals everywhere were having a hard time to meet current debt payments, had to forego new purchases. Industry itself discovered it had far too much capacity. And so we have passed quickly from excessive tight money into a period of credit ease.

Companies curtailed operations and cut back their expansion programs as sales fell off. A recession which began slowly then started to snowball. Rising unemployment cut further into demand. As nervousness began to spread inventories were reduced all along the line.

Yet a major readjustment was obviously necessary to bring the economy into balance. Whaley-Eaton and others had been warning of it for months before it appeared. But bad news, even when it is expected, is still bad news. And the headlining of all this tends to make the picture seem darker than it really is.

THE DANGER IN PATENT MEDICINES

It is not easy to maintain a collective calm in such periods of stress. Consequently, we are—after 8 months of recession—verging on the panicky. Another great march on Washington is underway, and the slogan of all is "More Government Help." In short, we are not willing to take even a small dose of the bitter after so many years of the sweet. We may only succeed in destroying the very foundations of our free economy thereby.

Socialism may be a nasty word; we use it in the sense of a planned economy. It starts with the simple promise of equal treatment for all, to erase poverty, discrimination and suffering. The promise sounds good, and the people accept it. But modern society is a complex affair, and the efficient functioning of the present-day economy requires millions upon millions of daily decisions. Under a planned economy these must be made by a vast bureaucracy rather than by a free and open market.

The socialistic path is a deceptive one. History is full of examples of people who enslaved themselves by following it. This country is now on the road to socialism, and has been traveling it steadily since 1933. Parties may promise differently in their campaigns, but Republicans and Democrats are very much alike once they are in office.

Government programs to end the recession and restore prosperity take only two forms: (1) More authority for the Government to regulate business—to tell people what they can and cannot do, and (2) more spending directly by the Government. It is hard to say which of these is the more dangerous. But taken together they certainly must weaken the free competitive system, inflate the money supply, eventually force higher taxes, and assure a new wage-price spiral.

If we could put up with another 12 months or so of gradual readjustment we would lay the foundation for a long, healthy period of prosperity. But that means caring for 6 million or so unemployed meanwhile, and it means an even further contraction of business before the upward turn comes. If we insist on artificial Government stimulants we will only encourage an even wilder wage-cost spree. The ultimate fate of that can be easily forecast. We will push prices up faster and faster, will ultimately so cheapen the dollar it must be formally devalued, and we will only succeed in bringing on ourselves an economic bust more terrible than that of the 1930's.

This is the time for caution, even for sacrifice, not for reckless adventures with new inflationary remedies.

THE PRESERVATION OF FREE ENTERPRISE

Mr. BUTLER. Mr. President, on April 7 it was my pleasure to address the Lancaster Chamber of Commerce, at Lancaster, Pa. My remarks were directed to the problem of preserving free enterprise. In my opinion, it is the most important task with which we are confronted.

A period of recession always increases the pressures for more Government intervention and spending. The preservation of our economic system would be justified merely because it has given our people the world's highest standard of living. It is far more important to me that it is the only economic system which is compatible with our political system, based on the dignity and worth of every individual citizen.

The issues I discussed at Lancaster must be reviewed by this Congress, and I ask unanimous consent that the address delivered by me to the Lancaster Chamber of Commerce may be printed in the body of the RECORD at this point.

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

THE PRESERVATION OF FREE ENTERPRISE

(Address by Senator BUTLER, Lancaster Chamber of Commerce, Lancaster, Pa., April 7, 1958)

It is indeed a pleasure to discuss here in Lancaster the problems which confront us in preserving free enterprise.

A free economy is inseparably linked with a free political society. Many advocates of free enterprise, I am fearful, are more concerned with freedom for themselves than with the preservation of a free economic and political system guaranteeing the dignity of every individual. If free enterprise is to be preserved, the businessmen of America must show a better understanding of our political and social institutions.

It gives me great satisfaction to compliment one of your most distinguished citizens, Mr. H. W. Prentis, Jr. Many years ago during the height of the depression when others were looking for economic panaceas, he urged the businessmen of America to broaden their horizon. He suggested that they read the Federalist Papers, Montesquies' Spirit of Laws, the works of Locke, and others. The concepts of individual freedom embodied in our Constitution and in the economic system under which we have prospered for so many years are derived from the thoughts of these great philosophers.

Mr. Prentis realized that businessmen could not effectively champion the cause of free enterprise without an awareness of the close connection between a free economy and a free political society. I reiterate today the advice he so ably presented to the businessmen of America almost 20 years ago. It is up to you to become advocates of freedom not only for yourselves but for all of our citizens. Furthermore, you must help to educate those living in nations in the process of economic development on the virtues of private enterprise. If they wish to retain free political societies, they must develop as capitalist economies.

Today we are confronted with a business recession. Whenever business activity declines, proponents of Government planning and intervention have an opportunity to advance socialistic schemes which make it more difficult for us to preserve our private enterprise heritage. In recent weeks the Congress has been deluged with proposals for more Government spending which in turn

means more Government debt. Unless we halt this trend soon, it may be too late.

What are the problems which confront us? They are easily defined.

First, a free enterprise economy requires incentives. The present tax structure was designed not primarily to produce revenue but to create the illusion that only the wealthy assume the major burden of taxation. The true fact that more than 50 percent of all personal Federal income taxes come from persons earning from $600 to $10,000 a year should startle those who advocate more and more governmental intervention and control over our competitive enterprise system.

As you know, the present corporate income tax takes 52 percent of every profit dollar. When the remaining profits after taxes are distributed as dividends, they are taxed again as personal income. The individual income-tax rates rise to the fantastic figure of 91 percent. Such a rate structure does not produce the maximum revenue. It merely deters the expansion of our economy. It defers the creation of more jobs in private enterprise.

Those individuals whose income falls in the high-tax brackets have long since lost any interest in investing their resources in risk enterprises. They can, instead, finance governmental activities through the purchase of tax-exempt bonds. It is ironic that the Congress could have created a tax structure which penalizes the investment of funds in the creation of jobs in the private sector of our economy while providing special rewards to those who are willing and able to finance the Government sector.

The staff of the Joint Committee on Internal Revenue Taxation in a study released February 25, 1958, shows that the yield from the top tax bracket is only 4.06 percent of the total revenue derived from personal income taxes.

Last year new tax-exempt securities totaling $6.5 billion were issued. Authoritative sources estimate that by 1962 outstanding tax-exempt securities will total $75 billion. It is obvious that under such conditions our present income-tax-rate structure makes no sense. It cannot yield the maximum revenue necessary to operate the Federal Government without a deficit. It is essential that this structure be reformed with only one end in view—to provide the maximum yield in each tax bracket with the least deterrent on either consumer spending or investment in productive facilities. This is a task which the Congress must undertake. It will only be done if the American people rise up with one voice and demand it.

The preservation of our institutions demands a tax system that rewards success and initiative. Our present system punishes success in private undertakings. This punitive taxation is the major contributing cause to our current recession.

Another problem which besets our economy is the continued cost-price push stimulated by the competition of labor leaders to seek political power through the achievement of continued wage increases without regard to increases in productivity and without regard to their inflationary impact on the economy.

Labor unions have an important function in our society. We could not operate American industry without them. Workers must have the opportunity to bargain collectively with corporate employers. The handling of grievances requires a formalized mechanism which the labor unions are well equipped to perform. However, we are now confronted with a labor union monopoly. Unions with the power to close down entire industries have secured excessive wage increases through this monopolistic power.

The productivity of the American economy has increased through good management, great scientific developments, and the continued investment of additional capital to provide workers with better tools and facilities. In earlier years productivity gains were largely reflected in lower prices and increased values through product improvement to consumers. This benefited all segments of our economy.

The great strength of our antitrust laws lies in the fact that under a system of competition the gains of technology and invention are widely shared. They stimulate the entire economy.

In recent years under collective bargaining agreements in most of our major industries all productivity increases have been preempted for employees, leaving none of the increase for consumers or stockholders. Under these agreements it has been impossible to avoid raising prices, thus restricting the demand for industry's product. This phenomenon largely explains the recession we are now experiencing.

President Eisenhower, in his Economic Report to the Congress on January 20 of this year, said:

"Private nonagricultural output rose only slightly from 1956 to 1957. * * * The indicated gain in productivity accordingly was still small, though much larger than the gain from 1955 to 1956. In both instances the increase was smaller than the long-term average annual increase of about 2 percent recorded for the past few decades and the still higher average increase recorded for the whole period following World War II. The small extent of these gains, in comparison with increases in wage rates, maintained the upward pressure on unit costs and, therefore, on prices."

We cannot preserve private enterprise if all of the gains from our advancing technology are preempted by any one group with monopolistic power.

Recently the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee completed a study of administered prices in the steel industry. The minority views of my distinguished colleague, Senator DIRKSEN, of Illinois, are of great significance. Let me quote from them:

"Since 1950, the national income has increased by $118.5 billion—from $240 billion in 1950 to $358.5 billion in 1957. The compensation of employees increased by 65 percent or $100 billion from $154.3 billion in 1950 to $254.3 billion in 1957. It now constitutes approximately 71 percent of the national income—a record high. On the other hand corporate profits after taxes in 1950 totaled $22 billion and in 1957 they were estimated at $21 billion. Their share of the national income declined from 9 percent to approximately 6 percent. Hence, this important source for the growth of our productive facilities has declined by over one-third during these years of great prosperity in relation to the other elements of national income.

"I believe that there can be no question which is the dominant force in inflation. It cannot be the net profits after taxes which declined by over $1 billion rather than the increase in wages and salaries of $100 billion.

"Since I believe that competition should determine the level of profits, I make no pretense at stating the percentage of the national income which should be devoted to capital formation. The fact that corporate profits have declined from 9 percent of the national income in 1950 to less than 6 percent in 1957 makes it impossible for me to accept the premise that such profits are exorbitant. The mere fact that the total profits after taxes of all American corporations in 1957 are less than they were in 1950 is a cause for great concern.

"The national income statistics attest to the fact that the fruits of our economy's increased productivity have gone largely toward increasing the compensation of employees rather than as rewards to those who contributed the capital to furnish employees with productive facilities. It also suggests that productivity will have to increase greatly and more of the fruits will have to go to the investor if the sources of funds for the maintenance and expansion of these facilities are not to disappear entirely."

For many months I have been giving serious study to proposing amendments to the antitrust laws to eliminate the monopolistic power of labor unions without in any way impairing their proper and essential functions. I am continuing to study this problem. I confess that the development of a satisfactory bill poses many difficult legal hurdles, but I can assure you that I regard the perfection of such legislation as one of my most important tasks.

Those who would destroy free enterprise have long sought to create an artificial division between big and small business. I believe that proper tax and labor legislation will make it possible for small business to grow and prosper. The dismemberment of our large business units which play such an important part in our national security could only lead to disaster.

Three months ago the Senate Subcommittee on Antitrust and Monopoly held extensive hearings on the automobile industry. Mr. George Romney, president of the American Motors Corp., testified to the difficulties he has experienced in dealing with Mr. Walter Reuther and the United Automobile Workers, who are in a position to exert monopolistic powers over the entire automobile industry.

Mr. Romney told the subcommittee that if we continue to increase labor costs America will ultimately lose its export markets. He said:

"This rise in the general industrial price level and cost of living is producing some alarming results. The decline in car exports and the rise in car imports is evidence of what is happening in the automobile industry. Autoworkers need to know that a continuation of the pattern chain-reaction bargaining will price American-car manufacturers further out of the domestic and foreign car markets. Recent studies of car manufacturing costs at home and abroad show that automobile production costs are now lower in several foreign countries. This becomes more apparent if you deduct from the price of foreign cars selling in this country the ocean freight and tariff that must be paid. These barriers total almost $2,000 on a low-price imported car. America once sold its farm products around the world. Importantly, through farm subsidies and higher agricultural prices, we lost our world markets."

Under our competitive system the consumer must be the final arbiter of the success or failure of any enterprise. Mr. Romney believes that his larger competitors are not providing the public with the type of transportation demanded under today's conditions. His firm had the courage to embark on a program of producing a smaller and entirely different type of car. During a period when the sales of his competitors declined, Mr. Romney's firm has prospered. He told the subcommittee that:

"We are confident of our success. We are in league with the future huge market for our type of car. We have not or will not ask for any special or preferential help from Washington."

I applaud Mr. Romney for these statements. If American Motors has correctly judged the desires of America's consumers his company will prosper and grow.

Whether Mr. Romney's evaluation of what the consumer wants is right I cannot determine. That decision will be made by millions of Americans expressing their choice through free markets.

In view of the fact that Mr. Romney said so many things with which I am in accord,

I was disappointed that he should propose new legislation which would require the imposition of artificial limits on the size of corporate enterprises. Mr. Romney should have sufficient faith in his own judgment and let the public determine which firms shall grow big and which should lose their present position.

He proposed that any corporation with more than 35 percent of the sales in any product would be required to divest itself of a portion of its capacity. But if a company is engaged in more than one basic industry, it would only be allowed to achieve 25 percent of the sales in any one industry.

Let us examine this suggestion. Of necessity it would deter competitive efforts when any firm approached the 35-percent mark, so the consumers would immediately suffer. Furthermore, research may show the possibility of developing a new product which a company could ultimately produce profitably and which could benefit all of us. Yet it would hesitate to proceed knowing that this decision could result in a forced divestment of approximately one-fourth of its existing capacity in the industry in which it was already operating. Frankly, I can think of no proposal which would more completely hog-tie the American economy and lead to its ultimate socialization.

Mr. Romney in making this suggestion was aware of some of the objections when he said:

"Probably the chief objection that will be raised is the problem of dividing the large technical and research centers. This may not be necessary. Many of our finest technical and research institutions now serve many companies."

He was, of course, referring to existing technical and research centers, but America needs many more. They would never be organized if the antitrust laws were written in the manner Mr. Romney proposes.

In the space age in which we live our large corporations must have sufficient resources to pioneer new frontiers. I agree with President Eisenhower who on May 16, 1956, at the dedication of the General Motors Technical Center said:

"This particular center is a place for leadership in furthering new attacks on the technological frontier. Beyond that frontier lie better and fuller employment, opportunities, for people to demonstrate yet again the value of a system based on the dignity of the human being, and on their free opportunities in life. Beyond it lie people, better capable of working with others and so that they may share what they learn with our friends in the world.

"So in this technological center, we have this development of new machines responding in their efficiency to the constantly inquiring mind of the technicians, that they in turn will produce yet broader freedoms and richer dignity for human beings, more rewarding lives, for all America and we hope through all the world."

In closing, the important point we should keep in mind is that the antitrust laws are not designed to preserve competitors but to protect a system of hard competition.

When Mr. Romney appeared before this same Senate subcommittee in 1955, he was asked specifically whether he believed that his larger competitors were a threat to competition. He said something quite different at that time, and I quote:

"Certainly competition has been the prevailing practice in the automobile industry, and I have no feeling that there is any intent on the part of any automobile company to monopolize the automobile industry.

"I do not think that intent exists as far as the passenger car companies are concerned. Now, I do not say there may not be companies in some other areas of the economy that have positions that are not sufficiently competitive to bring the full fruits of competition into play. I do not say that.

"So far as the vehicle companies are concerned, I think that all of them are actuated by the principle of competition and not monopoly."

He was asked whether he was apprehensive that with only a few firms in the industry they might act collusively. His response to this question was:

"Considering the competitive intensity between the Big Three, I have a hard time visualizing the three of them getting together."

My sole reason in discussing Mr. Romney's testimony at this length lies in the fact that it typifies the problems we face, particularly during a period of recession in preserving a free political and economic system in which the proper role of small and large enterprises is determined by the market rather than by Government edict.

Some believe that great size provides a position of impregnability. Dr. A. D. H. Kaplan, in a study published by the Brookings Institution entitled "Big Enterprise in a Competitive System," showed how difficult it is for any firm to retain its leadership over a long period of years. He examined the list of the 100 largest corporations in 1909 and in 1948. Of the 100 on the 1909 list only 36 are among the largest in 1948. Competition was effective in letting the consumers have what they wanted.

If we are to preserve the only economic system which experience shows is compatible with free political institutions, we must cease continued divisions based on the envy of the success of others. We must make certain that our system of laws provides an environment in which every individual has the maximum opportunity to develop his God-given talents. Then we should place no impediments or restrictions on the success he achieves.

If we are willing to accept the self-discipline of a competitive private enterprise economy, I am confident that our country will provide an example to all those in other nations who are seeking a formula to achieve material progress with human freedom. Under this course we will be able, also, to maintain a military posture that will make us impregnable.

I hope that industrial leaders with the understanding of a free society demonstrated by Mr. Prentis will rise to the challenge which confronts us.

PROFITS IN THE AMERICAN ECONOMY

Mr. BUTLER. Mr. President, for many months I have been concerned lest, as a result of the collective bargaining negotiations now taking place between the United Automobile Workers and the major automobile producers, the entire economy will once again be exposed to new inflationary pressures. The cost price push which may be engendered by these negotiations may well retard recovery from the present recession and cause a further increase in Government debt.

Two editorials which appeared in the American Metal Market on February 25 and 26 are worthy of consideration by all readers of the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent that they be printed in the body of the RECORD.

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

[From the American Metal Market of February 25, 1958]

PROFITS

It is evident that in the forthcoming negotiations between the automobile companies and the UAW, Mr. Reuther is preparing to base the biggest demands ever made on the industry in the history of the union on what he alleges to be the excessive profits of the three big companies. Whether or not Mr. Reuther's bark will prove less serious than his bite, and be tempered by the current slackening of the economic pace, remains to be seen; but it ought at once to be apparent that no greater mistake could be made by the industry—or by those outside it who wish to see some stability restored to the whole economic structure—than to underestimate the appeal of so skillful a propagandist as Mr. Reuther has proved himself to be. The fact that he can be—and is—utterly wrong, has nothing to do with the case. It is exactly the worst time to assume that, because logic is against him, it will be safe for industry to indulge itself the role of the hare, theoretically contending with Mr. Reuther's tortoise.

Mr. Reuther and his associates, through skillful and repetitious propaganda, and with the aid of inadequate justification of its position by industry, has already succeeded in attaching a sort of stigma to the word "profits" in the minds of many unthinking people. That this should be so in a country such as ours is not only rather amazing, but more than ample proof of the undisputable fact that the expenditure of unparalleled sums and compulsory school attendance do not necessarily add up to mass education—or to the ability of individuals to think for themselves.

For if any one thing should be established in the minds of our people by this time it is that, regardless of the economic system under which a country operates—be it relatively unadulterated capitalism or badly diluted communism—the functioning of the profit motive is what makes for the success or failure of a country's economic system. Even Mr. Reuther's own position testifies to this. He has risen to his present position of great power because his leadership has paid munificent dividends to his followers; to maintain his position of power he must continue to sell them the idea that he can do better for them than the ambitious rival leaders who aspire to his office. Thus he is somewhat a prisoner of his own success, obliged to continue providing profits for his adherents—even regardless of the effects on the employers—lest he be deposed by others prepared to make even more generous promises, at others' expense.

But when neither Mr. Reuther nor any of his contemporary leaders in the labor movement can dissociate themselves from profits, what basis is there for suggesting—or for yielding to the suggestion—that profits and industry should not go together? What is there, one may ask, that is so discreditable about making a profit that it should be put on the defensive to justify it—and in a presumably capitalistic country, too? How is it that we have wandered so far "off the beam" that companies which have been the very backbone of the industrial system which has achieved our unprecedented standard of living—for everyone—can be held up to popular scorn for having been successful, for having provided employment for unprecedented numbers of workers, and at rates of compensation unheard of in any other country? Why, one may ask, are people in business, anyway? Since when has it become something for which to apologize for people to be in business in order to make profits?

And what, in the last analysis, are corporations—even the largest of them—but people in the aggregate who have gone into business in the hope and expectation of making a profit? In short, is it not time to clear the air by frankly asking ourselves, why do people go into business? Is it not time that the country frankly recognized the existence of a school which appears to think that the primary purpose of all business is to increase income only for the purpose of meeting the incessant demands of the type of labor leadership which appears to believe that industry exists primarily to provide only never-ending benefits for those it employs?

Popular recognition of the great value, even the indispensability, of profits is due for a renaissance lest, as a consequence of the campaign of disparagement, we imitate the dog in the fable, who relinquished the real bone he held in his mouth in a vain and greedy effort to seize its magnified image reflected from the pool below. Organizations of the highest character exist for those whose philosophy leads them to renounce worldly compensation, but through the ages no secular effort of such a character has long survived. Even today the most tragic example in all history professing such ends stands exposed for all to see in Communist Russia and Communist China, where not only profits are nonexistent but also all those liberties and privileges which man has acquired through the evolution of what we call capitalist societies. Profits are the keystone on which our social order and economic prosperity have been built. Whether current profits are excessive is a separate subject. It will be discussed in a later issue.

[From the American Metal Market of February 26, 1958]

PROFITS II

In justification of recurring periodic demands for higher wages and increased fringe benefits, union leaders constantly cite what they allege to be the excessive profits of our leading corporations, which are, quite naturally, the largest group employers of labor. If such were really the case, it would still hardly be the prerogative of labor to dictate how the excessive profits should be disbursed. The widest and most generally beneficial distribution of any excessive profits would not, in any event, be realized through creating more purchasing power (and increased costs) through higher wages, but through reductions in prices. That would benefit all by simultaneously retarding inflationary pressure and increasing the purchasing power of the dollar. But, disregarding this irrelevancy, it would be shortsighted to underrate the effect on the average man which demagogic use of factual information can have.

With the growth of the country and full employment, the market for sales has inevitably expanded. With the shrinking value of the dollar, it takes a constantly larger number of dollars to transact the same physical volume of business. With both factors present and growing, it is not surprising that the business of our largest corporations is computed in the billions. But it is difficult for many among the rank and file to convince themselves that the 10 or 20 additional cents an hour which they might receive could possibly have any impact on such vast sums—especially if they are encouraged and "educated" to believe that they do not. It is essential to the public welfare that these misunderstandings and misrepresentations be dissipated.

The net income reported by General Motors—$843.5 millions in 1957, $847.3 millions in 1956, and $1,189.4 millions in 1955—is a vast sum. So too, are the common stock dividends of $555.4, $552.8 and $592.2 millions paid over the same period, respectively. They appear in a different light, however, when it is stated that they represent only 7.7 percent on sales in 1957, 7.8 percent in 1956 and not more than 9.6 percent in the record year 1955. Few people are so prejudiced that they will not acknowledge the right of owners to a fair return on their risk capital. Why is it, then, that so many have such difficulty in reconciling this attitude with the transparent skepticism they show over the fairness of the vast sums collected by such corporations in transacting business? There is an obvious gap in the popular mind between the small percentage realized and the enormous amounts initially collected. It needs to be bridged.

Of course, the average person fully expects that the sales and total income of a concern like General Motors will be vastly greater than those of a run-of-the-mill industrial concern. But he is somewhat staggered by their enormity and finds it rather difficult to correlate the small percentage returns with total annual income of $11 billion, $10.9 billion, and $12.4 billion in these last 3 years. A major factor making for these enormous totals is, of course, taxes. To realize its record net income of $1,189 million in 1955, General Motors had to collect and pay another $1,353 million for income taxes. Last year, as against $843 million in net income, the total tax bill was nearly $1.1 billion, or $1.28 for each dollar of net income. This ratio compels a company to strive for a rate of income, before taxes, of $2.28 for every $1 of net it hopes to realize.

Of equal, though perhaps less obvious, importance is the shrinking value of the dollar. A certain type of labor leadership has sought to sell its followers, and the country, the idea that constantly rising rates of pay do not add to costs. This is so clearly a misrepresentation of the facts that the idea has never been fully sold, even among the rank and file of labor—who know better. Aside from this, however, is the Government-attested fact that in 1957, the wholesale purchasing power of the 1947–49 dollar was about 84 cents. This shrinkage in the dollar added some $1.8 billion to the amount which had to be realized from sales (about $11 billion) in order to achieve the results reported for 1957.

There is, of course, finally the enormity of the company's operations. At the close of 1957, the company's aggregate assets exceeded $6.8 billions. This compared with $6.3 billions only 2 years previously, during which period the value of the company's plant and equipment increased from $2.35 billions to $3.11 billions. Such growth with its potential for greater efficiency, better product, and ultimate increase in output, could not have taken place in the absence of profits. What happens to business and employment when profits are not realized may be seen in the closed and idle plants of other similar companies in the Detroit area. And, where the profit motive does not enter into calculations, the net result may be found, notably behind the Iron Curtain, where all individual freedoms are also sacrificed and work is performed as the government dictates.

Irrespective of the other factors which enter into consideration, such as rising labor costs and the constant shrinkage in the value of the dollar in purchasing supplies and materials that are needed in businesses, it is grossly misrepresenting the facts to talk about excessive profits when it is known that over 50 percent of such corporate profits go to pay corporation income taxes alone, while the army of individual owners then in turn pay stiff taxes on such portions of what remains as are paid as income to the owners.

It is well to recall that, at this very time, the United States Treasury is counting on collecting $20.4 billions in corporation income taxes alone in the next fiscal year. These will not be collected unless profits, before such taxes, approximate $40 billions. There are many other factors which compel large gross income if American business is to continue solvent. It is nonsense to talk about excessive profits when the tax collector stands waiting to scoop up over half the net income, before income taxes, in order to support the Central Government alone. And it is time this were made clear.

EMPLOYMENT AND ADMINISTERED PRICES

Mr. BUTLER. Mr. President, a careful analysis of the majority's views in the report on administered prices by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary gives the impression that the decline in employment in steel and other so-called administered-price industries is due to their pricing policies.

The majority states:

> This pattern of rising prices and decreasing production and employment on an extensive scale is something new in this country. It is in conflict with all competitive norms and defies explanation on theoretical grounds. It carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment.

If there is any validity to the argument presented by the majority, industries whose prices fell during 1957 should have been characterized by rising employment levels. While steel prices were rising, the prices of copper, lead, and zinc declined. However, serious unemployment is just as prevalent in these industries.

This important subject is discussed in the March 31 newsletter of the Mining and Metallurgical Society of America, which is one of our foremost technical societies.

I ask unanimous consent that the comments with reference to the subcommittee's report on administered prices, which appeared in this newsletter, may be printed in the RECORD, at this point:

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

THE SENATE'S SUBCOMMITTEE REPORT ON STEEL PRICING

The report of the Senate Subcommittee on Steel Pricing Policy makes it pretty clear that the subcommittee doesn't hold administered prices in high esteem although not necessarily illegal. An administered price is defined in the report as having two characteristics: It is set by administration action and it is maintained for a period of time.

Then the subcommittee turns its heavy guns on industries that confess to the sin of administered prices. It declares that industries where administered prices are maintained, "prices have been raised in the face of declining demand and substantial excess capacity. This pattern of rising prices and decreasing production and employment is something new in this country. It is in conflict with all competitive norms and carries with it the ominous threat of steadily mounting prices accompanied by idle plants and rising unemployment."

Well, the copper, lead, and zinc industries can hardly be classed as maintaining administered prices. Under highly competitive conditions in world markets, prices have sunk to levels that afford a minimum of profit for even the best situated and best operated mines. In short, copper, lead, and zinc mines, perforce, have carried on precisely as the subcommittee would have liked to have seen the steel industry do. And the result has

been accompanied by idle plants and rising unemployment, just as quoted above by the subcommittee in attacking administered prices in the steel industry. So it doesn't follow that price cutting in contrast to administered prices can prevent layoffs, unemployment, and idle plants when readjustment is required in the business cycle—not to mention lack of profits, of course. But profits and their necessity for the success of a free economy is conveniently overlooked by the subcommittee in its report on the price policy of the steel industry.

PROBLEMS OF THE LEAD AND ZINC INDUSTRIES

Mr. ANDERSON. Mr. President, on September 27, 1957, the emergency lead-zinc committee, representing the domestic lead and zinc mining interests, made application to the United States Tariff Commission for an investigation under section 7 of the Trade Agreements Extension Act of 1951, as amended, to determine whether unmanufactured lead and zinc, were being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic lead and zinc industries.

Investigation was instituted by the Commission on October 4, 1957, and now, after 6½ months, the Tariff Commission has completed its investigation and study of the problem and made its report and recommendations to the President. It is regrettable, however, that the Commission is split in its recommendations. I am glad they finally recognized the plight of these industries and were unanimous in their decision that the domestic lead and zinc industries are being injured by the increased quantities of lead and zinc being imported, and that steps should be taken to remedy the situation.

This problem is not new. As far back as September, 1953, the lead and zinc industry petitioned the Tariff Commission for escape clause action under section 7 of the Trade Agreements Extension Act, and on May 21, 1954, the Commission was unanimous in finding injury and recommended the maximum increase in duties. I, along with a number of other Senators from the lead and zinc producing States, petitioned the President to take immediate action to implement the recommendations of the Commission. I regret, however, that the President did not see fit to follow the recommendations of the Commission but chose instead to initiate defense stockpile purchases and barter acquisitions. This gave some temporary relief, but we could not go on stockpiling lead and zinc forever. Nearly a year ago the Office of Defense Mobilization announced defense stockpile requirements were nearly met, and again the industry was in trouble.

During the past 6½ months we have again gone through the process provided by law to determine the extent of injury to these industries by imports. Injury has been found by the Tariff Commission and reported to the President. Once more, Senators from the lead and zinc producing States have joined in a letter to the President urging immediate action for the relief of the industries.

Lead and zinc, like steel, petroleum, and building materials, are basic commodities, an ample supply of which is necessary to the growth and economy of our country in time of peace and they become critical materials in time of war. They are metals which we must make certain we will have, in sufficient quantity, at all times, and this cannot be guaranteed by choking the industries to death by imports.

The total consumption of lead in the United States has grown from 630,000 short tons in 1939 to 1,145,000 short tons in 1957. Foreign imports have increased more than 10 times the annual tonnage being imported in 1939 while domestic production has not quite doubled during that time. The same is true of zinc, except that zinc is a little worse off. Imports of zinc have increased 20 times the amount being imported in 1939 while domestic production has not quite doubled, thus giving us about three-fourths of our zinc supply from foreign countries.

No doubt the lead-zinc industry has been injured in other States as badly as in my State of New Mexico, but I believe the picture in New Mexico is typical of that in other States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the lead and zinc production in New Mexico for the past 10 years and the value of the ore produced.

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

New Mexico lead and zinc mine production

Year	Lead (short tons)	Value	Zinc (short tons)	Value
1947	6,383	[1] $1,838,304	44,103	$10,672,926
1948	7,653	2,739,774	41,502	11,039,532
1949	4,652	1,470,032	29,346	7,277,808
1950	4,150	1,120,500	29,263	8,310,692
1951	5,846	2,022,716	45,419	16,532,516
1952	7,021	2,260,762	50,975	16,923,700
1953	2,943	771,066	13,373	3,075,790
1954	887	242,938	6	1,296
1955	3,296	982,208	15,277	3,758,042
1956	6,042	1,897,188	35,010	9,592,740
1957	5,350	1,527,840	30,900	7,107,000

[1] The above figures do not represent the amount of income to New Mexico. They are the final values of the lead and zinc after smelting. The Bureau of Mines states that roughly 50 percent of the zinc values are income to New Mexico and an average of about 75 percent of the lead value is income to New Mexico.

NOTE.—Lead production dropped from 616 tons in January 1957 to 230 tons in December 1957. Zinc production dropped from 3,272 tons in January 1957 to 1,600 tons in December 1957.

Source: United States Bureau of Mines.

Mr. ANDERSON. Mr. President, it will be noted from the table that production during that time has first been up in one year and down the next. In the case of zinc, production went from 44,103 short tons in 1947 to 6 tons in 1954. It rose again to 30,000 tons in 1957. However, during 1957, when it became evident the stockpile program would end, the production went down from 616 tons a month in January to 230 tons in December. Since December many of the important lead and zinc mines in New Mexico have closed, and more will close in the next few days.

Mr. President, I have just received a letter from Mr. Joseph H. Taylor, vice president of the Peru Mining Co. at Silver City, N. Mex., which is one of our important producers in New Mexico. In his letter, Mr. Taylor advises that during 1956 more than 4,700 men were employed by the mining companies in the central mining district in Grant County. As of May 1, the Empire Zinc division of the New Jersey Zinc Co. will discontinue its operations, and the United States Smelting, Refining & Milling Co. will discontinue its operations. This will leave no appreciable zinc production in New Mexico, and will leave 3,400 miners out of work. So it is easy to see what is happening to the lead and zinc industries in my State.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from Mr. Joseph H. Taylor, dated April 24, 1958, and the accompanying summary of the experience of the lead and zinc industries under various provisions of United States trade laws and legislative proposals.

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

PERU MINING CO.,
Silver City, N. Mex., April 24, 1958.

Senator CLINTON P. ANDERSON,
Senator Office Building,
Washington, D. C.

DEAR SENATOR: Your letter of April 19 has been received and I am sure that Charles Schwab knows you are one of the important Senators who are helping him in his work. I wish to thank you for what you have done and, although we are very much discouraged, I hope that someday something will be accomplished.

As you no doubt have heard, the Empire Zinc division of the New Jersey Zinc will discontinue their operations as of May 1 and the United States Smelting, Refining & Mining Co. will discontinue their operations the same date. This will leave no appreciable zinc production in New Mexico.

It is my understanding, based on information from the employment service in Silver City, that during 1956 there were more than 4,700 men employed by the mining companies in the general mining district and after May 1 this number will be reduced to something over 1,300 so you can see that the reduction is more than two-thirds. In addition to this, every store and other business in Grant County is seriously hurt by the reduced payrolls.

Enclosed is a copy of the experience of the lead-zinc industry. You may have already received a copy of this from Mr. Charles Schwab, chairman of our emergency lead-zinc committee.

With kindest personal regards, I am,
Sincerely yours,

JOS. H. TAYLOR,
Vice President.

LEAD-ZINC

I. EXPERIENCE OF LEAD-ZINC INDUSTRY UNDER VARIOUS PROVISIONS OF UNITED STATES TRADE LAWS AND LEGISLATIVE PROPOSALS

1. May 10, 1950, lead industry petitioned for escape clause pursuant to Mexican trade agreement and Executive Order 9832. Denied by Tariff Commission, July 18, 1950, formally dismissed by Commission January 25, 1951. Reason given was that United States had canceled Mexican agreement effective

December 31, 1950. Duty on lead temporarily returned to 1930 rate.

2. Early 1951 lead-zinc industry advised Committee on Reciprocity Information against cuts in duty at forthcoming Torquay meeting. Despite this, duty on both lead and zinc was cut at Torquay, effective June 6, 1951. Lead duty had only been restored 5 months before United States abrogation of Mexican agreement.

3. Industry petitioned the Tariff Commission on February 14, 1951, for a section 336 "difference in costs of production" investigation. Denied by Commission on May 29, 1951. Reason given was that trade-agreement rates could not be changed by section 336 action.

4. Lead-zinc industry petitioned the Commission on September 14, 1953, for excape clause action under section 7 of Trade Agreements Extension Act of 1951. On May 21, 1954, the Commission unanimously found serious injury and recommends maximum increase in duties.

5. Concurrent with the 1953-54 escape-clause investigation the Commission conducted a section 332 general investigation and on April 19, 1954, forwarded its 356-page report to the Committee on Ways and Means and Committee on Finance.

6. On August 20, 1954, the President declined to implement the recommendations of the Commission and instead initiated defense-stockpile purchases and barter acquisitions.

7. Nearly a year ago (May 28, 1957) the Department of Agriculture, by a series of regulations, stopped barter, the major alternate program instituted by the President. August 1, 1957, Office of Defense Mobilization announced defense-stockpile goals were nearly met. ODM ceased zinc purchases in April 1958 and has announced lead purchases will cease in June 1958.

8. ODM has stated that due to the very large Government stocks of lead and zinc (over 1,250,000 tons of each metal), the industry is not eligible for consideration pursuant to the national-security amendment (section 7 (b)) of the Trade Agreements Extension Act of 1955.

9. On June 19, 1957, the administration forwarded to the Congress a bill suspending present duties on lead and zinc and substituting a series of import taxes to be effective only if the United States price of lead was below 17 cents and zinc below 14¼ cents.

10. Hearings were held on the administration's bill August 1 and 2 (House) and July 22-24, 1957 (Senate). Industry concurred in peril point prices of 17 cents and 14½ cents, but said schedule of import taxes inadequate. On the average, proposed schedule was about 25 percent less than 1954 recommendation by Tariff Commission which the President said was insufficient.

11. Following the exchange of letters in August 1957, between the late Mr. Cooper and the President, the industry again petitioned the Tariff Commission for escape clause action. Petition filed 6 months ago (Sept. 27, 1957); hearing before Commission 4½ months ago (Nov. 19-26, 1957).

12. In his letter of August 20, 1954, the President stated maximum increase duties would have only a minor effect on United States lead-zinc prices and would not reopen United States mines. The industry's pending petition requests quotas and increased duties. A complete plan for quotas was submitted to the Commission.

13. Rather than quotas or a combination of tariff and quotas, the industry believes a fair and effective answer would be provided by legislation suspending the present duties and in lieu thereof establishing peril point market prices 17 cents for lead 14½ cents for zinc with a 4 cent import tax immediately behind these peril point prices. Tax would be payable by importers only if they imported unneeded amounts of lead or zinc and would break the United States market price below these peril point prices.

14. Such legislation would increase the flow of trade dollars since importing countries could supply United States needs at much better prices than they are receiving today. While the quantity of import lead and zinc would be less, the prices for needed imports would be greater and would more than offset any decline in volume. This would serve to provide importing countries needed additional dollars with which to purchase other United States commodities and manufacturing products.

II. COMMENTS ON LEAD-ZINC STATISTICS

1. For 10 years United States industrial consumption of lead and zinc have been fairly constant at about 1,100,000 tons per year. During this same period the ratio of lead imports to United States mine production has grown from 58 percent to 150 percent; in the case of zinc increased from 40 percent to 124 percent.

2. During this 10-year period imports of lead have increased from 220,000 tons a year to 500,000 tons a year; zinc imports from 280,000 tons a year to 730,000 tons a year. United States mine production has stayed fairly constant during periods of reasonable prices but has now been curtailed more than 30 percent.

3. The statistics attached herewith are based on net imports for consumption which are those used by the Tariff Commission. Statistics are also compiled on the basis of general imports (which include material entering bonded warehouses). Estimates for 1957 would show "general imports" for zinc exceeded 800,000 tons and lead exceeded 580,000 tons.

4. Varying United States market prices during the last 10 years have had very minor, if any, effect on United States industrial consumption of lead and zinc.

5. Unneeded imports caused United States supply of lead and zinc to greatly exceed industrial requirements. Before barter stopped, almost a year ago, large amounts of these excess imports were absorbed by governmental acquisitions.

6. Unneeded imports have forced the price of lead to decline from 16 cents in early 1957 to 12 cents—a drop of 25 percent. Zinc has been forced down from 13½ cents to 10 cents—a decline of 26 percent.

7. The sharp decline in United States mine production has occurred in the second half of 1957 and early 1958. Present annual rate is lower than the depression years of the mid-1930's.

8. Employment in the lead-zinc mining industry has been cut in half. In the 1954 escape-clause action the Tariff Commission found employment had declined by 9,000 jobs. In the current situation over 5,000 additional employees have lost their jobs in the industry. Total loss of over 13,000 jobs.

9. While United States prices improved in 1955 and 1956 under the alternative programs initiated by the President (in lieu of accepting the Commission's recommendations), employment did not return to the early 1952 level.

10. During Korea United States prices of lead and zinc were frozen by the Government. Import duties were suspended subject to reinstatement if the United States price would fall below 18 cents for each metal.

11. During 1957, in contrast to curtailment of United States mine production, imports of lead and zinc were exceedingly high—in the case of zinc reached all-time record levels.

12. While United States mine production has been curtailed 30 percent, foreign mine production has not declined substantially. Noteworthy during the severe price break of 1953-1954 (the time of the prior Tariff Commission's recommendations) mine production, outside the United States, did not decline and, in fact, increased despite low prices.

13. Stocks of refined unsold lead and zinc at domestic plants are over 400,000 tons.

14. Calculations show that the four major importing countries (Canada, Mexico, Peru, Australia) are actually losing dollar exchange revenue by flooding United States market with unneeded metal.

Mr. ANDERSON. Mr. President, I point out that the Members of Congress have not been remiss in their responsibility in regard to this matter. During the first session of the 85th Congress, proposed legislation was introduced by Senators WATKINS, ALLOTT, BIBLE, CHURCH, GOLDWATER, KNOWLAND, KUCHEL, MAGNUSON, and MURRAY to provide relief by the imposition of an import tax on lead and zinc. On August 16, 1958, I sought to add this proposed legislation as an amendment to H. R. 6498, which was then before the Senate Finance Committee. Senators MURRAY, MANSFIELD, BIBLE, and others made eloquent pleas for enactment of the proposed legislation for relief of the domestic lead and zinc producers. The amendment was adopted by the committee with the understanding that efforts would be made to determine whether the Department of Interior would be opposed. During the weekend, representatives of the industries, Department of Interior representatives, and staff members from the Senate worked to bring the amendment within the philosophy and framework of the import tax on lead and zinc proposals of the administration.

As a result of those efforts, I again offered an amendment which I regret to say we were never able to have acted on by the committee because of insufficient time before the adjournment of Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the amendment offered at that time.

There being no objection, the amendment proposed by Mr. ANDERSON to the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, was ordered to be printed in the RECORD as follows:

At the end of the bill insert the following:

SEC. 5. (a) Chapter 38 of the Internal Revenue Code of 1954 (relating to import taxes) is amended—

"(1) by redesignating subchapter G as H,

"(2) by renumbering sections 4601, 4602, and 4603 as sections 4631, 4632, and 4633, respectively, and

"(3) by inserting after subchapter F the following new subchapter:

" 'SUBCHAPTER G—LEAD AND ZINC

" 'Part I. Lead.

" 'Part II. Zinc.

" 'Part III. General provisions.

" 'Part I—Lead

" 'Sec. 4601. Imposition of taxes.

" 'SEC. 4601. Imposition of taxes.

" '(a) In general: All duties imposed under paragraphs 391 and 392 of the Tariff Act of 1930 shall cease to be applied to articles specified in subsection (b) of this section entered or withdrawn from warehouse for consumption on and after the effective date of this section (as prescribed by section 4622 (a)); and there are hereby imposed

upon articles specified in subsection (b) imported into the United States taxes at the rates set forth in such subsection, subject to the conditions provided for in part III of this subchapter.

"'(b) Rates of taxes:

"'Article	If the determined average market price for lead is less than 17 cents per pound
On the following articles described in par. 72 of the Tariff Act of 1930:	
Litharge	1⅞ cents per pound.
Red lead	Do.
Orange mineral	2 cents per pound.
White lead	Do.
Pigments in chief value of suboxide of lead	Do.
Other pigments containing lead	10 percent ad valorem.
On lead-bearing ores, flue dust, and mattes of all kinds, described in par. 391 of the Tariff Act of 1930.	2 1/16 cents per pound on the lead contained therein.
On lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, babbitt metal, solder, and alloys or combinations of lead, described in par. 392 of the Tariff Act of 1930.	3 cents per pound on the lead contained therein.
On lead in sheets, pipe, shot, glazier's lead and lead wire, described in par. 392 of the Tariff Act of 1930.	3 3/16 cents per pound.

"'(c) Lead pigments: The duties provided for in paragraph 72 of the Tariff Act of 1930 shall continue and be in addition to the taxes provided for in this section.

"'*Part II—Zinc*

"'Sec. 4611. Imposition of Taxes.

"'SEC. 4611. Imposition of taxes.

"'(a) In general: All duties imposed under paragraphs 393 and 394 of the Tariff Act of 1930 shall cease to be applied to articles specified in subsection (b) of this section entered or withdrawn from warehouse for consumption on and after the effective date of this section (as prescribed by section 4622 (a)); and there are hereby imposed upon articles specified in subsection (b) imported into the United States taxes at the rates set forth in such subsection, subject to the conditions provided for in part III of this subchapter.

"'(b) Rates of taxes:

"'Article	If the determined average market price for zinc is less than 14½ cents per pound
On the following articles described in par. 77 of the Tariff Act of 1930:	
Zinc oxide and leaded zinc oxides containing not more than 25 percent of lead:	
In any form of dry powder	2½ cents per pound.
Ground in or mixed with oil or water	Do.
Lithopone and other combinations or mixtures of zinc sulfide and barium sulphate:	
Containing by weight less than 30 percent of zinc sulfide	⅞ cents per pound.
Containing by weight 30 percent or more of zinc sulfide	⅞ cents per pound and 7½ percent ad valorem.
On zinc-bearing ores of all kinds, except pyrites containing not more than 3 percent zinc, described in par. 393 of the Tariff Act of 1930.	2 1/16 cents per pound on the zinc contained therein.
On the following articles described in par. 394 of the Tariff Act of 1930:	
Zinc in blocks, pigs, or slabs	3 cents per pound.
Zinc dust	Do.
Zinc in sheets:	
Coated or plated with nickel or other metal (except gold, silver, or platinum), or solutions.	4 cents per pound.
Other	3 cents per pound.
Old and wornout zinc fit only to be remanufactured, zinc dross, and zinc skimmings	Do.

"'(c) Zinc oxides, etc.—The duties provided for in paragraph 77 of the Tariff Act of 1930 shall continue and be in addition to the taxes provided for in this section.

"'*Part III—General Provisions*

"'Sec. 4621. Definitions.

"'Sec. 4622. Applicability of taxes.

"'Sec. 4623. Miscellaneous provisions.

"'SEC. 4621. Definitions.

"'For purposes of this subchapter—

"'(a) The terms "average market price for lead" and "average market price for zinc" mean, respectively, the average market price for common lead (in standard shapes and sizes delivered at New York City), and the average market price for slab zinc (prime western, f. o. b., East St. Louis, Ill.)), each determined for a period of 1 month as provided in section 4622.

"'(b) The term "imported for use" applied to any article means that the article is imported by or for the account of a person who intends to use the article, or to process, manufacture, fabricate, or combine it to produce a different article.

"'(c) The term "sold for use" applied to any article means that the article has been sold or otherwise transferred, or is subject to a binding agreement for sale or transfer, to a purchaser or transferee who intends to use the article, or to process, manufacture, fabricate, or combine it to produce a different article.

"'SEC. 4622. Applicability of taxes.

"'(a) Effective date: The provisions of sections 4601, 4611, and 4623 shall become effective on the 10th day following the day on which such sections are enacted.

"'(b) Determination by Tariff Commission for first month: As soon as practicable after the date on which this section is enacted, the United States Tariff Commission shall determine the average market price for lead and the average market price for zinc during the period of 1 month beginning on the 16th day of the second calendar month preceding the calendar month of the effective date of sections 4601 and 4611 and ending with the 15th day of the calendar month next preceding the calendar month of such effective date, and shall notify the secretary or his delegate of its determination, and shall cause such notification to be published in the Federal Register within 3 days thereafter. The average market prices so notified shall be the determined average market prices governing the applicability of the taxes set forth in sections 4601 and 4611 to articles described therein entered, or withdrawn from warehouse, for consumption during the calendar month in which such sections become effective.

"'(c) Determination by Tariff Commission for Succeeding Months.—As early as practicable in the calendar month of the effective date of sections 4601 and 4611, and in each subsequent month, the Tariff Commission shall make a similar determination of the average market price of lead and the average market price of zinc for the period of 1 month ending on the 15th day of such calendar month, and shall notify and cause to be published as in the case of the determinations made pursuant to subsection (b) of this section. The average market prices so notified shall be the determined average market prices governing the applicability of the taxes set forth in sections 4601 and 4611 to articles described therein entered, or withdrawn from warehouse, for consumption during the calendar month following each such determination.

"'SEC. 4623. Miscellaneous provisions.

"'(a) Entry of Articles.—The articles described in sections 4601 and 4611 shall be entered, and the taxes imposed by such sections shall be paid, as follows:

"'(1) Lead-bearing ores, flue dust, and matter of all kinds, described in paragraph 391 of the Tariff Act of 1930, and zinc-bearing ores of all kinds, except pyrites containing not more than 3 percent of zinc, described in paragraph 393 of the Tariff Act of 1930, shall be entered for consumption, and shall be subject to the taxes imposed on such articles by section 4601 or 4611, as the case may be, if such taxes are applicable on the date of entry.

"'(2) Any article described in sections 4601 and 4611, except an article specified in paragraph (1) of this subsection, shall be duly entered for warehouse by the importer under bond in double the amount of the tax provided for such article in section 4601 or 4611, as the case may be, plus the amount of the applicable tariff, if any. Any such article may be withdrawn from warehouse only upon proof by the importer that such article has been sold for use, and any article so withdrawn shall be subject to the tax imposed by section 4601 or 4611, as the case may be, if such tax was applicable on the date such article was sold for use: *Provided*, That during any month in which the tax provided by section 4601 or 4611, as the case may be, is applicable with respect to an article covered by this paragraph, such article may be entered for consumption, or may be withdrawn from warehouse for consumption without proof that such article has been sold for use, upon payment of the tax imposed by section 4601 or 4611, as the case may be, applicable to such article, and payment of the applicable tariff, if any: *And provided further*, That any article covered by this paragraph may be entered by the importer for consumption upon filing proof that such article was imported for use, and upon payment of the tax imposed on such article by section 4601 or 4611, as the case may be, if such tax is applicable on the date of entry, and payment of the applicable tariff, if any.

"'(b) Bonded smelting warehouses, etc.: The first proviso of section 3 of the act of June 18, 1934 (19 U. S. C. 81c) and section 312 of the Tariff Act of 1930 (19 U. S. C. 1312) shall not apply to any articles described in parts I and II of this subchapter.

"'(c) Regulations, etc.: The Secretary or his delegate is authorized to prescribe such rules and regulations, the form, condition, and amounts of such bonds, and the form of, and time and manner of filing, such reports as may be necessary to carry into effect the provisions of this subchapter.'

"(b) (1) The second sentence of section 4222 of the Internal Revenue Code of 1954 is amended by striking out 'or D' and inserting 'D, or G'; and by striking out '4601' and inserting '4631.'

"(2) Sections 6156, 6207 (9), and 6304 of such code are amended by striking out 'and E' and inserting 'E, and G'; and by striking out '4601' and inserting '4631'.

"(c) Subject to the provisions of section 4622 (a) of the Internal Revenue Code of 1954, as added by subsection (a) of this section, the amendments made by subsections

(a) and (b) of this section shall become effective on the day following the date of the enactment of this act.

"(d) The treatment provided for imports of articles described in subchapter G of chapter 38 of the Internal Revenue Code of 1954, as added by subsection (a) of this section, shall, for the purposes of section 350 of the Tariff Act of 1930, as amended, be considered as having been in effect continuously since the original enactment of section 350: *Provided*, That, for the purposes of including a continuance of the customs treatment provided for in such subchapter G in any trade agreement entered into pursuant to section 350 prior to the effective date of sections 4601, 4611, and 4623 of such code (as prescribed by section 4622 (a) of such code), the provisions of section 4 of the Trade Agreements Act, as amended (19 U. S. C. 1354), and of section 3 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1360), shall not apply."

Amend the title so as to read: "An act to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, and to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc."

Mr. ANDERSON. Mr. President, the administration has presented to the Congress its recommendations for a mutual security program which provides for the expenditure of $1,800,000,000 through the various agencies of the Government for military assistance, technical cooperation and aid, a development loan fund, and for special assistance in a variety of problems. I am sure that many of us agree that some funds should be made available for assistance of our allies and countries that are oppressed, even though we may not agree as to the type of aid required and the amount of funds necessary to do the job. The point I wish to make is that while we are giving these countries some assistance we must recognize that in order to keep our allies strong we, ourselves, must remain strong militarily and economically. Industries like the lead and zinc industries pay millions of dollars in taxes to support these foreign aid programs and unless these industries are protected, who is going to pay the taxes lost because they are forced to close down operations?

The lead and zinc industries have one of the highest percentages of unemployment of any industries in our country. In view of the recent recommendations of the Tariff Commission, the President can take immediate steps to give assistance and keep these industries alive. Legislation is not required at this point. I hope that this problem will not be treated lightly, and that we will not once again and after long delay be disappointed in the action the President takes.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there further morning business?

AFL-CIO GENERAL BOARD STATEMENT ON LABOR LEGISLATION

Mr. JOHNSON of Texas. Mr. President, I should like to read into the RECORD at this point a statement, which has been released by the AFL-CIO general board on labor legislation, today.

I commend the AFL-CIO general board for the statement. I think it is constructive. I think it insures cooperation between the working people represented by this board and the Congress in formulating legislation which will be fair and equitable.

I commend the statement to the consideration of all fair-minded Americans. The statement reads:

The AFL-CIO by its constitution and by convention action is pledged to the elimination of corrupt and racketeering influences which have penetrated into some segments of the labor movement.

To this end, the AFL-CIO has adopted ethical practice codes dealing with the broad aspects of this problem and has taken and is taking effective measures to implement such codes.

In its fight against corruption, the AFL-CIO has made substantial progress. It intends to continue this fight vigorously to the end that every vestige of corruption shall be removed.

The AFL-CIO, in addition to its own actions in this area, will cooperate with the Congress in the enactment of constructive, maturely considered legislation directed to meeting specific disclosed abuses which cannot adequately be dealt with without governmental help.

As an example of the legislation we support, we again urge, as we have for over 4 years, immediate Senate passage of the Douglas-Kennedy-Ives bill, S. 2888, for full disclosure of the finances of health, welfare, and pension benefit plans.

We do not believe that the purposes of this bill should be frustrated through the tacking on of irrelevant proposals not yet processed by the appropriate Senate committees.

Our support of such legislation is not limited to the Douglas-Kennedy-Ives bill. We reiterate our support of properly drafted, properly considered, necessary, and adequate legislation in the area of labor-management improper practices.

While supporting appropriate corrective legislation, we will continue to resist proposals which, under the guise of dealing with improper activities, seek instead to undermine effective collective bargaining by destroying or weakening honest, decent American trade unions.

Mr. President, I am hopeful that this great organization will be prepared to come before the Senate committee 1 week from today, or as soon thereafter as is convenient for the distinguished chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], and make any constructive proposals they think necessary and essential in this field.

I hope every Member will realize that, as we approach a vote on many amendments today, we are not necessarily deciding the fate of those amendments; but, on the other hand, we are upholding the traditional American practice of a fair hearing before a verdict, instead of a verdict before the trial.

CONSIDERATION OF LABOR LEGISLATION

Mr. KNOWLAND. Mr. President, because I think that sometimes we forget history, I believe it would be appropriate at this time to read an excerpt from the minority views of the late Senator Taft, who submitted them for himself, the Senator from New Jersey, Mr. Smith, and the then Senator from Missouri, Mr. Donnell, from the Committee on Labor and Public Welfare, and which appear as part 2 of Report No. 92 on the bill which was reported to the Senate on May 4, 1949.

In view of the fact that we on this side of the aisle are a minority I think we should keep in mind what happened to us at that period of time. This is what Mr. Taft and his associates had to say:

In reporting out S. 249 in its present form (hereinafter referred to as the committee bill), the majority of the Committee on Labor and Public Welfare are asking the Senate to pass a law which the committee had no part in formulating. According to the Secretary of Labor—

The then Secretary of Labor, under the prior Truman administration.

According to the Secretary of Labor, the committee bill was drafted under his direction with the advice and assistance of the heads of several executive agencies and departments and approved by the President. Consideration by the committee of the committee bill as a whole or of any of its specific provisions was completely denied. Minority members were not even permitted to offer amendments. Without discussion in committee, by an 8-to-5 vote which strictly followed party lines, the committee bill was sent to the floor just as it had been drafted by persons outside the legislative branch of the Government.

In case there had been any failure to recollect the conditions under which the minority had operated at that time, I thought it might be well to bring this statement by the late Senator Taft to the attention of the Senate.

THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. HUMPHREY. Mr. President, some time ago the Senator from Oklahoma [Mr. MONRONEY] presented a very splendid proposal relating to the establishment of the International Development Association.

The proposal of the Senator from Oklahoma has brought forth many favorable editorials, statements, and comments from persons who are familiar with the development of our foreign policy.

I wish to join in commending the Senator from Oklahoma, Mr. President, and I ask unanimous consent that a group of four editorials which have come to my attention be printed at this point in the RECORD.

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

[From the Manila Times of March 12, 1958]

FOREIGN LOANS

There are international developments that indicate a more orderly and business-like flow of foreign capital from industrial nations to underdeveloped countries in desperate need of long term, low-interest capital.

In his opening address to the 14th meeting of the ECAFE in Kuala Lumpur last week, Malayan Prime Minister Prince Abdul Rahman proposed an Asian charter that would provide the instrumentality for inducing foreign financial and technical assistance to assist in the development of Southeast Asian economies.

Like other Asian leaders, Mr. Rahman has realized the inadequacy of present government aid programs which are administered in

such a manner that considerations of objectives, procedures and implementation have invariably created irritants between the giver and the receiver no matter how well meaning the assistance programs are worked out. Today there is growing doubt among the undeveloped Asian countries whether existing government aids would ever be sufficient to meet their needs.

In this country, while there has been some progress in the prosecution of industrial and agricultural development blueprints prepared by ICA and local counterparts including the National Economic Council and the Industrial Development Center, conflicts in the manner and amount of money to be spent on projects as well as in their priorities have obstructed the implementation of existing plans to improve the economy.

Among political and economic leaders, there is an increasing agitation for securing loans to be paid on a long-term basis at low interest rates in lieu of grants that do not always come in the desired quantity and at the proper time. Such loans can be used to finance economic projects with maximum planning and implementation by Filipinos.

Happily, a proposal in Washington for the United States to establish a poor man's international bank to help young and needy nations is attracting more and more attention as the fresh foreign-aid idea since President Truman's point 4 program. Oklahoma Senator MIKE MONRONEY, author of the proposal, would want such a bank to grant loans to undeveloped countries at rates lower and for periods longer than what the International Bank does now.

Designed to be supplied partly with capitalization is soft currencies earned abroad by United States farm surpluses, this international financing institution, so American Congress and administration officials believe, will win more friends for them than outright aid.

This worthy sentiment, if translated into action, could release millions of dollars for underdeveloped Asia countries where they can be put to work with a minimum of conflict and maximum positive results.

[From the San Francisco Chronicle of March 30, 1958]

SOFT LOANS TO THE HAVE-NOTS

Senator MIKE MONRONEY, of Oklahoma, has caught the eyes and ears of many in Washington with his proposal to set up a sort of branch World Bank to accept second mortgages. He has held hearings on a resolution that he hopes to bring out soon on the Senate floor favoring the creating of an International Development Association with a billion-dollar capitalization, perhaps $300 million of it coming from the United States.

MONRONEY suggests that while this capital stock would give the IDA a hard-currency base, the agency could also use local currencies, including a large portion of those which this Nation has accumulated from its large-scale disposal of agricultural surpluses. With those words he caught the interest of Senators worried about the domestic farm program.

How would a second-mortgage world bank fit in? President Eugene Black has said that the World Bank could have made 50 or more loans than it has if there had been an institution to take up that proportion of the loan which was found unbankable. For example, a TVA type of development on the watershed running from India into Pakistan may cost $400 million. On a 20-year basis, with interest at 4 percent in hard currencies, that would be unbankable. But if the IDA could take half the loan, subordinating its claim to that of the World Bank and extending the term on its $200 million to 40 years at 2 percent, payable not in hard but in the local currencies of India and Pakistan, this peace-bringing project might become feasible.

The Russians, Senator MONRONEY told the Senate, have started an intense economic offensive by offering loans for development purposes that are a better deal than ours. Asia is dotted with proofs of this statement. The best way to meet this challenge, it is felt by many, is to expand multilateral loans for economic development, mixing dollars and foreign local currencies. A multilateral, or many-nation, loan would be more welcome to most borrowers than one direct from the United States.

The United States Development Loan Fund that Congress set up last year is this year asking for $625 million. I see no need for this additional money for more unilateral lending, MONRONEY said in the Senate. If he can make that view stand up through the hearings that have commenced before the Senate Banking and Currency Committee, he will attract a warm and enthusiastic following in Congress and throughout the country.

The once young and vigorous foreign aid program, bequeathed to this Republican administration by President Truman, is now old, tired, weary, haggard, and worn out, Democrat MONRONEY told the Senate. Though he believes foreign aid is sorely needed, it is in danger of defeat or mutilation; needs new ideals and ideas if it is to pass Congress and perform its function. That is the genesis of his own world second mortgage bank proposal.

There are skeptics who doubt that it would work. One administration witness before the committee questioned whether countries other than the United States would be willing or able to raise their aliquot shares of hard-currency capital stock of IDA. Other spokesmen feared harm might result to our relationships with friendly exporting countries.

These objections were not weighty enough, however, to discourage the idea in the minds of a number of non-Government-connected witnesses, among them Paul G. Hoffman, former Marshall plan chief, who said it would be tragic if Congress did not move on this exciting proposal.

Any sound method for sharing with other nations the cost and the political responsibility for building up underdeveloped economies can scarcely fail to create excitement.

[From the Toledo (Ohio) Blade of March 11, 1958]

EASIER FOREIGN LOANS

Senator MIKE MONRONEY, of Oklahoma, has introduced an interesting resolution aimed at promoting a greater degree of international development by means of multilateral loans shared by many nations rather than a system of grants or loans financed solely by the United States. It merits careful attention as Congress shapes a new program of foreign aid.

The Senator proposes the creation of an International Development Association as an affiliate of the World Bank. Its purpose would be to provide mixed-currency, low-interest loans to the underdeveloped nations.

By supplementing the more bankable World Bank loans, which are repayable in hard currency on terms corresponding to those of regular commercial banks, the new type of loan would permit the prompt completion of worthwhile development projects which could not otherwise go forward.

Senator MONRONEY also cites two other advantages of his scheme: (1) It would permit maximum use of foreign currencies available to the United States through the sale of agricultural surpluses and through other programs by devoting a portion of these currencies to loans, and (2) it would insure that funds necessary for international economic development could be made available without implications of interference with national sovereignty.

As part of this country's economic aid program, the Senator proposes that the United States subscribe funds to the capital stock of the International Development Association with investment made by other participating countries.

Senator MONRONEY'S "association" would hope to get its money back, but it couldn't be as sure of that as is the World Bank. But it would serve the very desirable purpose of advancing badly needed credit where it is not presently available. And it would have the additional advantage of getting several countries to share the load. As the Senator explains it:

"It will help us to put to work the vast amount of local currencies we have received and will receive from sales of our agricultural surpluses abroad. By mixing these local currencies with hard currencies, we can make the dollar do the work of many dollars now being spent. It would reduce the overhead cost materially through use of banking sources instead of large numbers of Americans maintained abroad.

"I am certain it will help by permitting underdeveloped nations to make long-range plans which will be bankable for many years instead of the current program dependent upon year-to-year appropriations by Congress. * * * Through loans made on a self-respecting basis we will be able to help through joint use of the International Bank and the International Development Association instead of through 'charity' handouts or unilateral loans."

Senator MONRONEY'S plan is based on extensive consultation with experts here and abroad. It offers a welcome new approach to the problem of assisting other countries looking to the Free World for aid.

[From the Monroe (La.) News-Star of March 31, 1958]

LENDING AGENCY AS A FOREIGN AID PLAN

Ten years and $60 billion after Congress passed the first Marshall plan appropriation, the Senate committee on foreign relations begins hearings on the foreign-aid bill for fiscal 1959.

Congress, like the American people as a whole, is getting extremely weary of these annual appropriations of billions of dollars, not all of which represents money exported but instead consists of irreplaceable American natural resources. Not even the Hollywood extravaganza in Washington a few weeks ago has made another $4 billion appropriation palatable.

Congress might well give the most serious thought to a plan put forward recently by Senator MIKE MONRONEY, of Oklahoma, as a substitute for United States grants for economic aid. The Monroney resolution calls for giving consideration to "the establishment of an international development association, in cooperation with the International Bank for Reconstruction and Development."

MONRONEY proposes that the association start with a capital of $1 billion in dollars or hard currency, of which the United States would put up $300 million. It would be a second mortgage operation cooperating with the World Bank.

"It will help us to put to work the vast amounts of local currencies we have received and will receive from sales of our agricultural surpluses abroad," the Oklahoman says. "By mixing these local currencies with hard currencies, we can make the dollar do the work of many dollars now being spent. It would reduce the overhead costs materially through use of banking sources instead of large numbers of Americans maintained abroad."

MONRONEY, who has made a study of foreign aid on the scene abroad, believes his

plan would work better in developing backward countries than year-by-year appropriations by Congress since under it long-range projects can be bankable for many years. He believes that loans made on a self-respecting basis would be welcomed by foreign countries as well as be more acceptable to the people at home.

The fact that many of the Senators who first spoke up in favor of his resolution include some of those who would vote for continued heavy foreign aid appropriations as well, and some who easily enthuse over international projects, particularly if they are under United Nations auspices, should not prejudice others against MONRONEY'S ideas.

He may have something which can be hammered out so as to do constructive work and at the same time relieve the American taxpayer of the burden of foreign economic aid.

ORDER FOR FURTHER CONSIDERATION OF SENATE BILL 2888 BEFORE 1 P. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the expiration of the morning hour at 1 o'clock p. m., consideration of Senate bill 2888 be further continued.

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

Is there further morning business? If not, morning business is concluded.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The PRESIDING OFFICER. Under the unanimous-consent agreement the Chair lays before the Senate the pending business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. SMITH] designated "4-24-58—D."

The Chair invites the attention of Senators to the fact that there is a limitation of debate.

Mr. DIRKSEN. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "sections 1 through 18 of this".

At the end of the bill it is proposed to add the following:

VOTING IN REPRESENTATION ELECTIONS BY EMPLOYEES ON STRIKE

SEC. —. Section 9 (c) (3) of the National Labor Relations Act, as amended, is amended by striking out all of the second sentence thereof.

Mr. JOHNSON of Texas. I suggest the absence of a quorum. I hope the attachés of the Senate will inform Senators that the time available on each side in connection with the pending question is 30 minutes, but it is not planned to consume it all. I expect a vote shortly after 1 o'clock. I hope Senators will have that information, and that we can proceed to vote on the pending amendment at the earliest possible time.

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

The PRESIDING OFFICER. A quorum is present. The pending question is on the amendment of the Senator from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. President——

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

Mr. SMITH of New Jersey. I yield.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the time devoted to the quorum call not be charged to the time allotted to the amendment.

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

Mr. JOHNSON of Texas. Mr. President, as I understand, the time used for a quorum call is not normally charged to either side. I understood that, under the unanimous-consent agreement, there could be a quorum call preceding the offering of any amendment.

The PRESIDING OFFICER. The amendment was called up last Saturday by the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Jersey will state it.

Mr. SMITH of New Jersey. Does the time allotted for the consideration of my amendment begin now?

The PRESIDING OFFICER. It does.

Mr. SMITH of New Jersey. Before calling up any of the amendments which are now on the table, and which I submitted on behalf of the administration on Thursday evening and debated last Friday, I desire to make a preliminary statement concerning the proposed legislation.

As I stated on Friday, three bills were introduced by me on January 23, last, namely, S. 3097, S. 3098, and S. 3099. They comprise the labor program of President Eisenhower for 1958.

As it apparently has not been possible for this labor program to be considered by the Committee on Labor and Public Welfare, and especially by the Subcommittee on Labor—there has been a great pressure of work upon it this year as all of us recognize—we have been apprehensive that, in the time remaining, it would not be possible to consider these bills and other proposed labor legislation, as well as other vitally important proposed nonlabor legislation, before the Senate adjourns sine die this year.

It will be necessary for the Senate to consider the President's proposed plan for reorganization of the Department of Defense; the mutual security bill; the reciprocal trade bill; an education bill which has been before a subcommittee of the Committee on Labor and Public Welfare for some time; and, besides these, all the remaining appropriation bills. That is why amendments relating to these overall labor problems have been brought up for consideration in connection with the pending bill.

It was felt by the Senator from California [Mr. KNOWLAND] with regard to his bill and by the administration with regard to the administration's proposed legislation that such labor bills should be considered and acted upon now, if they were to be passed upon this year.

In order to get clearly in the RECORD the program which President Eisenhower recommended last January, I ask unanimous consent to have printed at this point in the RECORD a list showing the title of each amendment and a brief outline of each amendment, the outlines having been prepared for me by the Department of Labor at my request and with the full collaboration of Secretary Mitchell. The outlines set forth the reasons behind the President's recommendations.

There being no objection, the list of titles and the outline statements were ordered to be printed in the RECORD, as follows:

LIST OF SMITH AMENDMENTS TO S. 2888

1. Voting in Representation Elections by Employees on Strike.
2. Preelection Certification of Building and Construction Unions.
3. Payments to Employee Representatives.
4. Designation of an Acting General Counsel.
5. Secondary Boycott Provisions.
6. Recognition or Organizational Picketing.
7. Bargaining During the Life of the Contract.
8. Elimination of Non-Communist Affidavit.
9. Federal-State Jurisdiction—No Man's Land.
10. Apprenticeship and Training Trust Funds.
11. Labor Reports Act of 1958—Democracy in Unions.

AMENDMENT No. 1 (4-24-58—D): VOTING IN REPRESENTATION ELECTIONS BY EMPLOYEES ON STRIKE

This amendment would eliminate the statutory prohibition which bars permanently replaced strikers from voting in representation elections.

The President has repeatedly recommended legislative action in the matter of voting rights of economic strikers. Ever since the enactment of the Taft-Hartley Act, the provision which bars strikers who are not entitled to reinstatement from voting in representation elections has been referred to as a "union busting" device. It is claimed that under appropriate economic conditions, this provision, used together

with certain other provisions, could destroy a union.

This amendment would allow the NLRB to make the necessary determinations of eligibility within the framework of the facts of each case and to determine the respective voting rights of strikers and their replacements and the timing of an election in the manner which would best effectuate the purposes of the act.

AMENDMENT NO. 2 (4-24-58—G): PREELECTION CERTIFICATION OF BUILDING AND CONSTRUCTION UNIONS

This amendment would authorize the NLRB, under appropriate circumstances, to certify unions acting in behalf of employees of employers primarily engaged in the building and construction industry as exclusive bargaining representatives of such employees without a prior election.

This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employment and the existence of a collective-bargaining agreement between them. No certification would be made under this amendment if there was no history of collective-bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation, and the Board found, that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

The effect of this proposal would be to protect voluntary collective-bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

It has long been recognized that the hiring practices and collective-bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time.

There are advantages which accrue to unions as a result of Board certification and, conversely, there are disadvantages resulting from lack of certification. Construction unions should not be denied these advantages and forced to suffer handicaps solely because of the employment pattern of their industry. Legislation of the type proposed by this amendment has been suggested by an advisory committee, composed of representatives of employers and employees in the construction industry, and created to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to their industry.

AMENDMENT NO. 3 (4-24-58—F): PAYMENTS TO EMPLOYEE REPRESENTATIVES

This amendment would extend section 302 of the Taft-Hartley Act in three important ways. It would:

1. Prohibit unauthorized payments made to employee representatives by employer agents or representatives, as well as those made directly by employers.

2. Cover payments by an employer to other employee representatives as well as "to any representative of his employees."

3. Prohibit payments by an employer, his agent or representative to an employee or group or committee of employees to encourage, discourage, or influence other employees of the employer in the exercise of their right of self-organization or the selection of a representative.

Receipt of any of these payments would also be made unlawful.

In addition, this amendment would clarify section 302 with respect to employer payments to certain apprenticeship and training-program trust funds.

There are strong indications that in some instances payments, which would have been prohibited under section 302 if made by the employer himself, have been made to employee representatives through so-called labor relations consultants and other employer representatives. This proposal is intended to cover this and other situations which are apparently not covered by section 302.

The proposal to extend the section's coverage to prohibit employer payments to employee representatives generally is designed to cover situations in which an employer makes payments to an official of a union which does not represent his employees, for example, to induce the official not to organize his employees or to refrain from other union activities. Such payments are at present not covered by section 302.

There have been disclosures of payments of sums of money to employees, in payment for their services, or for disbursement among other employees, to influence the other employees not to join a union or to select as bargaining representatives a union preferred by the employer. Proposal (3) is designed to prohibit such payments. It is not intended, however, to cover the payment of regular salary to an employee, such as a personnel or industrial relations director, whose regular duties include the shaping of the labor relations policy of the employer.

If section 302 is amended as proposed, it would become a more effective weapon against improper employer payments to union officials. The need for its enactment is clear, compelling, and immediate.

AMENDMENT NO. 4 (4-24-58—M): DESIGNATION OF AN ACTING GENERAL COUNSEL

This amendment would amend the National Labor Relations Act to make it clear that when the Office of the General Counsel of the National Labor Relations Board becomes vacant, the President may designate some other officer or employee to serve as Acting General Counsel until a permanent replacement is appointed.

At this time, when the Office of General Counsel becomes vacant, particularly while this body is in session, it is not clear that the President may designate someone to serve temporarily as General Counsel until a permanent successor is appointed. The act vests in the General Counsel the final authority on the issuance of complaints, and it is not clear that this function may be performed by any person other than the General Counsel. Because of the importance of the position, a careful selection of the incumbent is clearly necessary. This may take time. A prolonged period of vacancy could effectively obstruct the processing of unfair labor practice charges.

AMENDMENT NO. 5 (4-24-58—K): SECONDARY BOYCOTT PROVISIONS

This amendment would remedy certain ambiguities and inequities in the secondary boycott provisions of the National Labor Relations Act. It would make these provisions applicable to certain secondary activities not presently covered and make it clear that they do not apply in situations where the secondary employer is not a truly neutral bystander.

At present it is not an unfair labor practice for a union to threaten a secondary employer with a strike or refusal of his employees to perform services in order to force him to cease doing business with another person. Threats of this type are an evasion of the secondary boycott provisions. They are more numerous and often just as effective as actual strikes in attaining the union's object. This bill would correct this omission by making the provisions applicable to efforts "to threaten, coerce, or restrain" employers.

The amendment would also cure the act's present failure to apply to the inducement of employees of railroads, agricultural employees, and public bodies to refuse to perform services in order to force their employers to stop doing business with a primary employer. This failure is based on the fact that these employers and their employees do not come within the act's definitions of those terms. This defect would be corrected by changing, where necessary, references in the secondary boycott provisions to "employees" and "employers" to "individuals" and "persons," which have sufficiently broad meanings to bring, as they should be, these neutral employers and employees within the coverage of the protections of the act against secondary activities.

The amendment would also bring within the secondary boycott provisions situations in which pressure against an employer to cease doing business with another is directed at him through the inducement of his employees individually to refuse to perform services. Such individual inducements have been held not violative of the secondary boycott provisions. However, the cumulative effect of individual refusals is no less effective than a concerted refusal to perform services. This amendment would deal with such situations by referring to any individual as distinguished from employees and removing the reference to a concerted refusal to perform services.

On the other hand, there are situations in which an employer who is not a truly secondary employer may undeservedly receive the protections intended for innocent third parties in labor disputes. The employee who performs for another employer, whose employees are on strike, work which the striking employees would normally perform is an ally of the primary employer and should not be protected from retaliatory union activity for doing so. This amendment, accordingly, contains a proviso which, under certain circumstances, would make the secondary boycott provisions inapplicable to activity directed against an employer performing farmed-out work in behalf of a struck employer.

Another situation in which the secondary employer is not in a strictly neutral relationship with the primary employer is one in which they are engaged together in work on the same construction site. Where there is a lawful dispute on such a site with respect to working conditions there, this amendment would permit the union involved in the dispute to extend its pressures to any or all of the other employers working on the site.

While the amendment does not deal specifically with "hot cargo" agreements the total effect of its changes to the secondary boycott provisions, particularly the one directed against direct coercion of employers, is to prohibit attempts to force an employer into entering into or to perform such an agreement.

AMENDMENT NO. 6 (4-24-58—I): RECOGNITION OR ORGANIZATIONAL PICKETING

This amendment to S. 2888 would amend the National Labor Relations Act so as to deal with the troublesome area of recognition or organizational picketing. Such picketing has

been widely condemned, and the hearings of the McClellan committee have revealed instances in which it was used for extortion and other illegal purposes.

There are many who would prohibit recognition or organizational picketing completely. The amendment does not do this, but it would restrict picketing to force organization or recognition to situations where the employees in question have evidenced an interest in having the union as their bargaining representative and then would permit it only for a reasonable period of time within which a representation election would have to be conducted.

The amendment would prohibit this type of picketing, unless the union could show a sufficient interest on the part of the employees to have the union represent them. It would prohibit it after a union has picketed for a reasonable period and a representation election has not been conducted in that time. It would prohibit it if within the preceding year a representation election was conducted and another union or no union received the support of a majority of the employees. It would prohibit such picketing where the employer is already lawfully recognizing another union.

The amendment recognizes that the usual remedies of the act, as in the case of secondary boycotts, are inadequate in the case of this type of picketing. To be effective, a remedy must provide speedy relief by an immediate termination of the picketing. The amendment, therefore, would make violation of the provision subject to the mandatory injunction provided in section 10 (1) of the National Labor Relations Act.

This amendment to the National Labor Relations Act is needed at this time. One of the findings of the select committee is that "the weapon of organizational picketing has been abused by some of the unions studied." It has been used to extort funds from management and without the consent of the employees of the picketed establishment.

The right of legitimate picketing must be preserved, but the use of a picket line to force upon an employer and his employees a union which is obviously not desired by the employees as their bargaining representative is clearly coercive and should be restricted. The National Labor Relations Act provides for unions orderly procedures whereby they can be selected as bargaining representatives and whereby employers can be required to recognize and bargain with them.

AMENDMENT NO. 7 (4-24-58—J): BARGAINING DURING LIFE OF CONTRACT

This amendment would amend section 8 (d) of the National Labor Relations Act which presently definies the obligation imposed on employers and labor organizations by the act to bargain collectively. The policy of the United States as expressed in the act is to encourage this method of settling labor disputes in the interests of stable labor-management relations. However, the present provisions of the act have been interpreted to require parties to an existing collective bargaining agreement to bargain at any time during the life of the contract on any matters which were not the subject of negotiation when the contract was made. Such a situation subjects parties to an agreement to continual uncertainty as to the duration of the contractual relationship. It defeats one of the basic purposes of collective bargaining contracts, namely, stability in labor-management relations. It, in effect, lends the support of the Government to a party who is dissatisfied with the bargain which he has made.

The amendment would correct this situation. It would make clear that parties to a valid collective-bargaining contract are not required to bargain during the life of the contract with respect to any modification which would become effective before a reopening is permitted by the terms of the contract. The parties, of course, could agree to a reopening at any time.

AMENDMENT NO. 8 (4-24-58—L): ELIMINATION OF NON-COMMUNIST AFFIDAVIT

This amendment would eliminate the present requirement of the Labor-Management Relations Act, 1947, that each officer of a union seeking to use the processes of the act file a non-Communist affidavit with the National Labor Relations Board. This provision in the past served a good purpose. Among other things, it helped identify the unions which were infiltrated and dominated by Communists and assisted organized labor itself in its efforts to correct this situation. However, there is now in effect the Communist Control Act of 1954 which is specifically directed against Communist-infiltrated labor organizations. Because of this act the affidavit is no longer needed and its retention only make union officers feel that they are unjustifiably being singled out as possible subversives.

AMENDMENT NO. 9 (4-24-58—E): FEDERAL-STATE JURISDICTION

There is an urgent and compelling need to eliminate the jurisdictional "no-man's land" that presently exists in labor-management relations.

The amendment which is proposed would do this by authorizing the States to act with respect to matters affecting commerce over which the NLRB has declined to assert jurisdiction.

The matter of the respective jurisdictions of the Federal and State Governments over labor-management relations affecting commerce has been a complex problem ever since the Taft-Hartley Act was passed. It has been made more acute by the recent Supreme Court decisions in the Guss and related cases. The effect of these decisions is to preclude the States from acting even in those cases in which the Board has determined that it will not exercise jurisdiction that it otherwise would have.

This jurisdictional gap must be closed. Where the Board has declined to act on the ground that it would not effectuate the policies of the Federal law, the States should certainly have the power to do so.

By making it clear that the States and Territories can act where the Board "by rule or otherwise" has declined to assert jurisdiction, we can remedy this situation.

AMENDMENT NO. 10 (4-24-58—H): APPRENTICESHIP AND TRAINING TRUST FUNDS

This amendment to the bill would amend the Labor-Management Relations Act, 1947, so as to clarify the legality, under section 302 of the act, of employer contributions to jointly administered apprenticeship and training trust funds.

Section 302 makes it unlawful for an employer to pay or deliver to a representative of his employees any money or other thing of value and for such representative to receive or accept from the employer any money or other things of value with certain enumerated exceptions. Payments to a trust fund set up to finance an apprenticeship or training program are not among these exceptions and it is the purpose of this amendment to specifically except such payments from the application of section 302.

This proposal would provide that these funds be excepted from section 302 provided that they conform with certain of the standards made applicable by that section to other types of welfare funds. These include requirements that (1) the basis on which payments to the fund are to be made be set out in a written agreement between the employer and the representative of the employees, (2) employers and employees be equally represented in the administration of the fund, (3) provision be made for the breaking of any deadlock between employer and employee representatives by a neutral person, and (4) there be an annual audit of the fund which shall be available to all interested persons.

This proposal would apply to all such apprenticeship and training trust funds but it is of particular importance to the building and construction industry in which such trust funds are numerous. Because of the unique employment relationships and hiring practices in the construction industry training is considered as a joint responsibility of the employers and employee representatives and in most instances is financed by contributions to a jointly administered trust fund which finances the payment of salaries of instructors and other costs of administration and instruction.

The proposed amendment is worthy of favorable consideration on its own merits. In addition, this is 1 of 2 amendments which is proposed which have the approval of representatives of labor and management in the building and construction industry, the industry most directly concerned. In the development of these proposals the administration consulted with and had the advice of a committee of representatives of employers and employees in the building and construction industry. The proposals had the unanimous support of the members of this group.

AMENDMENT NO. 11 (4-24-58—N): LABOR REPORTS ACT OF 1958

This amendment would:

1. Require that all labor organizations file annual financial reports with the Department of Labor;

2. Provide for reporting to the Department of Labor of information as to the constitutions, bylaws, and organizational structure and procedures of labor organizations which govern the rights and obligations of their members;

3. Provide for appropriate annual reporting to show that labor organizations select their officers through secret vote of the members on due notice and not less often than once in every 4 years;

4. Require labor organizations to keep proper records on the matters of which reports are required, which are open to the scrutiny of all of their members;

5. Provide for appropriate public disclosure of the information reported by labor organizations;

6. Require all financial transactions between labor and management representatives which may reflect conflicts of interests in labor-management relations to be reported by labor organizations, their agents and representatives, and employers;

7. Confirm by Federal law the fiduciary responsibilities of persons entrusted with the funds of labor organizations and provide for the enforcement of these responsibilities through representative suits in the Federal or State courts;

8. Provide the authority necessary for effective administration and enforcement of the program, including authority to investigate violations, subpena witnesses, hold hearings, and compel testimony and the production of books and records;

9. Provide administrative procedures for withdrawing, in a proper case and subject to judicial review, certain rights and privileges where violations amount to a willful failure to file a true and proper report. Rights and privileges which could be withdrawn for an appropriate period or periods include:

(a) Recognition or certification pursuant to Federal laws of a labor organization as the representative of employees;

(b) Access to procedures of Federal agencies such as the National Labor Relations Board which exercise decisional functions in labor-management relations matters;

(c) Tax exemptions provided for labor organizations by the Internal Revenue Code.

10. Prescribe criminal penalties for willful violations and other wrongdoing.

This amendment is designed to provide greater protections for the rights of individual workers and the public in the administration of labor organization affairs. Through its reporting and disclosure provisions, this amendment would open to scrutiny of the interested union members and the public those areas in which malfeasance and misfeasance by those entrusted with union affairs could otherwise go on undetected with the protection of a cloak of secrecy. Irregularities and abuses of the kinds reported in recent investigations can be largely eliminated, without the necessity of direct governmental regulation of union affairs, by the provisions of this amendment which would bring into the open the acts and transactions of a financial or procedural nature in which breaches of trust could occur. The fact that these acts and transactions would be subject to scrutiny would deter wrongdoing, and if it nevertheless occurred, the bill's provisions would enable union members to enforce fiduciary responsibilities for union funds and would authorize criminal prosecutions for willful acts in disregard of these responsibilities. The amendment's requirement for annual reports showing that union officers are selected through secret vote of the members will assure fair, democratic procedures which are the best safeguard individual union members can have that affairs of their union will not be taken from their hands. Appropriate provision for administrative action and for injunctions against violations of the law's requirements would further aid the effectiveness of the reporting and disclosure program.

On the other hand, this proposal would not interfere with internal union affairs by dictating how their money should be spent or by regulating their organizational and operating practices. It is consistent with the general theme of S. 2888 which requires only that matters be truthfully reported in order that they may be brought into the open rather than concealed behind a veil of secrecy.

It might also be added, that this proposal is consistent with the report and recommendations of the Senate Rackets Committee, a fact which has been well recognized by the Nation's press. For example, quoting from that great liberal newspaper, the St. Louis Post-Dispatch, for March 25, 1958:

"These proposals follow those made by Secretary of Labor Mitchell and President Eisenhower. There is general agreement that pension funds, whether administered by management or by a union, should be safeguarded. * * * The administration program sponsored by Secretary Mitchell is clear and specific, moderate and fair. * * * The Mitchell program offers protections for union members and the public without interfering with the right to organize, bargain collectively, and strike."

Mr. SMITH of New Jersey. Mr. President, these amendments are contained in the bills I introduced in January, and many of them have appeared before in various pieces of proposed legislation which have been offered.

In light of the votes on Friday and Saturday on the amendments of the Senator from California, it seems apparent, irrespective of the merits of the amendments themselves, that it is the feeling of the majority of the Senate that these amendments should not be added to the pending measure.

I voted to support the amendments offered by the Senator from California because I felt that they dealt with important issues in the field of labor legislation, but I can understand the attitude of those who, while approving the amendments themselves, felt that they were not appropriate to be added at this time to the pending bill. A very good and strong argument can be made against an attempt to write a general labor bill on the floor of the Senate, inasmuch as some of the controversial issues which may be involved have not been thoroughly considered by the Committee on Labor and Public Welfare.

However, there has been a feeling, as I said before, and as the Senator from California has said, that if the proposals contained in the amendments are not considered now, there will be no further legislation in the field of labor beyond what we are considering today.

During the course of the debate, and especially on Friday and Saturday, we have had assurances from the Democratic leadership, and especially from the Senator from Massachusetts [Mr. KENNEDY], the chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare, that he will promptly, on May 5, resume hearings on the proposed labor legislation before his subcommittee. He has also assured us, and has assured me personally, that he will have his subcommittee consider each recommendation made in the President's proposed legislation, as well as in other legislation proposed and which is before his subcommittee, particularly the recommendations of the McClellan committee. Of course, I welcome this, too. I think the McClellan committee has done wonderful work, and the recommendations they are making must be considered promptly.

We have also been assured, in the RECORD, by the Senator from Massachusetts, that a bill on general labor legislation will be reported to the Senate not later than June 10. Moreover, we have been assured, in the RECORD, by the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. IVES], and the Senator from Arkansas [Mr. MCCLELLAN], that if such a bill is not reported to the Senate by June 10, they will move to discharge the committee from the further consideration of the bill so that this subject can come before the Senate at that time.

As a member of the Committee on Labor and Public Welfare myself, I will cooperate with other members of the committee in moving that the bill be considered by the Senate.

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

Mr. SMITH of New Jersey. I yield.

Mr. KENNEDY. The Senator stated in his address that I had assured the Senate that I would report a general labor bill. The fact is, of course, that I am not in any position to give such assurance. We have been attempting for at least a year to have reported to the Senate a bill which is now before the committee. We have been attempting for a year to have a minimum-wage bill reported to the Senate.

All I assured the Senator, and all I am in a position to assure anyone, was that I would do my best to have brought before the Senate some proposed legislation which would deal with these problems. If the bill is not satisfactory to the Senator or to the Senate, the bill can serve as a vehicle for amendment along the lines the Senator from New Jersey or other Senators may care to propose that it be amended.

Mr. SMITH of New Jersey. Mr. President, I hope the Senator from Massachusetts realizes that he is speaking in the time which has been made available to me.

Mr. KENNEDY. Mr. President, I am glad to yield 3 additional minutes to the Senator from New Jersey, in order to have time in which to make this statement.

The only assurance I am able to give, Mr. President, is that I will do my best to have reported to the Senate a legislative proposal which, if unsatisfactory to the Senator or if incomplete, can serve as a vehicle for any amendments the Senator may wish to offer.

But as regards a measure which would be an overall revamping of the Taft-Hartley Act, it would be extremely difficult to have such a measure reported by the committee; and even if such a bill were reported, it would be so complicated that I doubt that it would be passed in time.

Mr. SMITH of New Jersey. I realize that a complete rewriting of the Taft-Hartley Act cannot be reported by the committee at this session. But I am sure the Senator from Massachusetts will consider the point we are making in that connection.

Mr. KENNEDY. I certainly will.

Mr. SMITH of New Jersey. Furthermore, we now have in the RECORD public assurances, and I have private assurances from my good friend, the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], that as soon as the bill comes from the Labor and Public Welfare Committee on June 10, or before then, he will immediately proceed to have it brought up, for consideration by the Senate. I have every confidence that my distinguished colleagues will carry out these assurances in good faith, to the best of their ability.

With this preliminary explanation of the status of the matter, so far as the administration amendments are concerned, I have come to the conclusion that at this time I shall offer 2 of my 11 amendments, for action by the Senate today, during consideration of the pending bill. These two amendments are selected now because their subject matter has been fully heard by the committee many times in the past, and in fact has been acted on by the committee, but without success so far as any legislation dealing with them is concerned.

The first amendment which I shall call up has to do with voting in representation elections by employees who are engaged in economic strikes. The second amendment which I shall offer has to do with preelection certification of building and construction unions.

Both these amendments have been particularly endorsed by the President, and actually need no further hearings.

My other amendments, if I decide not to offer them, should properly be considered by the Committee on Labor and Public Welfare, because, when taken as a whole, they have not hitherto been considered, according to my best recollection, by the committee. Some of them appeared in the proposed legislation which was embodied in the bill to amend the Taft-Hartley Act in 1954, namely, S. 2650, which ultimately was recommitted to the committee, by means of a vote on the floor. In the event these two amendments, or any other amendments which I may submit, are not adopted, I feel in light of the assurances I have had from the Democratic leadership—that my 11 amendments, which are simply a breakdown of my original bills, will be fully considered in reporting an overall labor bill to the Senate on June 10. When I say "overall labor bill," I mean in the sense which the Senator from Massachusetts expressed a moment ago.

Mr. President, on Saturday, just before the adjournment, I called up my amendment "D," which deals with voting in representation elections by employees who are engaged in economic strikes. The amendment was read from the desk on Saturday, and was read again today. It proposes to amend section 9 (C) (3) of the National Labor Relations Act—the Taft-Hartley Act—by striking out all of the second sentence thereof. This section in full now reads as follows:

(3) No election shall be directed in any bargaining unit or any subdivision within which, in the preceding 12-month period, a valid election shall have been held.

Here is the important sentence we propose to have deleted:

Employees on strike who are not entitled to reinstatement shall not be eligible to vote.

That is the present law.

I read further:

In any election where none of the choices on the ballot receives a majority, a runoff shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

The amendment which I am offering for the administration strikes out the second sentence, which reads as follows:

Employees on strike who are not entitled to reinstatement shall not be eligible to vote.

Under the amendment, employees would be allowed to vote who, under existing legislation, had not been eligible to vote in a representation election because during the strike they had been replaced by the employer.

In every hearing since 1949, when the Taft-Hartley Act amendments were first considered, the revision of the provision on economic strikes has received considerable attention. It has been before the committee time and time again.

In 1949, the Taft bill, which was passed by the Senate, contained a provision identical with the pending amendment—namely, deleting the second sentence of section 9 (c) (3), so as to remove the statutory prohibition against voting by economic strikers.

In 1954, the Smith bill—the administration measure—was reported by the Senate committee. At that time I was chairman of the committee. We reported the bill to the Senate, but action on it was never taken by the Senate. That bill contained a provision relating to the voting rights of economic strikers; the provision did not remove the prohibition, but delayed any election until the termination of the strike or the expiration of 1 year from the commencement of the strike, in the case of an employee's petition, or 6 months in the case of other petition. In other words, this matter is not new to the Members of this body.

In order to refresh the memories of my colleagues, I shall presently read from the report of the Committee on Labor and Public Welfare of the 83d Congress, 2d session, dated April 15, 1954. This report accompanied Senate bill S. 2650, as amended, and was filed by me, as the chairman of the committee on Labor and Public Welfare. It covered the administration's program at that time for legislation on labor.

As stated above, when the bill was brought to the floor, after reasonably short debate, unfortunately it was recommitted to the committee; and none of the recommendations of the President contained in that bill have been considered by the Senate since that time.

I desire to emphasize that hearings were held on the particular issue raised by the amendment we are now discussing; namely, the issue of economic strikers who are deprived of the right to vote in representation elections.

Among labor unions there is widespread agreement in support of this provision; and so far as I know, it is noncontroversial. The administration has recommended this provision several times since 1953; and I can say that President Eisenhower has requested me personally a number of times—first, as chairman of the committee; and, later, as its ranking Republican member—to see whether it was possible to have this amendment adopted. As a matter of fact, in his campaign for election in 1952, he stressed especially this particular amendment to the Taft-Hartley law. It appears again in his recommendations for this year. The President has greatly regretted that the recommendation he made in his preelection campaign in 1952 has not been carried out. Those of us on this side of the aisle have attempted to do so, but thus far without success.

The explanation in the report already referred to appears on page 12 of the report under the heading "Elections During Strikes," and reads as follows:

Under the law as now written, striking employees whom their employer has permanently replaced are not permitted to vote in representation elections conducted by the Board. The committee was unable to find any evidence that this prohibition has thus far led to the destruction of any union. However, during the years since 1947 in which the ban has been in effect, jobs have been plentiful and replacements for striking workers difficult to secure. Should economic conditions take a turn for the worse and the volume of unemployment become substantial, employers could conceivably utilize the prohibition to eliminate the union with which they have been bargaining. Thus, with plenty of unemployed workers available, an employer might instigate or precipitate a strike by refusing to accept reasonable union terms and conditions, replace the strikers from the ranks of the unemployed, and then either petition for a Board election or induce others to file such a petition. With most of the union adherents ineligible to vote, the election would probably go against the union.

It was this possibility which led President Eisenhower, during his campaign in 1952, to declare that he wanted no "union-busting" provisions in the labor laws of the United States. In order to provide against such an eventuality the committee approved an amendment which would forbid an election sought by any petitioner other than the striking union during the course of a strike or for stated periods from the commencement of the strike, whichever occurs sooner. This accords with the President's recommendation and fulfills his pledge made during the 1952 campaign.

It is because this matter has been given such full consideration in the past, and in my judgment is noncontroversial, that I feel it would be appropriate for us to adopt this particular amendment from among the President's 11 recommendations. The yeas and nays were ordered last Saturday.

In the event the Senate feels that even this noncontroversial amendment should not be adopted at this time in connection with the pending bill, I am confident that with the assurance from the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Texas [Mr. JOHNSON], as stated above, this matter will be carefully considered in the writing up of the overall labor bill which is to be reported to the Senate not later than June 10.

Mr. President, that is my present defense of this particular amendment.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, the amendment suggested by the Senator from New Jersey deals with the rights of economic strikers. The Taft-Hartley Act contains a provision limiting the right of economic strikers to vote. It has been a very bothersome section of the Taft-Hartley law. When that provision is joined with the further provision of the Taft-Hartley Act giving an employer the right to call for a representation election, there is in fact provided a weapon which is available to an antiunion employer to break a union.

When a bill on the subject came before the Senate in 1954, it provided that economic strikers would have the right to vote for 1 year after the beginning of a strike. It also provided that employers could not call a representation election within 4 months.

I think at that time the Senator from New Jersey was in favor of language which would have provided that an election could not be called for 6 months. He did favor a limitation of 1 year on the right of economic strikers to vote.

The language suggested by the Senator from New Jersey today would put no time limit on the right of economic strikers to vote. It is an important element and deals with an important problem. For example, during the hearings by the McClellan committee, it was found that one of the questions which has bothered the bargaining relation-

ship between the Kohler Co. and the union was that the Kohler Co. claimed that since a replacement had been made, the UAW was no longer the bargaining agent for the workers.

I was opposed to the provision which the amendment of the Senator seeks to correct, when it was written into the law. I signed the minority views on the amendments to the Taft-Hartley Act calling for action on this particular question. But I would be opposed to taking action on it today without giving a clear opportunity to the trade unions, business groups, and the National Labor Relations Board to testify and make some legislative history on the question. We are in fact purporting to give discretion to the National Labor Relations Board without in fact giving it any enlightenment with regard to whether an economic striker's vote should be limited to 3 or 4 or more years. It may well be that is what we should do, but I think the question should be carefully considered by the committee.

The Senator from Arizona [Mr. GOLDWATER] and I have had a conversation about the matter. I think we have agreed that there should be some changes in the Taft-Hartley Act; but whether it should be as provided in the language of the amendment of the Senator from New Jersey I am not sure.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. Yes.

Mr. GOLDWATER. I find myself in the embarrassing position of not being able to support this particular proposal by my administration. I agree with the Senator from Massachusetts that there should be a change in the economic striker clause of the Taft-Hartley Act. If my memory serves me correctly, Senator Taft thought so also. But I do not think the proper step is to amend the law so that there will be a voting privilege in perpetuity. There should be a time limitation. I have proposed an amendment to the Taft-Hartley Act. I think the time I have suggested is 60 days. My mind is not closed on the limitation. It could be 90 days or any other particular period of time which could be agreed upon. I was wondering if the Senator from Massachusetts would permit me to ask the distinguished Senator from New Jersey if he would accept a language modification of the administration's proposal which would enable us to embody such a change.

Mr. KENNEDY. Yes, I yield for that purpose, with the understanding that I hold the floor.

The PRESIDING OFFICER. The Chair should like to say that, under the unanimous consent agreement, a Senator cannot modify his own amendment.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. I asked the distinguished majority leader this morning if he thought it would be within the realm of parliamentary action for me to suggest modifying the language of this particular amendment, and he said he felt it would. I realize he is not the Parliamentarian, but is the Parliamentarian certain that an amendment cannot be modified by agreement with the sponsor of the amendment?

The PRESIDING OFFICER. It is the understanding of the Chair that, under the unanimous-consent agreement, it cannot be done.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I yield to the Senator from Texas.

The PRESIDING OFFICER. May the Chair inquire of the Senator from Massachusetts how much time he has allotted to himself?

Mr. KENNEDY. How much time do I have?

The PRESIDING OFFICER. The Senator has 30 minutes.

Mr. KENNEDY. I allot myself whatever time I may need. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. As I understood the inquiry of the Senator from Arizona, and I do not pretend to be an authority in this field, and so stated; it was my understanding his question was, "Could an amendment which had been offered, and was at the desk before the unanimous-consent agreement was entered, be modified by unanimous consent of the Senate?" I expressed the offhand, horseback opinion that that could be done. I do not know that it should be done, and I do not know that it can be done, but it seemed to me that it was a reasonable procedure, and I perhaps spoke too quickly, but I assumed it could be done.

Now, I ask the Parliamentarian, Can it not be done by unanimous consent?

The PRESIDING OFFICER. It can.

Mr. JOHNSON of Texas. I remind the Senator from Arizona that his question of the majority leader was, "Could it be done by unanimous consent?" Is that not correct?

Mr GOLDWATER. The majority leader is absolutely correct.

Mr. JOHNSON of Texas. I say to the Senator from Arizona that we have to live together and work together and have our proposals considered together, whether we agree or disagree.

I should be very much pleased to have the suggested modification submitted to the chairman of the subcommittee, to the chairman of the full committee, to the author of the amendment, and to the leadership—to give them all a chance to review it, and to ascertain whether, in their opinion, it is a fair and reasonable modification, and one which should be adopted. I will do that informally with the Senator.

Mr. DIRKSEN. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. DIRKSEN. The yeas and nays have been ordered on this amendment, and I raise a question whether the modification can be made without vacating the order for the yeas and nays.

Mr. JOHNSON of Texas. I understood it was an amendment of the Senator from Arizona [Mr. GOLDWATER].

Mr DIRKSEN. No.

Mr. GOLDWATER. Mr. President, the distinguished chairman of the subcommittee and I have been engaged in a colloquy relative to the economic striker amendment. We both agree there should be some amendment to the Taft-Hartley law in this field. I am not sure whether the Senator would agree as to the length of time an employee who has not been reinstated should be eligible to vote, but he certainly should have the right.

The language which I was going to suggest be incorporated in the amendment, if the majority leader would give me his ear for a moment——

Mr. JOHNSON of Texas. I am attempting to give my ear to the distinguished Senator and to the distinguished acting minority leader.

Mr. GOLDWATER. Texans are big, and we expect them to have ears enough to go around.

Mr. JOHNSON of Texas. But we do not have three ears.

Mr. GOLDWATER. I was trying to explain.

If the Senator from New Jersey [Mr. SMITH] would accept some very simple modified language which would limit the number of days, I think it would be desirable.

Mr. KENNEDY. I yield for the Senator from Arizona [Mr. GOLDWATER] to ask the Senator from New Jersey [Mr. SMITH] if he will accept a modification.

Mr. JOHNSON of Texas. I should like to make an observation. I am hopeful that the Senator from Arizona and his distinguished colleague, the ranking minority member of the Committee on Labor and Public Welfare on the other side of the aisle, can get together and have a common viewpoint on labor legislation on this amendment, and then I should like to consider it. If there is a division on the other side of the aisle, there is no point in taking up the time of the Senate. I do not know whether the Senator from New Jersey is agreeable to the viewpoint of the Senator from Arizona.

Mr. SMITH of New Jersey. Mr. President, if the Senator will yield, I thought I had the right to modify my own amendment. I should like to ask if I have to have unanimous consent.

Mr. KENNEDY. Mr. President, I yield to the Senator from Arizona, so that he can ask the Senator from New Jersey a question.

Mr. GOLDWATER. Mr. President, I ask my colleague, the distinguished Senator from New Jersey, if he will agree to this language:

> Employees on strike who are not entitled to reinstatement shall be eligible to vote only during the first—

And I have left a blank—

> — days of the strike.

We might say 90 days, or 180 days. I have never discussed this matter at too great a length with the distinguished Senator from Massachusetts, so I do not know how far apart we may be. We may be together.

Mr. KENNEDY. Is the Senator asking the Senator from New Jersey the question?

Mr. GOLDWATER. I am asking if the Senator from New Jersey will incorporate that language—let us say "90 days"—in the amendment.

Mr. SMITH of New Jersey. I would accept "90 days."

Mr. IVES. Mr. President, the Senator has to ask unanimous consent.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the language I have suggested may be accepted by the Senator from New Jersey as a modification of the amendment.

Mr. JOHNSON of Texas. May we have the proposed modification repeated?

Mr. GOLDWATER. Yes. The amendment would be amended to read as follows——

Mr. JOHNSON of Texas. That is, the Smith amendment as it would be amended by the Goldwater amendment.

Mr. GOLDWATER. Yes.

Mr. SMITH of New Jersey. This will be the Smith amendment. I am modifying my own amendment.

Mr. GOLDWATER. The amendment would read:

The second sentence of section 9 (c) (3) of the National Labor Relations Act, as amended, is amended to read as follows:

"Employees on strike who are not entitled to reinstatement shall be eligible to vote only during the first 90 days of the strike."

I have asked unanimous consent that the amendment may be accordingly modified.

Mr. KENNEDY. Mr. President——

Mr. JOHNSON of Texas. Mr. President, as I understand, the opposition to the amendment controls the time. That is within the allotment of the majority leader. He is opposed to the amendment. The majority leader allotted time to the Senator from Massachusetts. The Senator from Massachusetts, I believe, desires to yield to the Senator from New York.

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

Mr. KENNEDY. I yield.

Mr. IVES. Mr. President, I reserve the right to object—and I do not know whether I shall object; I doubt if I shall—I desire to point out that what the distinguished Senator from Arizona is attempting to do, and what the distinguished Senator from New Jersey is attempting to accept, is an indication of the great confusion of thinking on this question. Both distinguished Senators are members of the standing Committee on Labor and Public Welfare, yet we have a great difference of opinion on this fundamental subject in connection with the particular amendment under consideration.

What the distinguished Senator from Arizona proposes or intends to do, apparently, is to substitute a new amendment in lieu of the amendment the Senator from New Jersey is proposing. That is all the more reason why this amendment, together with all the other amendments, should now be rejected, and the whole subject referred to the Committee on Labor and Public Welfare, with the understanding that such matters can be heard just as soon as possible after next Monday, a week from today. I am sure the distinguished Senator from Massachusetts will be willing to give the time necessary to the matter.

Therefore, Mr. President, I must object.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. Objection is heard.

Mr. GOLDWATER. Mr. President, will the Senator withhold his objection?

Mr. KENNEDY. Mr. President——

Mr. IVES. I withhold the objection temporarily.

Mr. KENNEDY. Mr. President, does the Senator desire to ask me to yield?

Mr. GOLDWATER. Yes; I ask the Senator to yield.

Mr. KENNEDY. If the Senator will wait a moment, I shall yield.

In view of the fact that there is some disagreement among the Senator from Arizona, the Senator from New Jersey, and the Senator from New York, it seems to me it would be far more appropriate to decide the question in the Subcommittee on Labor. Therefore, I am hopeful the amendment of the Senator from New Jersey will be defeated.

For that reason I should think the Senator from Arizona, since he feels as he does on the question, would prefer to have the matter fought out in the committee, rather than to attempt, in view of the parliamentary situation, to fight it out on the floor of the Senate.

Mr. GOLDWATER. Mr. President, I agree that this part of the law should be changed. For two Congresses, as I recall, I have had pending a bill to make such a change, but no action has been taken on it.

I remind my friend, the Senator from New York, that we both voted to report a change in the section to which I refer.

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

Mr. GOLDWATER. That was for 1 year.

Mr. KENNEDY. Mr. President——

Mr. IVES. I have introduced bills to amend the Taft-Hartley Act ever since it was passed.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. KENNEDY. Mr. President, I hope the Senate takes such action as will enable the amendment to be considered by the subcommittee, where it can be more carefully examined, in view of the disagreement about it and in view of the fact that the voting rights of economic strikers is a most important subject. I am hopeful the attempt to argue out language will not be handled on the floor, but will be left to the committee where it belongs.

The PRESIDING OFFICER. There being objection to the unanimous-consent request, the modification of the amendment cannot be made.

Mr. JOHNSON of Texas. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I understand the unanimous-consent request was objected to by the Senator from New York.

The PRESIDING OFFICER. The Senator is correct.

Mr. IVES. I temporarily withheld the objection.

Mr. JOHNSON of Texas. Mr. President, I should like to yield myself a half minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for a half minute.

Mr. JOHNSON of Texas. As I have said several times in respect to the pending legislation, I repeat that the subcommittee is to continue hearings beginning on Monday morning next. The hearings will be held morning and afternoon if the Senate gives its consent. I am hopeful that all Senators who desire to offer proposed labor legislation of any type will arrange with the distinguished chairman of the subcommittee to present their views.

Today I think the Senate should determine not what particular merit each proposal brought forth has, but rather, should determine that there shall be a fair hearing, which is already under way and has already been scheduled to continue.

I repeat what I have already stated, that the question we are determining is whether we shall have the verdict before the trial, or the trial before the verdict. The hearings are to be conducted for 3 weeks. Any Senator can present any proposal he desires. The Senator from Arizona can modify the proposal of the Senator from New Jersey, or the Senator from New York can offer his own proposal, and the committee will then consider every suggestion, and I hope the committee will report a constructive bill.

I hope the Senate will not attempt to take these newborn creatures and write them into this complex labor legislation, and bring about the defeat of this worthwhile proposal which the committee has reported. I hope the amendment will be defeated.

Mr. GOLDWATER. Mr. President, will the Senator from New Jersey yield me a half minute?

Mr. SMITH of New Jersey. I am glad to yield the Senator 1 minute.

Mr. GOLDWATER. Mr. President, I might tell the majority leader, before he departs——

The PRESIDING OFFICER. Will the Senator from New Jersey state how much time he has allotted to himself?

Mr. SMITH of New Jersey. Mr. President, I have allotted 1 minute to the Senator from Arizona, and then I want to allot 10 minutes to the Senator from Illinois.

Mr. GOLDWATER. I remind the distinguished majority leader that this is not newborn legislation. It has whiskers on it down to its knees.

In view of the fact that this is only one of the many amendments which have been in the hands of the committee for years, I should like to ask the distinguished chairman of the subcommittee if he intends to allow us to discuss proposed changes in the Taft-Hartley law, in addition to the McClellan type of legislation.

Mr. SMITH of New Jersey. The chairman of the subcommittee has already assured me on that point.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me at that point?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. JOHNSON of Texas. The distinguished chairman of the subcommittee has given that assurance time and time again. There is nothing to be gained by repetition. Senators can understand it after hearing it 2 or 3 times, if they are disposed to understand. If they do not want to understand, they probably never will.

The chairman of the subcommittee has invited all Senators to make their recommendations. Whether this amendment is newborn or whether it is bewhiskered, it is obvious that when three Members on the other side of the aisle have differing viewpoints, we should present them to a committee and let the committee resolve the differences.

Mr. GOLDWATER. The Senator from Arizona had not heard any clear-cut assurance that we could open up the Taft-Hartley Act.

Mr. KENNEDY. Mr. President, if I may speak for a moment on the time of the majority leader, the Subcommittee on Labor will resume its hearings on the recommendations of the McClellan committee, for which purpose the hearings were originally called. In addition, I have given assurances to the Senator from New Jersey that we shall give consideration to proposed changes in the Taft-Hartley Act, which subject goes beyond the McClellan committee recommendations.

Every Senator will be afforded an opportunity to testify before the subcommittee. However, I do not wish to mislead Senators. In the time available, we cannot write an overall revision of the Taft-Hartley Act, because we have not been able to do so in years. Therefore, I hope we shall be able to confine ourselves as much as possible—although I do not intend to restrict any Senator—to the areas covered by the McClellan committee recommendations and the areas covered by the administration program.

Mr. GOLDWATER. That would include, then——

The PRESIDING OFFICER. The time of the Senator from Arizona has expired. Does the Senator from New Jersey wish to yield further time?

Mr. SMITH of New Jersey. I am afraid I cannot.

Mr. JOHNSON of Texas. I will yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. I merely wished to button up the question, and then I shall remain silent.

Mr. JOHNSON of Texas. It is buttoned up. The chairman of the subcommittee says that the Senator may make any suggestion he wishes, and that it will receive consideration. He stated that he hoped to confine the committee action, as far as is possible, to the McClellan committee recommendations.

Mr. GOLDWATER. Among the important things for which both labor leaders and management, as well as the public, have been asking, are the non-economic strike provision, the non-Communist oath provision, and the States' rights provision.

Mr. KENNEDY. They are all included in the McClellan recommendations.

Mr. JOHNSON of Texas. I thank the Senator from New Jersey for his indulgence. As is his custom, he has brought about a spirit of unanimity in this body which seldom prevails except when he participates in the debate.

Mr. SMITH of New Jersey. Mr. President, I yield 10 minutes to my distinguished colleague from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, the time to assert a principle is any time, and that time is now, just as well as later, after extended hearings.

I hope the Senate will not permit itself to let a detail with respect to time obscure the principle which is involved here.

I know of no better way to dramatize the issue which is involved here than to point to the strike at the O'Sullivan Heel Co., in Winchester, Va., which began in 1956. As I recall from the accounts, that company has about 700 employees. They struck for higher wages. Ultimately, their positions were permanently filled by the management with replacements. Later one of the employees petitioned for a new bargaining election. The vote was 288 to 5, and that was the end of the union at the O'Sullivan Heel Co., in Winchester, Va.

The question was further reviewed when a picketing charge was made. More than 400 employees were involved, some of whom had served the company for nearly 30 years. However, under the Taft-Hartley Act, they were denied the right to vote in a representation election.

That is the issue which is involved in the Smith amendment. Shall they be entitled to vote, notwithstanding the fact that they are on strike for higher wages?

What is the case for the amendment? The argument has been developed, from time to time, that there have been no hearings on this subject. There were hearings in the 83d Congress on this amendment. It came to the floor of the Senate. Once it failed in the House, after it got through the Senate, and once it died on the floor of the Senate. So the answer to the argument as to whether or not there have been hearings is that there have been hearings, and that the Senate voted favorably on the amendment once before.

The next point I wish to make is that this amendment was among the 29 suggestions made by Senator Taft in 1949. This was item 16 in his agenda. He said that the Taft-Hartley Act should be modified in this respect, in fairness to striking employees, who are referred to as "economic strikers for better wages."

The next point I make is that labor wants this amendment. Labor leaders have asked for it time and time again, and they have pointed out that the present provisions of the law affords a way to break a union. In a period of unemployment such as now exists, it is not too difficult to break a union; and there is a perfectly good case against the particular provision in the Taft-Hartley Act.

Finally, this is one of the amendments which the President of the United States has requested of the Congress. In his message in 1954 he made a particular plea for this amendment.

So when we add up the case, what have we? We have an admitted, conceded, patent inequity; a patent mistake in the Taft-Hartley Act, which even its great pioneer defender, Bob Taft, undertook to have corrected as early as 1951. He was denied an opportunity to do so in the committee.

This amendment did have a chance in 1954, but it did not succeed. This is what the late Senator Taft wanted, in the interest of equity and fairness. This is what the President of the United States wants, in the interest of equity and fairness. He has so advised the Congress. This is what the labor unions want; and they have said so uninterruptedly and with great vigor from time to time.

What more, then, remains to be said on this whole story? After all, the situation involves a pretty difficult choice for a man who carries a dinner bucket, and who goes out on strike. He must face the fact that he can be replaced when he makes an entreaty for better wages, and that he will be out of court so far as his vote is concerned in a representation election.

That is precisely what happened in the case I have cited. When the striking employees were replaced, how easy it was to let the replacements vote. None of the old employees, who had an economic stake in the issue, could vote. It is no wonder that the election at Winchester resulted in a vote of 288 to 5. So the bargaining union there was disestablished, and a brandnew union was set up. The President of the United States, because of his interest in equity and in fairness, has asked that this amendment be adopted. Are we going to defer it? Four hundred strikers were divested of their rights. Shall we make them wait any longer? That is for the Senate to say.

It is said that there ought to be hearings, and that we should determine, first of all, whether the period involved should be 4 months, or 180 days, or whether such a right should last for a year. I am not interested in the details. Let us establish the principle today. The bill must go to the House of Representatives, and it can easily enough adjust the time limit if, because of objection, the amendment cannot be modified so as to place a time limit on the right to vote.

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

Mr. DIRKSEN. I yield.

Mr. IVES. Does the Senator think for 1 minute that if this amendment were placed in the bill at this time the bill could be enacted?

Mr. DIRKSEN. We approach all legislation in the spirit of faith, hope, and charity.

Mr. IVES. I do not like to approach this proposed legislation in that way.

Mr. DIRKSEN. I do.

Mr. IVES. I desire to approach it in as sure a way as I can; that is, step by step, until we go ahead with it through committee activity and report an omnibus bill. In that connection I wish to say I was opposed to the provision in the Taft-Hartley Act which the pending amendment would repeal.

Mr. DIRKSEN. Injustice will not wait wherever we find it under any circumstances. Here we are dealing with an injustice which puts its heavy hand upon the humble workers of the country, notably those who participated in the O'Sullivan strike in Virginia. Are we going to wait? We cannot say: "Just bide your time. Let the legislative process unfold. Let it take its own sweet time. To be sure, it is fraught with hazard, and there is something dubious about it, and you cannot be assured that anything will be done."

If injustice must be met when it is identified, then this is the time. Let no one raise his voice and say that there have been no hearings on the subject, that this principle has not heretofore been considered by the Committee on Labor and Public Welfare.

Mr. President, that is the whole case, as I see it. Let the Senate defer it, if it wishes, but so far as the arguments which have been advanced against other amendments are concerned, those arguments will not hold water in the case of this amendment. That is the case. I yield back the remainder of my time.

Mr. SMITH of New Jersey. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes remaining. The Senator from Massachusetts has 10 minutes remaining.

Mr. SMITH of New Jersey. I yield 1 minute to the Senator from Colorado.

Mr. ALLOTT. I support the distinguished senior Senator from New Jersey and the distinguished Senator from Illinois, and I ask that several editorials in support of the President's program be printed in the RECORD at this point.

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

[From the St. Louis (Mo.) Post-Dispatch of December 6, 1957]

GOOD LABOR LAW PROGRAM

Secretary of Labor James P. Mitchell, appearing before the AFL–CIO convention, outlined an intelligent program of labor legislation which the administration promises to sponsor.

The administration will ask Congress to safeguard pension and welfare funds, he said. Such a law is desirable and it should cover all funds, whether controlled by union officials, management, or outside agencies.

The Government also will ask that financial relations between union officials and employers be publicized, and it will seek a ban on picket lines where employees do not desire to join a union. Labor may oppose the latter proposal, but both would promote legitimate organization and bargaining procedures. More controversial is the plan to insure union elections by secret ballot. Unobjectionable in principle, this will have to be spelled out in more detail to avoid undue governmental influence in union affairs.

That the administration program was not conceived in an antiunion spirit was indicated by Mr. Mitchell's promise that it would not include a right-to-work bill nor a ban on the closed shop.

The question, of course, is whether Congress will take as enlightened an approach to labor legislation as that outlined by the Secretary of Labor. Those inclined to be more tough should realize that unions are here to stay. The task is to correct abuses, not punish honest men.

[From the New York Herald Tribune of December 7, 1957]

A PROGRAM FOR LABOR

Labor leaders have been uneasily conscious for many months that their movement is in the shadow of public disapproval. Responsible men like Mr. George Meany may insist on the need for house cleaning by labor itself; responsible organizations like the AFL–CIO majority may answer by expelling the racketeer-ridden teamsters. But all know that neither exhortations nor expulsions are the real answer. There must be recourse to law. And because they feared the public reaction, many union chieftains welcomed the moderate program—for labor, not against it—presented on behalf of the President by Secretary of Labor James P. Mitchell on Thursday.

There are many facets to Mr. Mitchell's statement of administration aims. But the core lies in his assertion that the objective of the proposed legislation is to open to public view and inspection some of the areas of union and management affairs which are now hidden and in which crooks and racketeers have operated.

This is to be achieved by a new system of reporting union financial transactions, and all health, welfare, and pension funds (not union funds alone), as well as requirements for filing annually union constitutions, by-laws, procedures relating to restrictions on membership, election of officers, etc. In the latter section, the administration proposes that the reports must show union members to have the right and opportunity to elect their officials at intervals of not more than 4 years by secret ballot or through delegate bodies (in the case of national officers) chosen by secret ballot.

The plan would, therefore, strike at two union evils: the misappropriation of union funds and the election or perpetuation in office of unfit leaders by manipulation or concealment of the electoral machinery.

This, surely, is minimal Federal action to correct the abuses that have been revealed in union affairs. It would be backed by penalties against false statements, by giving the Labor Department rights of investigation and subpena, by depriving unions that failed to file reports of tax-exempt and Labor Relations Board status, and by authorizing suits by individual union members when they have been injured by bad management of the union treasury.

Thus the laws would have salutary teeth. They would not be discriminatory, since all pension and welfare funds, union operated or not, would come under the Government's scrutiny, and a statutory provision would compel employers to disclose payments made to unions or union agents through a third party. And they would be in the best interests, not only of the community at large, but of the organized workers.

If union leadership is inclined to dispute the value of the new proposals, they might take into account the plain fact that Americans, union or nonunion, are fed to the teeth with the kind of skulduggery disclosed in the case of the teamsters and some other organizations. They are not going to assume that expulsion of these outlaw bands from the national federation will solve the problem (State law, not federation action, is the only sanction the longshoremen, to cite one example, fear). And they have shown an increasing tendency to turn to right-to-work laws, banning union shops, as a solution.

President Eisenhower and Mr. Mitchell oppose a Federal right-to-work law, as well as any attempt to bring the unions within the scope of antitrust legislation. But on the State level the right-to-work movement is spreading. If the unions fear it they must help to produce a constructive alternative. The evils have been too grave, they hit the Nation too hard and oppress union members too intolerably for any other course to be possible.

[From the New York Times of December 7, 1957]

UNITED STATES LABOR LAW PROGRAM

The labor-law program of the Federal Administration which Secretary Mitchell revealed at the American Federation of Labor and Congress of Industrial Organizations convention is, by and large, a model of high statesmanship. For his major share in its formulation Mr. Mitchell himself deserves great praise, as does the President for his unreserved approval.

At a time when the exposed misdeeds of union officials have given the enemies of organized labor a good chance to promote anti-union laws, Secretary Mitchell has had the courage to turn his back on them and hew to the line of strict impartiality. As his proposals demonstrate, that line, in the main, would help rather than hinder legitimate trade unions.

True to American principles, Mr. Mitchell's program is designed to prevent abuses, not to impose direct Government control. And he suggests that this be done by clearly defined legal standards of sound practice and by requirements for full disclosure of union operations, backed by severe penalties for those who violate the law. The way he would deal with the central problem of labor union dictatorship applies this policy at its most crucial and most sensitive point.

Direct election by secret ballot of union officers, or of delegates to bodies which elect them, would be required. But this would not be enforced by an army of Government agents whose fingers would be in every election pie. All unions would be required to report to the Labor Department how their elections are held, and these reports would be open to the public. A union that falsely reported its compliance with the secret ballot requirement, or whose report disclosed a violation, would be subject to penalties which could culminate in forfeiture of tax exemption and collective bargaining status under the Taft-Hartley law.

The full disclosure technique would also be applied to the operations of all labor-welfare funds and to the financial affairs of the unions themselves. False statements in the required financial reports would make violators subject to fine and imprisonment, while conflict of interest, bribery, and embezzlement of welfare and union operating funds would be made crimes under Federal law. And the Secretary of Labor would be given broad power of investigation and subpena, both on his own initiative or on bona fide complaints from outside.

The broad effect of the administration program, if adopted, would be to give labor unions a quasipublic legal status. And why not? After all, they are associations organized to perform a public service, primarily to their members, but also to the entire Nation, insofar as they bargain collectively with employers under Federal protection. And the Government has given them exemption from taxation. It is high time that those who belong to unions, as well as the public at large, be given legal protection against abuses that impair their usefulness. Secretary Mitchell's proposals to that end are a welcome example of how the Nation's ex-

ecutive department can exercise leadership within the pattern of our tripartite form of government.

[From the Boston Christian Science Monitor of December 9, 1957]

AGAINST FOES WITHOUT AND WITHIN

Organized labor can understand and will respect management's opposition, however vigorous, to labor's bargaining demands. Organized labor does not understand and will resist passionately anything it believes strikes at unionism itself.

This has become a truism that Secretary of Labor James T. Mitchell quite evidently understands and accepts, and with him, apparently, the President. Mr. Mitchell could not have found a wiser introduction to a forthcoming administration legislative program than by giving a preview to the AFL-CIO convention and by prefacing that preview with the assurance:

"This administration will not permit those who have never approved of organized labor or collective bargaining to use labor's present difficulties as a club to suppress unionism."

And he followed with some specifications: that the administration will oppose any so-called national right-to-work law; that, as to bringing labor under the antitrust laws, the administration believes—

"It is an affront to the dignity of the American worker to assert that his work should be regulated by the same laws which are designed to preserve competition in business."

Furthermore, Secretary Mitchell said, the administration "would not dictate to unions what they should do about their internal affairs (with one exception), but require that unions report accurately on what they are doing."

This means that it would require unions to make available current facts on the handling of welfare and pension funds (whether union, employer, or jointly provided), and in general would—

"Open to public view and inspection some of the areas of union and management affairs which are now hidden and in which crooks and racketeers have operated."

This much of the program labor had already indicated willingness to accept in principle—also, obviously, certain revisions of the Taft-Hartley Act which it has long urged. The administration also proposes other amendments which by sharper definitions would restrict unions in secondary boycotts and picketing.

As to the one exception mentioned above to governmental intrusion into unions' internal affairs: This has to do with requiring that all unions elect their officers directly or indirectly by secret ballot, and that such elections be held periodically and with reasonable frequency.

There are signs that labor will resist these proposals, not in opposition to democratic processes but on grounds that public law should not determine how private associations shall govern themselves. This is a thesis that cannot be ignored. For it applies also to churches, fraternal orders, social clubs. But neither is it a thesis which can be accepted without reference to the nature of the particular private association.

It is a matter of how each is affected with the public interest. The honest government of labor unions is a factor in the healthy operation of the whole economy. And it is a very important factor in the economics of some 18,000,000, members, whose livelihood depends primarily on their jobs.

[From the San Mateo Times of December 12, 1957]

A MODERATE PROGRAM

It is difficult to see how anyone concerned with cleaning up the worst abuses in the union labor movement could raise objection to the program laid before the AFL-CIO by Secretary of Labor Mitchell.

This program is aimed to end the looting of union funds by dishonest officials, the stifling of union democracy, and the corruption in labor-management relations uncovered by the Senate's current probe. It would provide that all union officers must be elected by secret ballot and it would establish requirements for the full disclosure of union financial operations and collusive relationships. Unions would also lose the tax-exempt status which they now enjoy.

These proposals are aimed at a single goal. That is the protection of rank and file union members from the dishonest and greedy leaders who have robbed union treasuries and established a tyranny which it has become difficult if not impossible for the membership to uproot.

If real progress in curing these abuses is not made the door will be open to far more drastic proposals to curb the power of unscrupulous labor leaders to make league with racketeers and prey upon both their own members and the public.

Mr. SMITH of New Jersey. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I have asked the Senator from New Jersey to yield to me at this time primarily to make this inquiry of the distinguished senior Senator from New Jersey: If we were to pass the pending bill with his amendment added to it, and the bill goes to the House, and the House adds a time limit to it—which I believe is a reasonable supposition, and which I believe should be put attached; either sixty days or ninety days, or whatever limitation may be added to the bill—do I correctly understand, even though the Senator could not modify his amendment because of the parliametary situation, that as a conferee he would be inclined to go along with a limitation of time on the amendment?

Mr. SMITH of New Jersey. Yes. The amendment was originally offered in the form of a bill which I had introduced. I understand that I cannot modify my amendment at this time. I say to the Senator that I am in favor of a time limit.

Mr. MUNDT. I did not understand the last part of the Senator's statement because of the noise.

Mr. SMITH of New Jersey. I am in favor of getting together with the conferees on a time limit.

Mr. MUNDT. I thank the Senator. On that basis I can support his amendment. There should be some time limit placed in the bill.

Mr. KENNEDY. Mr. President, the fact of the matter is that the Senator from Illinois [Mr. DIRKSEN] is right that the issue has been before us since the Taft-Hartley Act was passed. However, there is a substantial degree of difference between us as to whether the period of time should be a year, which was recommended in 1954 by the administration, whether it should be unlimited, as recommended by the Senator from New Jersey today, or whether it should be a shorter time, as recommended by the Senator from Arizona and the Senator from South Dakota.

The basic fact is that the amendment is in the interest of labor. It is my hope that it will be a part of any bill which will be reported by the committee.

In opposing the amendment, I do so because there are 30 other amendments on the table which will be called up if the pending amendment is adopted—all of which are not in the interest of the working people.

Therefore it is not wholly correct to say—and I am hopeful that we may not hear the argument repeated—that opposing the amendment is not in the interest of labor, because if the amendment is adopted, other amendments, not in the best interest of the laboring people, will be immediately brought forward. Those amendments are lying on the table.

The fact is that the pending bill is very important on its own account. It provides protection for 85 million people, whose future benefit rights are involved. To load up the bill with the pending amendment and other amendments would do an injustice to the laboring people, and certainly would be a great mistake. I can assure the Senator from Illinois, who is as interested, I am glad to see, as I am in procuring an amendment such as this, that the amendment, or a similar one, I hope, carefully drawn, will be made a part of the bill which will be reported by the committee. If we add the pending amendment, and all the other amendments, which will then be germane, we will wind up with the defeat of a bill which took us 4 years to get to the floor of the Senate.

Mr. JOHNSON of Texas. Mr. President, has all time by the opponents been utilized?

The PRESIDING OFFICER. All time of the proponents has been used. Eight minutes remain on the opponents' side.

Mr. JOHNSON of Texas. I yield back the remainder of my time. I inform all Members of the Senate that as soon as we have obtained a quorum, we will have a yea-and-nay vote on the pending amendment.

Mr. KNOWLAND. Mr. President, I should like——

Mr. JOHNSON of Texas. I yield a half minute to the Senator from California.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Massachusetts if he would indicate specifically which one of the amendments I have offered he considers to be anti-labor.

Mr. KENNEDY. I know the Senator is interested in providing secret elections. However, the amendment as presently drafted would throw the whole labor movement and the whole organization of the movement into confusion. That is far different from the principle of secret elections, which is a good one.

Mr. KNOWLAND. In other words, the Senator from Massachusetts believes that the principle is good, but——

Mr. KENNEDY. There are four major mistakes in the drafting of the amendment.

Mr. KNOWLAND. That is the Senator's opinion, of course. I do not concur in it.

Mr. KENNEDY. I understand.

Mr. KNOWLAND. I believe in giving the members of a union control over their own affairs. By no stretch of the imagination can such a proposal be considered anti-labor.

Mr. KENNEDY. Many union officials are chosen in convention. The Senator's amendment contains no provision for the election of delegates to such conventions by secret ballot.

Mr. KNOWLAND. I differ with the Senator. Delegates to a national convention would have to be elected by secret ballot.

Mr. KENNEDY. I do not believe the Senator's amendment mentions national conventions, or the election of delegates.

Mr. KNOWLAND. It contains a provision that those selected under a union constitution, where delegates are provided for, would be covered by the amendment. It provides for the selection of delegates by secret ballot.

Mr. KENNEDY. I disagree with the Senator.

Mr. JOHNSON of Texas. Mr. President, what we are discussing now is an amendment which the Senate has already passed upon. I do not question the good intentions of any Senator although there is quite a difference of opinion on the amendment. Of course the road to many places is paved with good intentions. I hope everyone understands that the Senate does have good intentions, and is taking action by majority vote. Beginning next Monday, such errors, if any, as may have appeared in the drafting of amendments, which would result in detriment to the workingmen, can be corrected and improved, and we can reach agreement on such amendments. I hope that during the 3 weeks the hearings will be conducted, in the traditional American way, the committee will be able to decide what is fair and what is equitable and what is just, and make recommendations to the Senate.

I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On the question before the Senate, the junior Senator from Ohio has a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If the junior Senator from Texas were present, he would vote "nay"; I would vote "yea." Hence, I will abstain from casting my vote.

Mr. WILEY (when his name was called). On this vote, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If the Senator from Rhode Island were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote, I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If the Senator from Louisiana were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], and the Senator from Alabama [Mr. SPARKMAN] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Arizona [Mr. GOLDWATER], and the Senator from New York [Mr. JAVITS] are detained on official business.

The result was announced—yeas 33, nays 50, as follows:

YEAS—33

Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Bennett	Flanders	Potter
Bricker	Hickenlooper	Purtell
Bridges	Hoblitzell	Revercomb
Bush	Hruska	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Knowland	Smith, N. J.
Case, S. Dak.	Kuchel	Thye
Cotton	Martin, Iowa	Watkins
Curtis	Martin, Pa.	Williams

NAYS—50

Aiken	Hill	Monroney
Anderson	Holland	Morse
Beall	Humphrey	Murray
Bible	Ives	Neuberger
Byrd	Jackson	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Case, N. J.	Johnston, S. C.	Payne
Church	Kefauver	Proxmire
Clark	Kennedy	Robertson
Cooper	Kerr	Russell
Douglas	Langer	Smathers
Eastland	Long	Smith, Maine
Ervin	Magnuson	Stennis
Frear	Malone	Symington
Fulbright	Mansfield	Talmadge
Gore	McClellan	Thurmond
Hayden	McNamara	

NOT VOTING—12

Butler	Green	Sparkman
Chavez	Hennings	Wiley
Ellender	Javits	Yarborough
Goldwater	Lausche	Young

So the amendment of Mr. SMITH of New Jersey was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from Texas is recognized for 30 seconds.

Mr. JOHNSON of Texas. I should like to announce, for the information of the Senate, that throughout the afternoon and early evening, under the provisions of the unanimous-consent agreement, the Senate probably will take a series of yea-and-nay votes every 30, 35, or 40 minutes.

We wish to accommodate each Senator. However, the unanimous-consent agreement is on the desk of each Senator; and he should review it, and should prepare himself to be present for each of the yea-and-nay votes in which he desires to participate.

During the last yea-and-nay vote, several Senators did not reach the Chamber, because, I am sure, they did not realize that some of the time available under the unanimous-consent agreement would be yielded back by either one side or the other. During the remainder of the day, that will continue to be done, no doubt.

The attachés of the Senate should contact the office of each Senator, to determine what committee he may be attending, so that all Senators may have ample opportunity to participate in the yea-and-nay votes.

Mr. President, I yield to the Senator from New Jersey, in order that he may call up his amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I desire to call up my second amendment, designated as "4-24-58—G," and I ask that it be read.

Mr. JOHNSON of Texas. Mr. President, may I inquire of the Senator from New Jersey, while Senators are present on the floor, how long the Senator anticipates he will talk on his amendment?

Mr. SMITH of New Jersey. I think 10 or 12 minutes.

Mr. JOHNSON of Texas. How long does the distinguished chairman of the subcommittee think he will need?

Mr. KENNEDY. About 10 minutes.

Mr. JOHNSON of Texas. The indications are that probably 20 minutes will be consumed on the amendment. I think all Senators should be on notice that we shall have a quorum call before the vote on the amendment.

Does the Senator desire the yeas and nays on the amendment?

Mr. SMITH of New Jersey. Yes.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment of the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "Sections 1 through 18 of this."

At the end of the bill it is proposed to add the following:

SEC. . (a) Subsection (c) (1) of section 9 of the National Labor Relations Act, as amended, is amended by inserting the word "or" after the semicolon at the end of clause (B) and adding a new clause "(C)," as follows:

"(C) by an employer primarily engaged in the building and construction industry and a labor organization acting in behalf of employees engaged (or who, upon their employment, will be engaged) in the building and construction industry, asserting that such employer recognizes such labor organization as the representative defined in section 9 (a) and has entered into a collective bargaining agreement with such labor organization."

(b) Such subsection is further amended by inserting a colon before the period at the end thereof and adding the following language: *Provided*, That the Board may, without prior thereto having conducted an election by secret ballot, certify a labor organization referred to in clause (C) of this paragraph as the exclusive representative of all the employees of an employer referred to in said clause (C) in such unit as the Board may find is normally represented by the labor organization for the purposes of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment: *Provided further*, That the preceding proviso shall not apply where there is no history of a collective-bargaining relationship between the petitioning employer and labor organization prior to the current agreement or an employee or group of employees or any individual or labor organization acting in their behalf alleges, and the Board finds, that a substantial number of employees presently employed by the employer in the bargaining unit assert that the labor organization is not a representative as defined in section 9 (a)."

Mr. SMITH of New Jersey. Mr. President, the amendment which has just been read by the clerk has to do with preelection certification of building and construction unions. Briefly stated, the reason for this amendment is that ever since the passage of the Tart-Hartley Act it has been realized by many of us that the peculiar and special situation in the construction industry prevents that industry, under its traditional practices and because of the spasmodic nature of employment involved, from complying practically with the provisions of the Taft-Hartley Act. We have tried for some time to correct this inconsistency, and in the proposed legislation which was offered in 1954 this was one of the points emphasized in the President's program in S. 2650 of that year.

This amendment would authorize the NLRB, under appropriate circumstances, to certify unions acting in behalf of employees of employers primarily engaged in the building and construction industry as exclusive bargaining representatives of such employees without a prior election.

This proposal would require a joint petition by the employer and union involved asserting present recognition of the union by the employer as the bargaining representative of his employment and the existence of a collective bargaining agreement between them. No certification would be made under this amendment if there was no history of collective bargaining relationship between the union and the employer prior to the current agreement or if there was an allegation, and the Board found, that a substantial number of the employees in the unit in question asserted that the union was not designated or selected as bargaining agent by a majority of such employees.

The effect of this proposal would be to protect voluntary collective bargaining relationships established in good faith without governmental intervention. The proposal protects the right of the employees to be free of coercion in the selection of their own bargaining representatives; the will of the employees in this respect would be required to be evidenced by a history of prior collective bargaining between the union and the employer and by an absence of substantial objection on the part of the employees in the bargaining unit to certification of the union.

It has long been recognized that the hiring practices and collective-bargaining relationships in the construction industry are unlike those in manufacturing and in other service industries and are difficult to accommodate under the representation procedures of the National Labor Relations Act. These procedures were designed to deal with employment relationships which are of some permanence, and they have proved ineffective where, as in the construction industry, the employment is casual and intermittent and the employee may be employed by several employers within a short period of time.

There are advantages which accrue to unions as a result of Board certification, and conversely, there are disadvantages resulting from lack of certification. Construction unions should not be denied these advantages and forced to suffer handicaps solely because of the employment pattern of their industry. I should like to point out that legislation of the type proposed by this amendment has been suggested by an advisory committee, composed of representatives of employers and employees in the construction industry, and created to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to their industry.

Here again, Mr. President, in the case of this amendment, in the event it is defeated, I am confident, in view of the assurances of the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Texas [Mr. JOHNSON], to which I have already referred, that the matter will be carefully considered in writing up of a labor bill to be reported to the Senate not later than June 10.

It seems to me most important in the interest of the construction industry that the amendment be passed upon favorably at this time. I hope that can be done. The yeas and nays have been ordered, so I assume that will be the next vote.

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

Mr. SMITH of New Jersey. I am glad to yield.

Mr. PURTELL. I have strongly supported the proposed amendment to S. 2888, to provide for preelection certification of building and construction trades unions.

It has long been recognized that it is virtually impossible to conduct representation elections in the building trades and construction industry because of the pattern of employment. The hiring practices and collective bargaining relationships in this industry are unlike those in manufacturing and in other service industries, which is really what the Taft-Hartley law was designed to cover. Because of the difference, which exists between this type of industry and the manufacturing and other service industries, it is difficult, as a matter of fact, to accommodate these building trades union agreements with employers under the representation procedures of the Taft-Hartley Act. These procedures were designed to deal with employment relationships which are of some permanence, and they have proved to be ineffective where, as in the construction industry, the employment is casual and intermittent, as the Senator from New Jersey has pointed out, and the employee may be employed by several employers within a short period of time. Is that not a correct statement?

Mr. SMITH of New Jersey. That is correct.

Mr. PURTELL. As many of my colleagues will recall, this body in 1952 considered and passed a bill which would have authorized prehire and union-shop agreements in the construction industry. I am sure the Senator remembers that particular piece of legislation.

Mr. SMITH of New Jersey. I think it was in 1952.

Mr. PURTELL. It was in 1952 first, and then later in 1954.

Furthermore, Mr. President, a proposal submitted by the administration in 1954, which would have authorized prehire contracts in certain industries, was considered at great length by the Committee on Labor and Public Welfare. The Senator from New Jersey and I were serving on the committee, and I believe the Senator will recall our deliberation on that subject.

Mr. SMITH of New Jersey. The Senator is correct.

Mr. PURTELL. The pending proposal was suggested by the advisory committee composed of representatives of employers and employees in the building trades and construction industry created by the Secretary of Labor to advise the administration with respect to amendment of the Taft-Hartley Act as it relates to the industry.

Legislation to carry out this proposal was first introduced in the 1st session of the 85th Congress as S. 1614. The measure would protect voluntary collective bargaining relationships established in good faith without governmental intervention and would recognize the right of employees to be free of coercion in the selection of their own bargaining representatives. The proposal would require a joint petition by the employer and the

union, as the Senator stated, asserting present recognition of the union as the bargaining representative of his employees and the existence of a collective bargaining agreement between them. In addition, there would have to be a history of collective bargaining relationship between the union and the employer prior to the current agreement, and a certification could not issue if the majority status of the union was denied by a substantial number of the employees of the unit in question.

So I say, Mr. President, this amendment proposes legislation which is eminently fair, which has been requested by representatives of employers and employees in the construction industry, and which is an improvement upon similar legislation previously considered and passed by this body. Under these circumstances, I shall support, and I shall urge my colleagues to support, this amendment, even though hearings have not been held on this specific proposal, because we have held hearings on like proposals in the past.

Mr. SMITH of New Jersey. I thank the Senator. I was going to add that we have had any number of hearings as to this proposal. I do not think more hearings are necessary to establish the merits of the particular amendment under consideration, and also to establish the fact that it has great support on the part of the unions and of industry itself.

In the hearings in 1953 we heard all the union leaders interested in this matter. I do not remember any dissenting voice as to this particular proposal.

Mr. ALLOTT. Mr. President, will the Senator yield for about 2 minutes' time?

Mr. SMITH of New Jersey. I am glad to yield such time as the Senator may need. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey has 21 minutes remaining.

Mr. SMITH of New Jersey. I yield to the Senator from Colorado as much time as he may require.

The PRESIDING OFFICER. The Chair wishes to inquire how much time the Senator from New Jersey yields to the Senator from Colorado.

Mr. SMITH of New Jersey. I will yield 3 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 3 minutes.

Mr. ALLOTT. Mr. President, I thank the distinguished Senator from New Jersey.

The amendment designated 4-24-58-G, the so-called building and construction industry amendment, has the distinction of being desired and wanted by both labor and management. The amendment was recommended by the President as a part of the administration's labor program. The top-level key representatives of both groups spent a long time conferring with the President and the Department of Labor officials on the preparation of the amendment.

The unions and building and construction industry say that for many years now they have suffered harmful discrimination by not having the advantage of certifications by the National Labor Relations Board. It is easy to understand, Mr. President, that there is a difference between this situation and the ordinary application of union laws, where employment in an industry is more of a permanent character.

The construction workers of my own State in the past, as is true at present, have besought me to support this proposal. I believe in it. I do support it.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. KENNEDY. Mr. President, does the Senator from New Jersey yield back the remainder of his time?

Mr. SMITH of New Jersey. I will, if the Senator from Massachusetts will yield back the time remaining to him.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. Will the Senator suspend? Does the Senator from New Jersey yield back the remainder of his time?

Mr. SMITH of New Jersey. No, Mr. President; I hold my time until the Senator from Massachusetts yields back his time. I may need some more time.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. As the Senator from New Jersey said, this amendment deals with the building and construction trades. The building and construction trades find it difficult to live up to the requirements of the Taft-Hartley Act with regard to how elections shall be held in order to reach a union shop arrangement with an employer.

The amendment would permit, with the consent of the employer and the union, an agreement whereby the National Labor Relations Board could recognize the union as the bargaining agent for the employees without the holding of an election comparable to the kind demanded of all other unions.

It is true that this amendment strikes at an important problem which grows out of the Taft-Hartley Act. I think we should give serious consideration to the question whether the maritime industry and the movie industry, which are comparable industries, should not also be considered in the same connection.

The point, however, is that it is the considered judgment of the majority of the members of the Subcommittee on Labor that if we should accept the amendment presently being considered, which we might favor, inevitably there would be attached to this most important bill pending amendments which we would not favor.

I have been reviewing the amendments which have been presented and which now lie on the table. Many of them would be adverse to the working men and women. Therefore, in order to prevent those amendments from being written on the floor and attached to this most valuable bill, I am forced to oppose this amendment which might be in the best interests of the working people.

If we are going to take the sword in this matter, we must perish by the sword. Therefore, it is necessary for me to oppose this amendment, even though I feel it will be the subject of consideration by the committee and that a similar amendment could, after being carefully considered—and undoubtedly will—be carried in the bill which is to be reported to the Senate.

I would not want the Secretary of Labor, who has, I think, conferred with the Senator from New Jersey in respect to these amendments, to travel over the country and say he sought to get the Senate and the House to act on the question of economic strikers and the building trades, but was unable to persuade them to do so.

The fact of the matter is that if we act favorably on the two amendments the Secretary has suggested, we will open up the bill to all the other amendments, which would inevitably result in this most important bill, providing for disclosure and regulation of welfare and pension plans, being destroyed. I am hopeful the Secretary will tell the whole story, if he is going to discuss the two amendments.

Mr. LANGER and Mr. IVES addressed the Chair.

Mr. KENNEDY. I yield first to the Senator from North Dakota.

Mr. LANGER. Is it not true that this matter will be considered in the committee very carefully?

Mr. KENNEDY. I can assure the Senator that an amendment similar to this will be contained as a part of any labor bill which will be reported and will come before the Senate.

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

Mr. KENNEDY. I yield.

Mr. IVES. I congratulate the Senator from Massachusetts for what he has just said. I heartily concur in it. I am as strongly in favor of this amendment on its own merits as is any other Senator. But if this amendment is added to the bill, we shall get no bill whatever. I am in favor of the amendment being enacted, but I am opposed to adding it to the pending bill.

Mr. KENNEDY. I appreciate the statement of the Senator.

Mr. Richard A. Gray, president of the building and construction trades department of the AFL-CIO, in a telegram dated April 24, stated:

WASHINGTON, D. C., *April 24, 1958.*

Hon. JOHN KENNEDY,
Senate Office Building,
Washington, D. C.

Re Douglas S. 2888 now being debated, respectfully request you vote for this bill without any amendments. This bill contains requirements which will safeguard health, welfare, and pension funds of all working men and women. Respectfully and urgently request that you vote to return Knowland amendments contained in S. 3068 to Labor Committee. No hearings have been held on these far-reaching and destructive amendments. The amendments go way beyond the stated objectives of Senator KNOWLAND. For an objective analysis of the Knowland amendments I am forwarding to you under separate cover printed copy 4th national legislative conference of this department. Suggest you read analysis by Louis Sherman, chairman department's legal advisory committee, starting at top of page 9 and ending middle of page 18. This analysis I am sure will convince you that exhaustive hearings are absolutely necessary on the proposed Knowland amendments.

RICHARD J. GRAY,
President, Building and Construction Trades Department, AFL-CIO.

The best chance for the bill to pass is to vote on it without amendments; and the best chance to have enacted the amendment in which the Senator from New Jersey is interested is to have it considered by the committee. I assure the Senator that the majority of the members of the committee are favorable to the concept of the amendment.

Mr. President, I am ready to yield back the remainder of my time, provided the Senator from New Jersey is ready to do likewise.

Mr. SMITH of New Jersey. I understand from what the Senator from Massachusetts has just said that if this amendment is defeated, it will be one of the items to be considered in committee.

Mr. KENNEDY. That is correct.

Mr. SMITH of New Jersey. I am glad to have that assurance.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from New Jersey yield back the time remaining to him?

Mr. SMITH of New Jersey. I thought all remaining time was to be yielded back.

Mr. KENNEDY. I shall be glad to yield back the remainder of my time as soon as I yield to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, the senior Senator from New York and I were the only minority Members of the Senate Labor Committee who voted against the pending amendment and a prior amendment offered by the distinguished Senator from New Jersey. I should like to state again my reasons for opposing such amendments, and particularly so because, in 1954, I voted for the amendment which the distinguished Senator now offers.

As I have stated in the Senate, I have voted against the amendments offered thus far because I do not believe that we can legislate satisfactorily in this difficult field on the floor of the Senate; and second, if some of the amendments are adopted, I believe it is likely that the pending bill will pass. It would be unfortunate indeed if we bring about the defeat of the bill which was reported to the Senate and which we are now considering—to require public disclosure of the management of welfare and pension funds, and I think it would be more difficult than ever to pass later in the session a bill with needed amendments to Labor-Management Relations Act of 1947.

I refer to the record of the past 3 or 4 years as proof of my statement. Since the Taft-Hartley Act was passed in 1947, a series of amendments was adopted by the Senate in 1949 under the leadership of Senator Taft. But the bill containing the amendments did not pass the House.

In 1954—and I happened to be a member of the Labor Committee at that time—a number of amendments were again reported, but the Senate recommitted the bill. Every Member on the Democratic side, with the exception of two, voted to recommit. If these two efforts failed after many weeks of hearings by the Labor Committee and extensive debate I think it is reasonable to expect that this bill, if amended as suggested, on the floor of the Senate, without hearings, will suffer a similar fate in the House. If this is correct the result would be there will be no amendment of the Labor-Management Act—as those who offer the amendments desire—and further, we will lose the protection which S. 2883 would give to welfare funds.

In view of the strong assurances which have been made by the Senator from Massachusetts and by the majority leader—assurances upon which I certainly believe we can rely—to the effect that we shall have an opportunity to vote on these or similar amendments after fair hearings by the Labor Committee, I believe that that course offers the best opportunity of obtaining needed legislation at this session. So, without attempting to argue the merits of this particular amendment, an amendment for which I voted in 1954, I merely wish to state my reasons for opposing such amendments. I believe that in the interest of actually obtaining legislation at this session, this amendment should not be adopted. Most important, I believe everyone—labor, management, the public, are entitled to a hearing.

Mr. AIKEN. Mr. President, will the Senator from Massachusetts yield 1 minute to me?

Mr. KENNEDY. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have voted against some amendments which I normally would have supported. I have done so in the belief that by not tying them in with the so-called disclosure provision with respect to pension and welfare funds, we shall be able to obtain the maximum amount of constructive labor legislation at this session. I am satisfied that the subcommittee headed by the Senator from Massachusetts will give consideration to a bill providing for amendments to the Taft-Hartley Act, and that such a bill will be reported from the committee, with possibly certain other provisions.

I am certain that such legislation—or good legislation, at least—embodying some of the recommendations of the McClellan committee, will pass the Senate.

No one can tell what the House will do, but it is possible, as has been explained time and again, to have the pending legislation, without amendments, enacted without any impediment whereas if we attach a great many amendments to S. 2888, the entire program of labor legislation may be stymied. I believe it is a sound procedure to hold hearings and report a bill promptly. I am satisfied that a bill will be reported from the committee, and that some bill will be approved by the Senate.

Mr. KNOWLAND. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield to the Senator from California.

Mr. KNOWLAND. Apropos the statement by the distinguished and able Senator from Vermont, does the Senator from Massachusetts not think there is some considerable responsibility on the majority party, beyond merely holding hearings in the Senate committee and reporting a bill to the Senate—perhaps even late in the session—and obtaining a vote in the Senate?

Since it has been the custom of the majority to claim a share of the credit for legislation which is passed, does the Senator not believe, in view of the circumstances, that there is some responsibility on the part of the majority party in the Senate to work with our colleagues in the House so as to facilitate action in the House, in order that the legislative action may consist of something more than a mere gesture by the Senate?

Mr. KENNEDY. I am hopeful that if we get the proposed legislation through the Senate, the other body will take some action. Of course, constitutionally we have no authority over what it does. After we shall have met our responsibility, the responsibility will shift to the other body, and it must do what it thinks is best.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield 1 minute to me?

Mr. KENNEDY. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, I am known in the Senate as something of an Eisenhower supporter—and I am. I wish to make this brief statement because these amendments represent the administration's position, to which I am not slavishly devoted, but which, nevertheless, I sincerely support because I believe in the fundamental philosophy of the President.

My reason for voting against certain amendments last week, as well as the pending amendment, is that I think this particular bill is important enough to warrant passing. It is my conviction that if we load it down with amendments dealing with the problems of the Taft-Hartley Act, there will be an excellent chance that it will be defeated. For that reason, because I am devoted to the reform embodied in the bill—and certainly the McClellan committee has proved the need for such reform, if it has proved nothing else—I shall continue to maintain the position which I have heretofore taken.

Mr. KENNEDY. I hope the country will understand that in voting on all three amendments, we are not voting on the merits of the amendments. We are voting on the concept, first, that the bill should not be loaded down with matters which are not germane, and secondly, that all amendments recommended by the McClellan committee should be considered by the appropriate committee of the Senate. We are not voting on the merits of the amendments per se.

Mr. JAVITS. Mr. President, if the Senator will further yield, I find myself in agreement with a number of the amendments against which I voted. I shall support them when they come before us in such form that they will not jeopardize a measure in which I firmly believe.

Mr. KNOWLAND. Mr. President, I yield myself 1 minute on the bill itself.

While each person is entitled to his own opinion, I hope, in view of all the circumstances and the voting which has

taken place, that the Senate will have an opportunity to act again, and will be able to act effectively and in ample time for the other body to legislate. I hope the Senate will not merely go through some motions.

I must disagree with my good friend from Massachusetts in his analysis that we are not voting on the merits of the amendments. Senators may honestly differ on that score, but I believe very definitely we have been voting on the merits of the amendments as of this time. Certainly many of us conscientiously feel we have been voting on the merits. It may well be that we shall have another opportunity to vote on the merits of the amendments under slightly different circumstances. If so, so be it; we will have that opportunity. However, at least some of us have had an opportunity to exercise that right; namely, to vote on amendments which we feel are highly important to the rank and file members of labor organizations. We may or may not get another opportunity effectively to legislate in this field at this session of Congress.

Mr. SMITH of New Jersey. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I cannot let the statement go unchallenged that we endanger the regulation of pension and welfare funds if we amend the bill. Certainly if we do so, we will not invite a veto. The executive department is asking that we go further. Certainly it will not jeopardize the consideration of the measure in the House of Representatives.

I served in that body for about 16 years. I have great confidence in it. I believe the bill will receive every consideration at the hands of the House of Representatives after the Senate gets through with it. It might run into a committee bottleneck, but there is no evidence to indicate that the bill would be defeated if it were amended. If we are not voting on the merits of the amendments, on what are we voting? If, in our individual responsibility to the people we represent, we are not voting on the merits of the amendments as they come up, what are we doing? I believe we are voting on the merits of the amendments which have been offered. We are voting on amendments which are beneficial to the country and beneficial to the working men and to management alike.

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

Mr. CURTIS. In a moment I shall yield. I do not suggest that everyone agree; but I contend——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. May I have 1 more minute?

Mr. SMITH of New Jersey. I yield 1 more minute to the Senator from Nebraska.

Mr. CURTIS. I contend that we must consider the amendments on their merits, and vote accordingly. If we believe in them, we must vote for them; if we are opposed to them, we must vote against them. I do not believe that any mental gymnastics can explain that fact away.

Mr. IVES. Mr. President, will the Senator now yield?

Mr. CURTIS. I yield.

Mr. IVES. I should like to ask the Senator a question. Does he mean to tell us that a bill loaded down with a great many heterogenous and irrelevant amendments would have a better chance of receiving attention in the House, and would be considered more favorably, than would a bill which is confined to the simple subject of pension and welfare funds, which is the bill before us?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Mr. President, I yield 1 minute to the Senator from New York.

Mr. CURTIS. I should like to answer the Senator from New York. I do not believe the bill is in danger of being weighted down or loaded down. Some of the amendments we would add to the bill and make it a much better measure, and would not make it a snare and a deception to the workers of the country, as would the pending bill.

Mr. IVES. It is not a snare and a deception, I will say to the Senator.

Mr. CURTIS. For 11 years the dues money reports have been filed with the Secretary of Labor. It has not done any good. The McClellan committee report shows that more than $10 million has been stolen or embezzled or misappropriated. We are not offering any protection to the workers in the pending bill.

Mr. IVES. The distinguished Senator from Nebraska will remember that we passed a joint resolution at the last session of Congress which would allow the Secretary of Labor to make the reports public.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 1 more minute to the Senator from New York.

Mr. IVES. The House took no action on the resolution. I have received no letter and no communication of any kind from any person in the United States in favor of that resolution, which would open up the whole matter to public view.

Mr. CURTIS. It is not taken care of in the pending bill. It must be amended to take care of that situation.

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

Mr. KENNEDY. I yield 2 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I should like to ask two questions of the distinguished Senator from New York. How much time for consideration have we had on the instant bill which is now before us?

Mr. IVES. It will be 4 years next Thursday.

Mr. MANSFIELD. How much time have we had on the thirty- or forty-odd amendments which have been before us or will be before us before we are through with the pending bill?

Mr. IVES. We have had no opportunity for hearings on them, for the simple reason that we waited until the last bill on the subject had been introduced and until the hearings of the select committee had been concluded and the report submitted, so that we would know what we were doing. The hearings have not been held. The Senator from Massachusetts has pledged himself to hold such hearings.

Mr. SMITH of New Jersey. Mr. President, I yield 2 minutes to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I was very much interested in the legislative philosophy expressed by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] when he stated that we were not voting on the merits of the amendments. That is certainly an ingenious and interesting point of view. Insofar as the Senator from New Hampshire is concerned, such statement does not reflect my approach to the bill. I am voting on the amendments on their merits, and I shall continue to do so. However, I am intrigued by the philosophy which the Senator expresses, particularly as I assume it could be made applicable to other bills on other occasions. I do not agree with the position taken by the Senator from Massachusetts.

My additional reason for voting for the amendments, aside from their merits, is that I am familiar with the congested nature of a Congressional session as adjournment approaches. I know how difficult it is to move legislation through both branches of Congress at such a time. Accordingly, I would be fearful, since a bill must go through both the Senate and the House, that we might end up with no legislation at all. Therefore, on the basis of merit and timing, I am supporting the amendments.

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

Mr. BRIDGES. I yield.

Mr. IVES. I will pose the same question that I asked the distinguished Senator from Nebraska. Does the Senator not believe that if we pass the pending bill, and it is passed by the House also, we will at least have a very good chance of getting that one bill enacted into law; whereas, we have virtually no chance of getting it through if we load it down with heterogeneous amendments?

Mr. BRIDGES. My answer to that question is "No."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. SMITH of New Jersey. I also yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back. All time for debate has expired.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the amendment designated "4-24-58—G" of-

fered by the Senator from New Jersey [Mr. SMITH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). The junior Senator from Ohio has a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present and voting he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore will refrain from casting my vote.

Mr. WILEY (when his name was called). As I have previously stated, I have a pair with the senior Senator from Rhode Island [Mr. GREEN]. If he were present and voting on this amendment, he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. YOUNG (when his name was called). I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Louisiana [Mr. ELLENDER] is absent because of illness in the family.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Kansas would vote "yea."

I further announce that if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Kansas [Mr. CARLSON] is detained on official business.

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 34, nays 52, as follows:

YEAS—34

Allott	Dworshak	Mundt
Barrett	Flanders	Potter
Bennett	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Schoeppel
Butler	Jenner	Smith, N. J.
Capehart	Knowland	Thye
Case, S. Dak.	Kuchel	Watkins
Cotton	Martin, Iowa	Williams
Curtis	Martin, Pa.	
Dirksen	Morton	

NAYS—52

Aiken	Douglas	Ives
Anderson	Eastland	Jackson
Beall	Ervin	Javits
Bible	Frear	Johnson, Tex.
Byrd	Fulbright	Johnston, S. C.
Carroll	Gore	Kefauver
Case, N. J.	Hayden	Kennedy
Church	Hill	Kerr
Clark	Holland	Langer
Cooper	Humphrey	Long
Magnuson	Neuberger	Smith, Maine
Malone	O'Mahoney	Sparkman
Mansfield	Pastore	Stennis
McClellan	Payne	Symington
McNamara	Proxmire	Talmadge
Monroney	Robertson	Thurmond
Morse	Russell	
Murray	Smathers	

NOT VOTING—9

Carlson	Green	Wiley
Chavez	Hennings	Yarborough
Ellender	Lausche	Young

So the amendment offered by Mr. SMITH of New Jersey was rejected.

Mr. KENNEDY. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. MORTON in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that the Senator from South Dakota [Mr. MUNDT] desires to call up an amendment, and expects to use approximately 15 minutes of the time which will be available to him in that connection. The opposition expects to use approximately 5 minutes of the time available. So it will be possible that the Senate will vote on the amendment within 20 or 25 minutes. I should like to have all Senators be on notice that all the time available may not necessarily be used.

Mr. MUNDT. Mr. President, I call up my amendment which is identified as "4-26-58—C," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 24, between lines 5 and 6, it is proposed to insert a new section, as follows:

INVESTMENT OF FUNDS

SEC. 13. It shall be unlawful for any officer, trustee, custodian, or employee of an employee welfare or pension benefit plan, or for any other person, to cause any of the assets of an employee welfare or pension benefit plan which is subject to the reporting requirements of section 6 of this act to be invested in any securities or other property acquired subsequent to the date of enactment of this act which a national banking association would be prohibited from purchasing for its own account under the provisions of section 5136 of the Revised Statutes (12 U. S. C. 24) and regulations of the Comptroller of the Currency promulgated thereunder.

Redesignate sections 13 to 18, inclusive, and references thereto, as sections 14 to 19, respectively.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, at this time I yield myself 15 minutes; and I reserve the remainder of the time available to me.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 15 minutes.

Mr. MUNDT. Mr. President, this amendment is in a different category from that of the amendments previously voted on. This amendment does not relate to a topic unrelated to the pending bill. The amendment does not bring in a new element of the labor legislation.

The amendment is an honest attempt to tighten up Senate bill 2888, per se. Unless the Senate has adopted, unbeknown to me—and, if so, certainly against my better judgment—a new rule to provide that the Senate shall operate under a system of oligarchy, so that, beginning with the consideration of proposed labor legislation, the Senate shall simply adopt the committee recommendations and simply shall, by proxy, turn over to the Labor Committee members all its rights to exercise judgment, and thus shall operate under a system of committee direction, committee coercion, or committee dictation. I urge the Senate to forget partisanship and to consider this amendment on its merits, and vote either for or against it on its merits. The amendment does not deal with a subject which is unrelated to the pending bill.

Mr. KNOWLAND. Mr. President will the Senator from South Dakota yield to me?

Mr. MUNDT. I am happy to yield.

Mr. KNOWLAND. I think the Senator from South Dakota is making a very important statement. I wish there were a full attendance in the Senate at this time, because in connection with the first group of amendments which were offered, which were directly solely to protection of the rank-and-file members of labor, and against some of the practices which have been revealed by the McClellan committee, the argument was made time and time again, on the floor, "These are good amendments, but we think they should go through the committee process." So, although these matters have been under committee study for some time, and although many Members of the Senate have had similar amendments, in one form or another, pending before the committee, but there has been no indication of any acceleration in regard to the holding of hearings, that argument was made time and time again, both publicly and privately. The amendments were good, and Senators hoped they would be able to support them at the time of the next "go-'round", and, in view of the assurances which had been given, hoped there would be another "go-'round" on the amendments when there was still time to have effective legislation enacted during this session. Nevertheless, a majority of the Members of the Senate voted to reject those amendments.

Next, the Senate considered a series of two amendments which were offered by the Senator from New Jersey. They were in keeping with the recommendations made by the President. As to those two amendments, it could not very well be argued that they had not been the subject of committee hearings, because, as I recall, previously both of them had been the subject of extensive committee hearings. As a matter of fact, I believe

that in prior Congresses the amendments had actually been reported by the committee. But, again, there were many statements to the effect, "We are in favor of these amendments, but we feel they should receive another series of extensive committee hearings."

Now we come to a third category of amendments. The first amendment of this sort has been offered by the distinguished Senator from South Dakota. These amendments relate to the bill in question, which has been reported by the committee.

I shall be very much interested to see what arguments will be made in this regard; or whether, as the Senator has indicated, it is to be argued that the Senate, representing the 48 sovereign States of the Union, with two Senators from each State, is to surrender completely its legislative power, and that unless such a proposal has been approved by the committee, Senators will remain silent and will not offer amendments.

So I shall listen with a great deal of interest to the arguments which will be made on the Senator's amendment.

Mr. MUNDT. Mr. President, I appreciate very much indeed the statement the Senator from California has made.

I can understand the strained and, to me, unsupportable argument which has induced some Senators to say, "I will not vote for an amendment on its merits unless it deals specifically with the proposed legislation now under consideration by the Senate." I can understand although I do not share the pious hopes of Senators who think a bill can be passed by this body in June or July and subsequently can be passed by the House of Representatives in time for final action to be taken on the bill before the end of this session. I heard the distinguished Senator from Kentucky offer to wager $100 with any Senator on the Democratic side of the aisle who would undertake to join in a wager, that such a thing would happen, provided the amount so won would go to the American Red Cross.

There have been no takers for that wager.

Later today I expect to show by documented records that the history of the Senate and the history of the House of Representatives demonstrate that if new proposed labor legislation is brought to the floor in June or July, it cannot be passed by both the House of Representatives and the Senate in time, before the end of the session. However, that argument does not relate to the pending matter.

Mr. KENNEDY. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I shall yield in a moment.

Mr. THYE. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I shall yield in a moment.

Mr. President, this amendment relates to the question of whether the Senate can act in time on proposed legislation dealing with a specific subject in this field. I can see how Senators can vote either for or against the amendment on its merits; but I point out that when they vote on this amendment, they will be voting on an amendment which is relative and pertinent to the pending bill.

In substance, the amendment provides some regulatory machinery in respect to Senate bill 2888.

I do not believe the United States Senate necessarily has to pass S. 2888 in precisely the language supported by the AFL-CIO, without dotting an "i" or crossing a "t." I do not believe it is essential that we should not exercise our independent judgment on the Senate floor, deciding on the merits of an amendment on the basis of arguments presented, because at this time, as to this particular amendment, nobody can contend we will have an opportunity to pass on it in June or July. It is going to be now or never on this amendment.

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

Mr. MUNDT. I yield to the Senator from Massachusetts.

Mr. KENNEDY. While I do not care to absorb much of the Senator's time, I wish to point out that, of course, his amendment is germane and should be carefully considered and voted on on its merits. I should like to accept the Senator's amendment, but I am not exactly sure what is involved in the references which are made to national banking regulations. Would the Senator kindly cite to us the details of the limitations which would be put on the investment of pension and welfare funds?

Mr. MUNDT. The amendment would impose on such funds exactly the same restrictions and regulations that apply to funds invested by a national bank.

Mr. KENNEDY. What are they?

Mr. MUNDT. For example, national banks cannot engage in certain kinds of speculative investments.

It would have been much easier for me to explain this to the committee, had I been given an opportunity to testify on the proposed legislation which I introduced. I wrote a letter requesting that I be given an opportunity to be heard. I was not given such opportunity. So I have to testify in the open Senate. As soon as I finish yielding, I shall undertake a careful explanation of the amendment.

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

Mr. MUNDT. I yield now to the Senator from Minnesota.

Mr. THYE. As one who has endeavored to vote on each amendment on its merits, as I understood them, I should like to ask the Senator if the question embodied in the amendment now before the Senate was presented to the committee for consideration prior to reporting S. 2888 to the Senate.

Mr. MUNDT. I have no idea what took place in the confines of the committee room. As I have said, I introduced proposed legislation encompassing this provision. I wrote the committee a letter saying I would like to be able to testify on the proposal. I have never been given an opportunity to so testify.

Mr. THYE. Does the committee report indicate that the proposal as embodied in the pending amendment had been considered or rejected by the committee? Does the committee report indicate that?

Mr. MUNDT. It does not.

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

Mr. MUNDT. I yield to the Senator from New York.

Mr. IVES. I desire to clear up a couple of things. In the first place, the pending bill is not the product of the AFL-CIO. Having been acquainted with its origin and everything about it from the time it was started 4 years ago, I can say it is the product of a great deal of work on the part of many of us.

Mr. MUNDT. My statement was that this proposed legislation was supported by testimony of George Meany, of the AFL-CIO.

Mr. IVES. The Senator said "written by."

Mr. MUNDT. In the form in which it was approved.

Mr. IVES. But it was not——

Mr. JOHNSON of Texas. Mr. President, may we have order so we can hear the exchange between the two Senators?

The PRESIDING OFFICER. Let there be order in the Senate.

Mr. IVES. This bill was not prepared by the AFL-CIO in any way, shape, or manner. As a matter of fact, it contains two very substantial amendments which were suggested by the Secretary of Labor. The bill was approved by the Secretary of Labor in its present form. That is why I cannot understand why he has given approval to various sundry, and extraneous amendments which are being offered. It does not make any sense.

Mr. MUNDT. The amendment is neither sundry, various, nor extraneous. If page 24, section 12 is sundry, various, and extraneous, we had better eliminate Senate consideration of bills and subject ourselves to committee dictatorship.

Mr. IVES. I did not say the amendments of the Senator from South Dakota were extraneous. I am talking about the bill itself. That is what I am talking about. I am trying to correct the Senator's attitude toward the bill.

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

Mr. MUNDT. I yield to the Senator from Illinois.

Mr. DOUGLAS. May I inquire, if the Senator's amendment were adopted, whether the pension and welfare funds would be prohibited from being invested in either, first, common stock; or, second, preferred stock of companies?

Mr. MUNDT. The same restrictions that apply to national banks would apply to the funds. The amendment provides exactly the same regulations which are provided in the National Bank Act.

Mr. DOUGLAS. I do not have the act——

Mr. JOHNSON of Texas. Mr. President, will the distinguished Senator talk so that we can hear him? He has his back to me. I am trying to follow his questions.

Mr. DOUGLAS. I do not have the national bank statute before me.

Mr. MUNDT. Mr. President, since my time has almost been dissipated in yielding, I am going to spend the remainder of it explaining the amendment——

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

Mr. MUNDT. Having told our distinguished majority leader that I would try to make my presentation in 15 minutes, half of which has elapsed, I want to say something about my amendment at this time.

First of all, this amendment grows out of the hearings which have been held by the McClellan committee during the past 18 months, an investigation on which the Senate has invested $1 million of the taxpayers' money, trying to learn about some of the problems and difficulties which have confronted dues-paying members of unions because some dishonest officials have misused their power. We discovered that pension and labor funds and other funds of labor unions were misused, misappropriated, and stolen by certain labor leaders. Recognizing the fact that law has been written which takes care of those who steal money——

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

Mr. MUNDT. I yield, but this will be the last time I shall yield.

Mr. IVES. I am very grateful to the Senator. An investigation was started about the first of May 1954, and was begun at the behest of the President of the United States, following a recommendation he made in his state of the Union message of that year. That was the genesis of the bill. The McClellan committee had nothing to do with it.

Mr. MUNDT. I am talking about my amendment, if the Senator is unduly alarmed. I believe I probably know better than the distinguished Senator from New York knows where I got the idea for my amendment. I got it in the manner I have stated—because of the $1 million investigation the McClellan select committee has conducted, because of testimony, and because the McClellan committee procedures disclosed dishonest handling of union funds.

Very simply stated, my amendment would put into operation the same regulations, the same securities, the same requirements for the investment of the money a union member is compelled to pay in order to hold a job and earn a living for his family as those now operative for national banks. In order to work in certain areas, employees must pay dues. This amendment would say to such employees necessarily compelled to make payments, "Your funds will be safeguarded by precisely the same regulations which guard voluntary depositors in national banks, those who have a choice as to whether they will put money in a national bank, invest it in stocks, invest it in real estate, or put it in a tomato can in their back yard."

The man who puts his money on deposit in a national bank has a choice, but the man in the union has no choice. He must make the payment. It is my opinion he is entitled to at least the same protection, the same safeguards, and the same restrictions and requirements which apply to citizens voluntarily making deposits in national banks.

I say that because the record shows that at times money which union members have had to pay under compulsion has been used by their bosses in racetracks in California, in slot-machine rings in Oregon, in all kinds of real-estate speculations in Florida, perhaps in politics and in all kinds of speculative adventures, when those in charge of the unions decided they could make a "quick buck" by a fast investment.

Mr. President, on my amendment I asked for a yea-and-nay vote because I am interested in knowing whether we are willing to give union members who pay dues the same protection—no more and no less—as is given to those who put their money on deposit in a national bank.

I would say there is no other time at which we can legislate on this subject. I recognize that some members of this body seem to be under such compulsion from some quarter that they dare not vote for any amendment to the bill.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 5 additional minutes.

I do not like to see such a precedent established. I do not like to see the Senate become a creature of the committee system, pure and simple. I like to see the Senate consider on their merits the proposals which come before it, and legislate on their merits.

That is why I state the amendment is in no way, shape, or form extraneous to the bill at hand. The amendment has been worked out as a protection for the working men and women by imposing the restrictions and restraints it seeks to provide.

As it now stands there is nothing in the bill which would compel the union leaders to do with such funds anything different from what they have been doing if they have been putting them into speculative enterprises. I think it would be manifestly unfair, and would constitute a disservice to the men and women of organized labor, for us to enact legislation which would give them a false sense of security, by requiring a great abundance of reports with no regulatory provision whatsoever.

I do not believe we are asking too much when we seek to give this protection to the working men and women, who have to take out of their weekly pay checks a part of their income and deposit it under compulsion in a union fund. That man or woman is entitled to as full protection in the union bank, as he would receive if he were free to deposit the money in the national bank on the corner of the street in his home town.

Mr. PURTELL. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I am happy to yield.

Mr. PURTELL. By the amendment? Is it the intent of the Senator also to require that an insurance company, which acts solely as a trustee or as a holder of a welfare or pension plan policy, to have its investments covered?

Mr. MUNDT. The amendment would cover primarily those investments of the union welfare funds which are self-sustaining, rather than those which are underwritten by insurance companies.

Mr. PURTELL. It is the intention of the Senator, then, to exclude those which are invested in insurance companies?

Mr. MUNDT. The Senator is correct.

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

Mr. MUNDT. I am happy to yield.

Mr. HOLLAND. I did not hear the question of the distinguished Senator from Connecticut, but I think it is somewhat the same as the question I proposed to propound.

I have just asked the chief of staff of the committee whether the wording of the Senator's amendment would include funds used for the purchase of coverage in an insurance company to protect all persons who were included in a retirement plan or a pension program or something of the sort, and I am informed that it would. Of course, that kind of an investment is not included within the purview of national-bank investments.

I should like to have the distinguished Senator comment on that point, because it seems to me if that is the case his amendment would not be a sound one to adopt in this particular situation.

Mr. MUNDT. Substantially the same question was asked by the Senator from Connecticut, and I told him that the amendment would not do so. I told him the amendment would apply to the union and pension funds which are under the control of the union officials. When those officials reinsure them and protect them by insurance policies, they would obviously not come within the National Banking Association requirements and regulations.

Mr. HOLLAND. Mr. President, if the Senator will yield further, I am looking at a copy of his amendment 4-26-52—C, which I understand is the pending amendment.

As I read the amendment, it is general enough in its language to apply to all the programs which are covered by the bill. The coverage of the bill is not limited to the union welfare funds, which, as I understood we were told by the committee, amount to only about one-tenth of the total. The bill also covers all kinds of retirement, annuity, and pension plans of private employers, private corporations, and the like.

It would seem to me that the Senator's intention is good but his program is bad.

Mr. MUNDT. I am afraid the Senator has not read carefully enough lines 6 and 7 of the amendment, which deal with the investment in securities and property. Investments in securities and properties are those which are subject to the act, and the provision in lines 8 and 9, which reads, "subsequent to the date of enactment of this act which a national banking association would be prohibited from purchasing for its own account," would exclude such a matter

as the insurance provisions of which the Senator from Florida speaks.

The amendment deals with the kind of investments which some union officials decide to make in order to get a return from the money which they accumulate in welfare and pension funds.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. MUNDT. That excludes the speculative ventures in racetracks and slot machine rings in which some have been engaged, to the serious detriment of the working men and women of America.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Senator from South Dakota be allowed an additional minute.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Florida.

Mr. HOLLAND. Mr. President, I am reading carefully the amendment proposed by the distinguished Senator. I read these lines, which I think contain the meat of it:

> To cause any of the assets of an employee welfare or pension benefit plan which is subject to the reporting requirements of section 6 of this act to be invested in any securities or other property acquired subsequent to the date of enactment of this act except those which are covered by the National Bank Act.

Mr. MUNDT. Precisely. The word "invested" is the important element as to securities.

Mr. HOLLAND. If the Senator will permit me to conclude my question, it seems to me that, by his amendment, he proposes to cover anything that is included in the assets of an employee welfare or pension benefit plan which are required to be reported. Certainly the report provision applies to insurance policies and the like.

Mr. MUNDT. No; it does not. The Senator conveniently did not read the last part of the amendment.

Such assets are covered in the report, but they are not invested in speculative ventures.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. JOHNSON of Texas. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 15 minutes.

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield to me for 5 minutes?

Mr. KENNEDY. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am not one who has been inhibited from voting on the amendments which have come to a vote. Let me say to the Senator from South Dakota that my reservations about the amendment offered by the Senator are strictly inherent in the amendment itself. I do have some very strong reservations about the amendment.

Mr. HOLLAND. Mr. President, will the distinguished Senator speak a little louder, so that we can hear him.

Mr. BUSH. I wish to say that my reservations are based on the amendment itself, and I have strong reservations about it, for this reason: The amendment restricts the investments of pension funds to such as may be made by a national banking association. I wish to read from the law which is quoted and to which this would be an amendment, I believe. It is as follows:

> That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe.

And then it says:

> As used in this section the term "investment securities" shall mean marketable obligations, evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, and/or debentures commonly known as investment securities under such further definition of the term "investment securities" as may by regulation be prescribed by the Comptroller of the Currency.

That would simply limit the investment of pension funds to evidences of indebtedness of one kind or another. I do not think any pension fund ought to be restricted to evidences of indebtedness.

To say that the investments of a long-term investor such as a pension fund should be restricted as are those of a bank on its demand deposits in my view is not at all appropriate. A bank invests its short-term deposits which are subject to withdrawal on demand, whereas a pension fund invests for income over a long period of years and with a view to protecting the principal of the fund as well.

I am wholly in sympathy with the Senator's desire to protect pension funds against the abuses which have been revealed by the investigation of the committee on which the Senator so ably serves, but I believe the proposed amendment would be a most unfortunate restriction upon the pension fund of a labor union or any organization, whether it be an endowment fund or whatever it be, because it simply puts the fund at the mercy of the inflationary forces with which unfortunately we have had to deal for many years, and with which we are even having to deal today.

So, as one who is strongly in sympathy with the Senator's purposes, I urge him to reconsider the question, and possibly withdraw the amendment. I am sure that most of us are in hearty accord with the desirable purpose the Senator has in view.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. THYE. Mr. President, will the Senator from Massachusetts yield me half a minute?

Mr. KENNEDY. I yield half a minute to the Senator from Minnesota.

Mr. THYE. The able and distinguished Senator from Connecticut has precisely stated what my own fears and convictions were as I studied the amendment, which led me to inquire whether the question had been before the committee for consideration. I thought I recognized restrictions which should not be imposed upon such funds, even though we desire to have them protected in every respect against any abuses which have taken place in the past. So I commend the Senator from Connecticut for having so clearly stated the question which is involved in the amendment.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. PURTELL. Mr. President, will the Senator from Massachusetts yield me 1 minute?

Mr. KENNEDY. I yield 1 minute to the Senator from Connecticut.

Mr. PURTELL. I should like to join my colleague from Connecticut and commend him for his remarks. I believe there was an oversight on the part of the Senator who proposed the amendment, which caused me to ask the question originally with respect to the coverage. I believe that to adopt the pending amendment at this time, without further consideration and study, might well be an act which we would regret later. I hope my colleagues will vote down this amendment.

Mr. HOLLAND. Mr. President, will the Senator yield me 2 minutes?

Mr. KENNEDY. I yield 2 minutes to the Senator from Florida.

Mr. HOLLAND. I appreciate the remarks of the distinguished Senators from Connecticut and the distinguished Senator from Minnesota, and other Senators who voiced the same feeling which occurred to me a while ago. While we all recognize the good motives of the distinguished Senator from South Dakota, he has illustrated, better than almost anything that has happened in this debate, the unwisdom of trying to write complicated legislation of this kind on the floor of the Senate.

This is an amendment which is germane and is well motivated, but because of the fact that it applies too generally and too broadly, it would be disastrous as applied to the great bulk of retirement and pension programs which are secured by insurance, and to many other programs which are sound, and are giving good protection.

I hope the distinguished Senator from South Dakota will withdraw his amendment. I am in accord with his thinking as to what he would like to do, but I think he has proved that if we try to choose amendments from among the forty-odd which are now proposed, we shall certainly fall into very grave error. This is the best illustration of that point that has arisen throughout the entire debate.

Mr. KENNEDY. I thank the Senator from Florida. As the Senator from Florida knows, 90 percent of the plans are not employer-employee plans. They are employer plans. They involve a wide portfolio. For that reason we decided not to be too restrictive.

Mr. McCLELLAN. Mr. President, will the Senator yield me 3 minutes?

Mr. KENNEDY. I yield 3 minutes to the Senator from Arkansas.

Mr. McCLELLAN. At first glance I was inclined to support this amendment, because I am convinced that pension and welfare funds must be regulated. I am not willing to enact major legislation without some attempt to regulate them.

In the bill which I introduced on April 15, the general subject of union funds is covered. I expect the bill to be studied. After study it may be determined that some change should be made. However, I tried to be as liberal as I thought we should be with respect to union funds—not welfare or pension funds. The provision in my bill applies to a local as well as to an international union. The provision is as follows:

(q) Investment of surplus funds: Every international union shall be entitled at all times to maintain a working capital of not in excess of one-half of the dues and assessments received by such union during its latest fiscal year or, in the absence of such latest fiscal year, not in excess of $100,000. All sums held by such union in excess of said sum, other than pension or trust funds, shall be held in savings banks on time deposits or invested in such manner as may be permitted by the laws of the State in which its principal place of business is located governing the investment of funds by an insurance company doing business within such State.

That is an approach to the problem. I do not say that it is all that is required. However, if we grant an insurance company the right to make investments in the State in which it is doing business, in a particular kind of security or other investment, I do not see why we need to go beyond that point with respect to pension and welfare funds, or union funds. There must be some latitude to make investments. Such funds should not be frozen. However, there must be some regulation. I do not know just how far we should go.

I do not fully understand the impact of the amendment offered by the distinguished Senator from South Dakota, but I am in favor of regulation of these funds. The provision in my bill may not be adequate. Perhaps we should go further.

The situation with respect to this amendment illustrates the imperative necessity for the committee to study these questions and have the best advice and counsel it can get before reporting a bill dealing with the subject.

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

Mr. McCLELLAN. I yield.

Mr. BUSH. I congratulate the Senator on his statement. I believe that the language which the Senator read from his bill covers the situation to which objection is made in connection with the pending amendment. That language would not be restrictive, but would give the funds some leeway, which they must have.

Mr. McCLELLAN. I do not think it is too restrictive.

Mr. BUSH. An insurance company must have leeway in the investment of long-term funds.

Mr. McCLELLAN. I do not see why welfare and pension funds should be placed in a different category from regular insurance funds.

Mr. BUSH. I think they should be placed in exactly the same category, because that is exactly what they are.

Mr. McCLELLAN. I thank the Senator.

Mr. WILLIAMS. Mr. President, will the Senator from California yield me 3 minutes?

Mr. KNOWLAND. I yield 3 minutes to the Senator from Delaware.

Mr. WILLIAMS. The argument has been made that we should not place these pension funds in a different category from other retirement funds. I point out that Congress has already gone on record as restricting the investment procedure with respect to pension funds.

We have a social security fund of $18 billion or $19 billion, and we require that those moneys be invested entirely in Government bonds.

We have a civil service retirement fund, and various other pension funds operated by the Government. All of them are required to be invested in Government bonds. We administer the railroad retirement fund, to which both employees and employers contribute. Again, the requirement is that the fund must be invested in securities of the United States Government.

If we are to lay down different ground rules, we should do so for all these pension funds. It is not too restrictive to limit the funds in the manner in which the Senator from South Dakota recommends. Otherwise, we shall leave the situation wide open, so that the funds may be used for investment in racetracks or various personal properties, at the discretion of the management. I think restrictions on the investment of such funds is needed. They are not funds for speculative investment. They are funds for investment for the security of the workingman. I believe that the pending amendment should be adopted.

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

Mr. WILLIAMS. I yield.

Mr. IVES. Does the Senator realize that the idea behind the funds and the investments referred to is to provide a ready market for bonds? I do not know why we should restrict these funds to United States Government bonds.

Mr. WILLIAMS. The amendment would not do so, and the amendment of the Senator from South Dakota does not provide any such restriction.

Mr. IVES. It would tie them down to a specific type of investment, which the senior Senator from Connecticut described very fully.

Mr. WILLIAMS. It would tie them down to the type of investment approved, under the National Banking Act, as eligible for the investment of the funds of national banks which is more liberal than the rules Congress applies to the Railroad Retirement Fund.

Mr. IVES. That type of restriction is not suitable for trust funds.

On that subject the distinguished Senator from Delaware differs materially from the authorities in the State of New York. I do not say we are the ideal State or perfect in that respect. However, we have a very good savings bank statute in New York, and a very good trust-fund system. There is provided a list—I believe the Senator from Connecticut will remember this, because he does business in New York—which shows a certain line of bonds in which the banks can invest, and a certain line of common stocks in which they can invest. If we are in a period of inflation—and I do not believe it will be as severe as some people think it will be—one of the best hedges against inflation is investment in good common stocks.

Mr. WILLIAMS. So is real estate considered a good inflation hedge but that does not mean racetracks. Certainly in the investment of trust funds some ground rules should be shelled out.

The only way we can restrict the investment of these funds is to provide some limitation in the bill. I believe the amendment should be adopted.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. JOHNSON of Texas. I yield 2 more minutes to the Senator from Delaware.

Mr. WILLIAMS. I have yielded the floor.

Mr. IVES. Mr. President, when the bill was drawn, the idea was not to make it a regulatory bill. For obvious reasons we would encounter difficulties if we tried to regulate in this field. However, we are having a discussion regarding investments, and we see what confronts us when we try to provide complete regulation. What we are trying to do—and the life of this bill is only 4 years, I may say—is to have enacted a reporting measure. If money is placed in a race track or in a gambling institution, or in anything of that kind, that fact will show up in the reports.

Mr. WILLIAMS. I might say to the Senator from New York that, so far as reporting investments in race tracks is concerned, such investments have already been shown to have occurred. We are trying to correct that situation.

Mr. IVES. I understand.

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

Mr. IVES. I do not believe I have the floor.

Mr. JOHNSON of Texas. I yield an additional minute.

Mr. AIKEN. I should like to say——

Mr. JOHNSON of Texas. Will the Senator from Vermont speak louder, so that we can hear him?

Mr. AIKEN. I can see very little in common between the proposal of the Senator from South Dakota regarding pension and welfare funds, as covered by the Senator's amendment, and the social-security fund, because, in the case of the social-security fund, the Government is responsible for the collection of the money as well as for the well-being of the money after it is collected. In the case of union funds or employer funds, the Government does not have anything to do with the collecting of the moneys.

Mr. IVES. Mr. President, may I comment on that?

Mr. WILLIAMS. In the case of the railroad-retirement fund, the Government does.

Mr. AIKEN. I said social security.

Mr. IVES. I might say that those funds are a wonderful depository for Government I O U's.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from South Dakota on the bill.

Mr. MUNDT. Mr. President, I believe I still have some time remaining on my amendment. I should like to point out, first of all, that I appreciate the fact that the Senate is now discussing an amendment on its merits, and not using the argument that this is not the time to act. I offered the amendment primarily for two purposes. The first is that I hope it can be adopted, because it is a move in the direction of providing a safeguard which mere reporting does not provide. I say that because the same situations complained of continue even after they have been exposed before the McClellan committee. A reporting procedure will not correct them.

In the second place, I offered the amendment to demonstrate, as a backdrop for my amendment D, which I shall offer immediately after the pending amendment is disposed of, to emphasize that the pending bill does not give any protection to the members of labor unions who are being defrauded.

I am the last person to claim perfection for the amendment. It is possible to direct criticism at it. However, I wish to point out, that the National Bank Act itself, immediately after the portion which was read by one of the other Senators in discussing the amendment, provides a further definition of the kind of investments which may be made by national banks, and that is debentures known as investment securities, under such further regulation as may be prescribed. Investments are not limited to short-term debts of a customer of a bank or a farmer who would like to get a loan.

Further down in the act it is set forth that these limitations do not apply to investments in Government securities, obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under the authority of a Federal Home Loan Bank or Federal Farm Home Loan Bank, or the Home Owners Loan Corporation, or obligations of the Federal Housing Administration.

There is certainly enough latitude there for the union officers to invest the funds of their members in something other than racetracks or slot machines, or some kind of speculative venture.

If we remain silent on this issue altogether and pass S. 2888 in its present form, we provide no protection whatever for the poor fellow whose money is taken from him by compulsion, just as it is taken under the Social Security Act, by compulsion, since he has no choice but to pay it. In one instance he pays it to the Federal Government and in the other instance he pays it into a union fund.

Mr. President, if this is going to be an embarrassing issue for my friends to vote on, and if they would prefer to approach it in some other way, I have amendment D, which is a second approach to the same problem. If it pleases the Senate, I shall be glad to switch to my amendment D; or have a vote on the pending amendment. I am willing to proceed in either way.

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

Mr. MUNDT. I yield.

Mr. BUSH. If the Senator would look back to the point where he was reading from the act after the words "Comptroller General"——

Mr. MUNDT. Is the Senator reading from page 1209?

Mr. BUSH. I am reading from page 913 in my copy. I should like to go back to the quotation to which the Senator's amendment refers, and I think he will see the merit of what I suggest. I read:

> Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation.

That is what I object to in connection with the Senator's amendment. It completely forecloses a pension fund from hedging against inflation by investing in stocks. For that reason alone I believe the Senator should withdraw his amendment and proceed with something else.

I cannot agree with him more fully than I do on the necessity for restriction. The revelations which have come to light before the select committee have absolutely dictated the necessity for taking some action about this matter, and I commend the Senator heartily for making the Senate focus on the issue.

Mr. MUNDT. I thank the Senator. I also appreciate the comments of the distinguished Senator from Florida [Mr. HOLLAND] and other Senators who have spoken on the subject, because I know many Senators are trying to go the same way and are trying to remedy the present situation. I also appreciate the contribution of the Senator from Arkansas [Mr. MCCLELLAN].

So that the Senate will have an opportunity to go on record on a bill which actually provides a safeguard, I have drafted amendments C and D. Amendment C seeks to do it specifically. Amendment D seeks to do it by general legislation, by imposing additional authority on the Secretary of Labor, by asking him to move in this direction. If a vote on my amendment C would embarrass any Senators, I could withdraw the amendment and offer amendment D.

Mr. President, I ask unanimous consent that I may withdraw amendment C and offer my amendment D instead, with the understanding that the yeas and nays may be ordered on amendment D.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, I did not hear the Senator's statement as to his reason for withdrawing the amendment.

Mr. MUNDT. I do not like to get the Senate in a voting situation in connection with which Senators who honestly desire to move in the right direction have honest doubts about what is contained in the national bank provision referred to in the amendment. Rather than try to take care of the situation by specific limitation, as would be the case if amendment C were adopted, I would move the adoption of the amendment D, which treats the matter in a general manner. Rather than embarrass Senators in voting——

Mr. JOHNSON of Texas. I assume the Senator expects the committee to give consideration to this whole general subject, and to take such action as it may deem to be necessary when it conducts its hearings starting next week. Is that correct?

Mr. MUNDT. That would be a hope, rather than an assumption.

Mr. JOHNSON of Texas. The Senator does have the hope, does he?

Mr. MUNDT. I have the hope.

Mr. President, may I have my amendment designated "D" read?

Mr. ALLOTT. Mr. President, reserving the right to object, I wish to inquire the status of these amendments with respect to time. I desire to speak for about 10 minutes.

Mr. KNOWLAND. Mr. President, I will arrange to yield to the Senator from Colorado 10 minutes from the time on the bill itself, if necessary, so that he will be protected.

The PRESIDING OFFICER. The clerk will state amendment D offered by the Senator from South Dakota.

The LEGISLATIVE CLERK. On page 22, between lines 24 and 25 it is proposed to insert the following:

> (b) The Secretary shall examine each registration and report filed under this act. If as a result of such examination, the Secretary has cause to believe (A) that any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, or any other provision of law, (B) that the assets of any employee welfare or pension benefit plan have been or are being invested, handled, or used, in an illegal, unsafe, or improper manner, or (C) that the information contained in the registration or report is incomplete or inadequate he shall conduct such further investigation as may be necessary to enable him to ascertain the facts with respect thereto. If he determines pursuant to such investigation that any provision of this act or any other law has been violated he shall call such violation to the atttention of the appropriate law-enforcement officers. If the Secretary determines pursuant to such investigation that any of the assets of an employee welfare or pension benefit plan are being invested, handled, or used in an unsafe or improper manner he shall notify the officers of such plan or other persons responsible. Unless the practices with respect to which such notification is given are promptly discontinued, the Secretary is authorized to publish a report of such practices.
>
> Redesignate subsections (b), (c), and (d) as (c), (d), and (e), respectively.

The PRESIDING OFFICER. The Senator from South Dakota has 30 minutes.

Mr. MUNDT. First, I wish it understood that the yeas and nays previously ordered on the amendment designated "C" apply now to the amendment designated "D."

The PRESIDING OFFICER. Under the unanimous consent agreement, the yeas and nays previously ordered on the amendment designated "C" will apply to the amendment designated "D."

RESTORATION OF EMPLOYMENT AND GUARANTY OF PERMANENCY OF EXISTING JOBS

Mr. CAPEHART. Mr. President, will the Senator yield to me about 7 minutes on the bill, so that I may introduce a piece of proposed legislation?

Mr. KNOWLAND. Mr. President, if it is agreeable to the Senator from South Dakota, I will yield 7 minutes to the Senator from Indiana from my time.

Mr. CAPEHART. Mr. President, the purpose of the bill I am about to introduce is to restore employment to those who are now out of work, and to guarantee the permanency of existing jobs.

I send to the desk for appropriate reference a bill which will:

First. Create jobs for American workingmen and women now unemployed.

Second. Add stability to and improve existing jobs, and

Third. Stimulate business with resultant expansion of the national economy in the years to come.

Certainly, there are no more important tasks facing this session of the Congress.

I remind each Senator that a copy of the bill, of my statement on it, and a copy of bulletin F entitled "Tables of Useful Lives of Depreciable Property," issued by the United States Treasury Department, have been delivered to each senatorial office.

BILL IS OF VITAL IMPORTANCE TO EVERY MAN, WOMAN, AND CHILD IN THE UNITED STATES

Because of the extreme importance of the subject matter of the bill to every citizen of the United States, I urge sincerely that Senators study very carefully its provisions, and my statement thereon in relation to the depreciation schedules set up in bulletin F.

IMMEDIATE ACTION BY THE CONGRESS IS URGENT

Once Senators have had the opportunity to study the matter, it is my hope that the appropriate committee will find it possible to hold immediate hearings, so that the bill may be considered thoroughly and passed without undue delay.

Our Nation, its workers, and its businesses need this legislation. I am convinced that no other measure here proposed or under committee consideration will do the all-important job of creating jobs as quickly, as surely, and as soundly as will this bill.

WHAT THE BILL DOES

Mr. President, briefly the bill does simply this: It proposes to reduce substantially the periods during which capital investments may be depreciated for tax purposes if they are made or contracted for over a specified period of 18 months.

For the accelerated depreciation to apply, it would not be necessary that the projected capital investment become a finished reality in the 18-month period.

The depreciation benefit would accrue if the contract for such an investment was made during that period, even though the normal completion or delivery date should fall thereafter.

THE BILL IS RETROACTIVE TO JANUARY 1, 1958

It is proposed likewise that the provisions of the bill be made retroactive to cover capital investments made or contracted for since January 1, 1958.

The reasons for the retroactive feature are obvious. So long as the bill is retroactive in its application, the anticipated capital investment will not be delayed pending the final approval of the bill.

WHAT IS SCHEDULE F?

Mr. President, as I have said, each Senator has been provided with a copy of schedule F, entitled "Tables of Useful Lives of Depreciable Property," issued by the United States Treasury Department, IRS 173. This schedule contains tables of the numbers of years of useful life of capital investments as now computed by the Bureau of Internal Revenue.

Senators should keep these figures before them constantly in considering the measure and study them in relation to my statement on the bill and the bill itself.

THE BILL COVERS ALL CAPITAL INVESTMENTS

The internal revenue schedule to which I have referred sets up depreciation periods for capital investments based on the estimated life of the product of the investment, be it buildings, machine tools, farm equipment, or any of the hundreds of other items covered by the broad term of capital assets. The bill would apply to all of them so that its advantages would accrue to all on exactly the same basis.

TEN MILLION JOB SOURCES

The provisions of the bill would be applicable to farmers and to small and big business alike.

It has been estimated that there are some 6 million farmers in the United States.

There are some 4 million businesses of every size and description.

Thus, when we pass the bill we will be making it possible for these 10 million business units to put more people to work almost at once.

SPECIFIC PROVISIONS OF THE BILL

The bill, Mr. President, proposes these changes in the depreciation schedule for capital investments made or contracted for in the specified 18 months period:

First. The depreciation period for any capital investment now based on up to and including a 15 year estimated useful life would be reduced by one-half.

Second. That portion of the estimated life on any capital asset exceeding 15 years would be reduced by two-thirds.

THE IMMEDIATE EFFECT OF THIS BILL

Let us see what the bill will do.

First, it will encourage the 10 million job-producing units in this country to do now what they may have anticipated for the future and open up financing to enable them to do it.

Second, it will create now hundreds of thousands of jobs for people who do not have jobs.

Third, it will act as a guaranty of greater security and improvement in existing jobs.

WHO WOULD BE THE MOST ENTHUSIASTIC ABOUT THIS BILL?

It is perfectly obvious that the most enthusiastic supporters of the bill would be the men and women who want and need jobs, and the men and women who run the 10 million business units which could provide those jobs.

Their enthusiasm would be shared, too, by the men and women who now have jobs because they would benefit through improvement in, and greater stability of, the work they are now doing.

All American taxpayers should support the bill because it provides a way to cure the present recession and expand the national economy without costing the taxpayers a single penny.

EXAMPLES OF HOW DEPRECIATION WOULD BE FIGURED UNDER THIS BILL

For a farmer, a new tractor could be depreciated within 5 years instead of 10 years; a threshing machine would be depreciated within 7½ years instead of 15 years; a corn crib could be depreciated within 12½ years instead of 30 years.

For the small factory owner, tools and dies could be depreciated in 1½ to 2 years instead of 3 to 4 years; heavier machinery and tools could be depreciated in 7½ to 9 years instead of 15 to 20 years.

For heavy industry, a new plant of average construction could be depreciated in 16 years instead of 40 years.

For rental housing, homes, apartment buildings, and office buildings of average construction could be depreciated within 16 years instead of 40 years.

For transportation systems, the beneficial effect of the bill on our dilemma-ridden railroad system would be tremendous. Because they could depreciate it more rapidly, it is my best judgment that the railroads would immediately acquire hundreds of millions of dollars worth of new equipment. Of course, the bill would also be applicable to other forms of transportation.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. Please let me finish my statement; then I shall be happy to yield.

For wholesale and retail establishments, the bill would provide an incentive for wholesale and retail stores to carry out now the renovation programs—new store fronts, new fixtures, and so forth—that they may need and have been anticipating in the future.

WHY THIS IS THE BEST BILL THE CONGRESS COULD PASS TO PUT PEOPLE BACK TO WORK TODAY

This bill has many advantages over public-works programs.

Public-works programs are selective. The people thus employed would, at best, be only a fraction of those who need jobs.

Public-works projects would help in only certain scattered areas. Generally speaking, they would take a long time to get underway.

In addition, under this bill, workers would be more likely to get jobs in their

own communities, rather than to have to move to an area in which a public-works project is planned, because this bill will make it possible for 10 million business units in the United States to act the very hour the bill is enacted, and to use their own capital, instead of the taxpayers' money.

The PRESIDING OFFICER (Mr. MORTON in the chair). The time yielded to the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, will the Senator from California yield 2 additional minutes to me?

Mr. KNOWLAND. Yes, Mr. President; I yield 2 additional minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 additional minutes.

Mr. CAPEHART. I thank the Senator from California.

THE ADMINISTRATION HAS TAKEN SOUND STEPS

Mr. President, the administration and the Congress have moved with admirable courage and speed to take the steps it has been possible to take up to this time to cure our economic ills. They have been constructive steps, and I am sure that all of us have approved of the motives behind them.

But here is a new, an additional, and a wholly businesslike approach that will complement the program that already is under way.

I repeat that this bill would not cost the taxpayers a penny.

PERMANENT JOBS CREATE NEW TAX SOURCE

It is true, Mr. President, that this bill would have the effect of postponing some tax revenues. But, at the same time, it is altogether possible—yes, even probable—that the end result of stepped-up capital investments would, over the long pull, create even greater tax revenues in the future. I believe that this would be the case. There is every reason to believe that this would be the case because these, Mr. President, would be lasting and permanent jobs which would grow out of the creation of new, permanent, and lasting capital assets, to add to the wealth of the Nation and to expand our economy over the years to come.

This, then Mr. President, is the best way to create jobs. It is the best way to add stability to existing jobs. It is the private-enterprise way. It lets America's 10 million business units solve the problems of our economy, without costing the taxpayer a penny.

Because this is the best way, let us get the job done just as quickly as the legislative process can be completed.

Mr. President, I ask unanimous consent that the text of the bill which I am introducing be printed at this point in the RECORD.

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

The bill (S. 3718) for the purpose of creating new jobs, giving greater stability to and improving existing jobs, and stimulating business during the next 18 months with resultant expansion of the national economy in the years to come, by amending the Internal Revenue Code of 1954 so as to allow more rapid depreciation for property constructed or acquired during 1958 and 1959, or for the construction or acquisition of which a contract is entered into during 1958 or 1959, by reducing the useful life of such property for income-tax purposes, introduced by Mr. CAPEHART, 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 section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by redesignating subsection (h) as (i), and by inserting after subsection (g) the following new subsection:

"(h) Special rule for determining useful life of new property constructed or acquired during 1958 or 1959:

"(1) Special rule: For purposes of this section, the useful life of property described in paragraph (3) shall, at the election of the taxpayer, be a period equal to—

"(A) one-half of the useful life of such property (determined without regard to this subsection), to the extent that such useful life does not exceed 15 years, plus

"(B) in the case of property which (without regard to this subsection) has a useful life in excess of 15 years, one-third of the useful life of such property (determined without regard to this subsection), to the extent that such useful life exceeds 15 years.

"(2) Limitation: The useful life of any property shall not, by reason of the application of paragraph (1), be less than 3 years.

"(3) Property to which subsection applies: Paragraph (1) shall apply only to property—

"(A) the construction, reconstruction, or erection of which is commenced during 1958 or 1959,

"(B) which is acquired during 1958 or 1959, and the original use of which commences with the taxpayer and commences after 1957, or

"(C) which is acquired, under the terms of a written contract entered into during 1958 or 1959, within a reasonable time after 1959 (taking into consideration the type of such property and such other factors as the Secretary or his delegate may prescribe by regulations), and the original use of which commences with the taxpayer and commences after 1959.

"(4) Application to new construction: In the case of property described in paragraph (3) (A), paragraph (1) shall apply only to that portion of the basis of such property which is properly attributable to construction, reconstruction, or erection during the period of 18 months beginning with the day on which the construction, reconstruction, or erection of such property is commenced.

"(5) Election:

"(A) When and how made: The election provided by paragraph (1) shall be made with respect to any property within the time prescribed by law (including extensions thereof) for filing the return for the first taxable year for which a deduction under subsection (a) is allowable with respect to such property. The election shall be made in such manner and in such form as the Secretary or his delegate shall prescribe by regulations.

"(B) Effect: An election made under this subsection with respect to any property shall not be revoked except with the consent of the Secretary or his delegate and under such terms and conditions as the Secretary or his delegate may prescribe."

SEC. 2. The amendment made by this act shall apply to taxable years ending after December 31, 1957.

Mr. THYE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. THYE. If the bill were enacted into law, and went into effect, how much revenue would be lost to the Treasury?

Mr. CAPEHART. None. But revenue would be postponed—how much, I do not know. Of course, the more of it which was postponed, the more jobs would be created and the bigger and the better would be our economy.

At the moment it would seem that the amount of revenue postponed would be between $600 million and $1 billion, the first year. But certainly that would be much better than to have the Federal Government spend $1 billion a year on public works.

No one knows how much revenue would, as a result of enactment of the bill, be postponed; but the more postponed, the more jobs would be created.

Mr. LAUSCHE. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. Has the Treasury made an estimate in this case?

Mr. CAPEHART. No. But the Treasury, the administration, the House Ways and Means Committee, and the Senate Finance Committee have been considering many, many proposals; and I am sure they have considered this one, and will consider it further.

Mr. LAUSCHE. In connection with the committee's consideration of railroad bills, members of the committee expressed the hope that such programs would be put into effect and would be accelerated. But the administration suggested that that should not be done because it would involve a principle which should be made applicable on an overall basis.

Mr. CAPEHART. My bill would make it applicable throughout the United States, to the extent of 10 million business units. As a result, many persons would be put to work immediately.

The PRESIDING OFFICER. The additional time yielded to the Senator from Indiana has expired.

EMPLOYEE WELFARE AND PENSION BENEFIT PLANS

The Senate resumed the consideration of the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans.

Mr. KNOWLAND. Mr. President, I yield 5 minutes on the bill to the distinguished Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. ALLOTT. Mr. President, I rise to discuss the pending amendment, and also the bill itself, and the previous debate in regard to the bill.

I would have had to oppose the previous amendment offered by the Senator from South Dakota [Mr. MUNDT].

I should like to call attention to the fact that the bill is not a regulatory bill. Nothing needs to be understood by the Senate more than the fact that the bill simply would expose such funds—no matter who would contribute to them, and no matter how they were managed

or operated—to inspection by anyone who wished to inspect or examine them.

I have read page 22 of the bill; and I have called the bill a "lollypop" bill. Some of my colleagues on the other side were so kind as to suggest the word "Milquetoast," and I accept that description, too, because I do not believe the bill will stop the abuses which were enumerated at great length the other afternoon.

Mr. President, if I thought any substantial good would come from the bill, I would favor it with much more enthusiasm than I do.

The pending amendment of the Senator from South Dakota is, in my opinion, a very good addition to the bill. From the votes which have been taken during the last few days, I assume that the bill will be passed. If so, I should like to see as good a bill as possible passed.

On page 22 of the bill as it now stands, we find the following:

> The Secretary may, in his discretion, make such investigations as he deems necessary to determine—

This, that, or half a dozen other things.

The bill authorizes the Secretary, in his discretion, to publish information and to provide for the introduction of witnesses.

On page 23 we find the following:

> Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices—

The Secretary may do certain things.

In my opinion, Mr. President, the bill will be much better if it is strengthened to the extent provided by the amendment D which had been submitted by the Senator from South Dakota [Mr. MUNDT].

I would have had to oppose the previous amendment; and I am not sure that the wording of the pending amendment is as I personally would like to have it. But I believe that any minor amendments which may need to be made in the wording can be made in the House of Representatives or in the conference. At least the amendment provides that the Secretary shall examine the registrations, and that certain things will occur when he does.

I believe this is a good step forward for the bill. There is no question in my mind that if the bill is thus amended, we shall have fixed a definite responsibility on the Secretary of Labor, whoever he may be—whether the Secretary of Labor who is serving this year, or the one who will serve 4 years from now, or the one who will serve 10 years from now—to do certain things; and one of them will be to examine the registrations, for the purpose of ascertaining, and reporting to the appropriate law-enforcement officers, the facts in regard to the abuses which have existed in the case of so many of these funds.

Mr. President, I urge all of my colleagues to vote for adoption of the amendment.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that at this time there may be a quorum call, without having the time required for it charged to either side, under the provisions of the unanimous-consent agreement.

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

Mr. KNOWLAND. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the amendment designated "D," offered by the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield himself?

Mr. MUNDT. I yield myself 10 minutes, and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. MUNDT. Mr. President, this is the approach which we were discussing during the debate and the colloquy earlier this afternoon with respect to an attempt to provide some safeguard for the men and women in American trade unionism against fraud and betrayal by dishonest labor officials.

As I said earlier, we have two approaches which supplement each other. The first amendment I offered was an attempt to regulate, by specification, the kind of investments which shall not be made.

We have long known there is disagreement among persons as to what are safe investments. The colloquy brought out that many Senators who are trying to move in the direction of doing something effective were in doubt as to whether such investments should be made altogether in Government bonds or in types of securities made available to national banks.

Having that in mind, I had amendment D, which, in my opinion, had amendment C been adopted, would still be salutary. But the Senate failed to act on amendment C, or in the direction of including in S. 2888 any regulatory provisions which would have given specific instructions as to what could or could not be done with labor union money. Therefore, it seems to me adoption of my amendment D is altogether mandatory if we really seek in this proposed legislation to establish some safeguards against dishonest and imprudent investment practices.

Let me point out exactly what this amendment would do. I turn to page 22 of the pending bill.

As I said earlier this afternoon on my previous amendment, the pending bill proposes legislation on a specific question, and the amendment relates to it. We are now not in any field which might remotely be called extraneous. We are not now on any detour, trying to correct problems differing in any way from those which the committee seeks to correct by S. 2888. We are asking ourselves the question, Is S. 2888 good enough to do the job? We are asking ourselves the question, If it is not good enough to do the job, are Senators prepared to tighten the bill up a little bit, even though many of the union bosses do not want it changed in any way? We are asking ourselves whether in the amendment process we are trying to move in the direction of sending to the House a bill which, if it is finally enacted, will confer sufficient police power and contain other provisions to correct situations which are so nauseating that they have finally forced this type of proposed legislation to the floor of the Senate.

If we turn to page 22 of the bill, we find in the bill the provision I shall read. After the report is made, after the machinery is established, what happens?

> The Secretary may, in his discretion, make such investigations as he deems necessary.

The Secretary receives the reports, which he may or may not examine. The reports are filed some place in the dusty archives of the Department of Labor.

The laboring men and women are lulled to sleep, so that some dishonest labor-union officials can more easily indulge in their nefarious practices, because the laboring men and women are given a false sense of security by feeling the Federal law has moved in to help them.

I proposed to add at the end of section 12 (a), on page 22, the following language:

> The Secretary shall examine each registration—

I do not use the word "may." I do not say the report shall simply be filed. Why go to all the expense and all the effort of having the reports made if the Secretary may simply receive them? After their receipt the amendment would provide:

> The Secretary shall examine each registration and report filed under this act. If as a result of such examination, the Secretary has cause to believe (A) that any person has violated or is about to violate any provision of this act—

That language is practically the same as that reported by the committee, with no change. If the Secretary believes, on the basis of his investigation, that somebody has violated the act, "or any rule or regulation thereunder, or any other provision of law"—

That is one of the things the Secretary has to look for. The second thing is:

> (B) that the assets of any employee welfare or pension benefit plan have been or are being invested, handled, or used, in an illegal, unsafe, or improper manner—

That is the second item. It might be illegal, as I suspect the Secretary would find, if investment of union funds was made in slot machine rings in the Northwest. It might be unsafe, as I suspect the Secretary would find in the case of union funds invested in race tracks, racing stables, and plush hunting lodges for union bosses in Michigan or elsewhere.

Or it might be improper, as I suspect the Secretary would find, if he were examining into the use of funds by Dave Beck, when the funds were used for the building of a swimming pool and a home in Seattle, and aiding his friends and himself to make investments in Canadian corporations and what not.

Or (C) that the information contained in the registration or report is incomplete or inadequate.

That is what the law prescribes.

If the Secretary finds any of those three things, what is to happen? What will take place then?

It is then required that the Secretary of Labor shall make a report of those facts, calling them to the attention of the union officials who have been faulty or faithless in their reporting, and making recommendations for a correction.

Suppose those officials are recalcitrant and will not change. Suppose those officials are in so deep they will not extricate themselves. Suppose the money is gone, and all those officials can do is cover up and throw dust in the eyes of the employees. Suppose it is too bad a mess to be corrected by disclosure and a subsequent effort.

If the Secretary finds all those things to be true, what happens? If the Secretary finds such practices are not discontinued, the Secretary is authorized to publish a report of such practices; that is all.

Then, at least, the union members will learn what is happening. Then, at least, the country will find out. Then, at least, the Congress will find out. Of course, we could secure the information by appointing another senatorial investigating committee, but Senators become tired, after a while, of spending 30 hours a week acting as policemen, sheriffs, and detectives, conducting an investigation of the faithless performance of certain dishonest labor officials.

I imagine the people of the country also get tired of appropriating a million dollars every year or two to provide for expenses of that kind of a special investigating committee.

Instead of waiting for a special committee investigation, my amendment would provide that when the Secretary finds such conditions as have heretofore developed at times he shall publish a report so the people will know what has happened.

That is all the amendment provides. There is nothing in the amendment to prescribe the kind of investment which will have to be made, but the amendment does give the Secretary of Labor some responsibility other than to act as a filing clerk receiving reports and putting them in mothballs.

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

Mr. MUNDT. There is nothing in the bill as presently written which requires anything further to be done with the report, except to put it in mothballs.

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

Mr. MUNDT. I am happy to yield to my distinguished friend from Colorado.

Mr. ALLOTT. Does the Senator find anything in the bill, other than in section 11 or section 12, which gives discretionary power to the Secretary of Labor to take action or to investigate these reports, or read them, if he feels like it?

Mr. MUNDT. I do not. That is one reason why I said last week in the debate, serving as one who has spent a great deal of time trying to ascertain what is wrong in this field, and believing we should try to correct it, that I thought I would have to vote against S. 2888 in its present form, because it fails to provide for anything constructive. I think the bill as now written is a step backward, because whenever we legislate on a problem and put on a patch which is meaningless we deceive ourselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I yield myself 5 minutes more.

Mr. ALLOTT. I agree entirely with the Senator. I should like to point out that on page 22 of the bill it is provided:

The Secretary may, in his discretion, make such investigations—

Or he—

may require or permit any person to file * * * a statement in writing.

And—

The Secretary is authorized, in his discretion, to publish information.

And on the preceding page it is said, "the Secretary shall cause to be conducted a study for the purpose of determining" certain matters.

However, I do not see anything in the bill which requires the Secretary to take any positive action with respect to the registrations or reports which are filed, and I do not see anything in the bill which would cause the Secretary to take any action against such persons who appear to have violated the law, even to the extent of informing the law officials of the local community.

It is my opinion that the amendment of the Senator from South Dakota is extremely germane. I hope the members on the other side of the aisle will note this fact. The amendment is germane to the entire bill. It is an amendment which has been discussed time and time and time again in the committee. The specific provision in these words has not been discussed, but the whole subject matter has been discussed time and time and time again in the committee. It is a subject matter which belongs in the bill if the bill is to have any real force.

Mr. MUNDT. I deeply appreciate the Senator's valuable contribution. This is the kind of amendment which was also discussed, I will say, in the hearings of the Select Committee, not in terms of specific legislation, but in terms of the general subject. A great many of the labor leaders have been asked, in the committee room and outside, on the record and off the record, whether they would agree that some kind of protective mechanism such as this is essential, and many have said, "Yes."

I submit that if the Senate passes S. 2888 as written, as it has received the nice big okay of certain labor bosses, with no changes and no further legislative action by the Senate, with no Senator willing to vote to change a sentence or a paragraph or willing to add a single amendment, we shall render ultimately a disservice to the working men and women, who have a right to expect from the Federal Government better legislation dealing with a problem which digs so deep into their family pocketbooks and their family budgets.

We have an opportunity now to tighten this situation up and do something constructive.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. CURTIS. Does the Senator know of any rank-and-file union members who have asked that the bill be not amended?

Mr. MUNDT. No, I do not. I have received many telegrams and letters as other Members of the Senate have received messages, which say, "We want you to pass S. 2888 without amendments." Certainly those telegrams have paid pretty good dividends with a lot of votes in this body, but they have not paid off so far as I am concerned. I expect, as a Senator, with regard to all proposed legislation, to reserve the right to amend, to reject, to approve or to modify. I do not propose to submit to any kind of committee coercion or telegraphic tyranny.

I do not like oligarchy in Russia, or in Europe, or in Congress. We submit to an oligarchy when we accept the theory that nobody can change a committee report and nobody can change a committee bill—that, the committee having spoken, all the Senate needs to do is salaam and bow to the east and say, "Yes," with italic.

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

Mr. MUNDT. I am happy to yield.

Mr. THYE. My dear friend from my sister State of South Dakota made somewhat the same remark with reference to the other amendment he offered. I remind him that I have voted on each of these amendments in accordance with the best of my judgment as to each specific amendment, in support of some and against others. The distinguished Senator used the same reference as to the other amendment, to which I might have taken some exception, and the distinguished Senator finally found it necessary to withdraw the amendment.

I am not too much impressed when he refers to the question of whether the dictates of someone are influencing any of us on the floor, because they have not influenced me. I want to be certain to be on record that no one has influenced my vote. I have voted for some amendments and against others, and the Senator from South Dakota withdrew one of his own amendments.

Mr. MUNDT. That demonstrates what I have said, namely, that the floor of the Senate is a pretty good place to legislate.

Mr. President, I reserve the remainder of my time. Will the minority leader yield me 5 minutes on the bill?

Mr. KNOWLAND. Mr. President, I yield 5 minutes to the Senator from South Dakota on the bill.

Mr. KENNEDY. Mr. President, what time remains to our side?

The PRESIDING OFFICER. The minority leader has just yielded 5 minutes on the bill to the Senator from South Dakota. The Senator from South Dakota therefore has 15 minutes remaining, and the Senator from Massachusetts has 30 minutes remaining.

Mr. MUNDT. As I understand the situation, at the conclusion of the next 5 minutes I shall still have 15 minutes remaining.

The PRESIDING OFFICER. The Senator is correct.

Mr. MUNDT. Replying to my friend from Minnesota, I think it has been demonstrated that we are operating under the correct procedure. We are bringing into focus the suggestions, the counsel, and the capacities of Senators who are not members of the legislative committee, in an effort to arrive at a meeting of minds by proceeding in the right direction.

I withdrew the first amendment which I offered, rather than embarrass Senators who, in my opinion, had a misconception about it, but who, I am certain, held a sincere conviction as to what was involved in the banking laws of the country as they are related to the bill. We did bring out the fact that there is nothing now in the proposed legislation to protect the funds of the working man or woman. There is no regulatory machinery. My amendment would provide, at least, that the Secretary of Labor must look at the reports.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I am happy to yield.

Mr. LAUSCHE. Was there any discussion in the committee as to the advisability of using the word "may" instead of the word "shall" in prescribing that the Secretary must investigate and do certain things?

Mr. MUNDT. I should like to yield, if I may, to the distinguished chairman of the subcommittee, because I would be unable to answer the question, not being a member of the legislative committee.

Mr. LAUSCHE. Was there any discussion in the committee in an effort to determine whether the language should be mandatory or permissive?

Mr. KENNEDY. Other Members may have a different recollection, although I am not aware of it. However, it may well have been.

I should say that the reason we used the word "may" was the same as the reason for vesting discretion in the Securities and Exchange Commission and in the Internal Revenue Service. To require the Secretary of Labor to examine 50,000 reports and reach a judgment, with respect to each of them, of the type provided for in the language of the amendment of the Senator from South Dakota, I believe, would place an impossible burden on him.

The entire assumption of the bill has been that the Secretary shall make a survey on a sampling basis. That is the way the Internal Revenue Service and the Securities and Exchange Commission operate. For that reason the word "may" is used. In my opinion complete safeguards are provided in the bill for the public interest.

I believe that the language of the Senator from South Dakota would provide for establishing an enormous bureaucracy in Washington, which would be against the public interest, and which would be extremely expensive.

Mr. MUNDT. Mr. President, it seems to me that my amendment would provide for an operation very similar to that of the Internal Revenue Service. It makes a survey of every income tax return. It does not merely file them to gather dust, but it does as the Senator from Massachusetts has pointed out. It examines most of the returns in a very cursory manner. Then, with respect to every 7th, 10th, or 17th return, a spot check is made. In cases in which it is believed there has been fraud, a thorough investigation is made. My amendment would operate in the same way with regard to the financial reports of the labor unions.

A great many of such reports could be examined in an hour, to see if they appeared to be correct on the surface. Spot checks could be made on some of them. In a situation such as that involving the Teamsters Union, a diligent Secretary of Labor would examine pretty carefully reports from that area.

In the case of an investigation with respect to a Johnny Dio of New York, a diligent Secretary would meticulously and carefully investigate the reports. Whether to spend 5 minutes on one report and 5 hours on another would be within the discretion of the Secretary of Labor as is the case with the Director of the Internal Revenue Service. The Secretary could decide how far to go, and how deep to dig, depending upon what was found.

Mr. KENNEDY. Mr. President, the Senator from South Dakota expressed concern about the welfare of men and women. Did the Senator vote for the amendment of the Senator from Colorado, which would have exempted approximately 90 percent of the plans from supervision?

Mr. MUNDT. I voted with the Senator from Massachusetts.

Mr. KENNEDY. The Senator from Colorado heartily endorsed the amendment of the Senator from South Dakota. As I say, the Senator from Colorado proposed an amendment which would have exempted about 90 percent of the plans from supervision.

Mr. MUNDT. Is the Senator trying to establish a rule of guilt by association?

Mr. KENNEDY. I am trying to establish neither guilt nor innocence. However, the Senator's amendment was so warmly endorsed by the Senator from Colorado, who is opposed to the bill, and who would like to exempt 90 percent of the plans from supervision, that I am instinctively suspicious of the proposal of the Senator from South Dakota.

The PRESIDING OFFICER. The time of the Senator from South Dakota has once more expired.

Mr. MUNDT. Mr. President, at this time I yield myself 1 minute out of my time.

Let me say, in conclusion, that I think the Senate has had prouder moments in its history than those which we are devoting to the consideration of this labor legislation in what, I repeat, is the last opportunity in this Congress that we shall have to legislate effectively. I think the Senate is becoming pretty well aware that whatever gestures we go through in July will be buried in the dust of adjournment by the 1st of September, and no new labor legislation will eventuate. In this case we must pass either a good bill, a poor bill, or no bill at all, now. The bill is before us, and I suggest that we try to make it a bill which will give good, honest, careful protection to the working men and women of America, so far as pension and welfare funds are concerned, the money for which is taken away from them by compulsion.

Mr. President, I reserve the remainder of my time.

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield me 5 minutes?

Mr. KENNEDY. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. First, let me say to my friend from South Dakota that I am not inhibited against voting for amendments. I have voted for all the amendments on which the yea-and-nay votes previously have been taken.

I commend the Senator again for bringing to the attention of the Senate the very grave problem of how these great welfare and pension funds should be invested. It is a very important and serious problem. However, I have strong reservations with respect to the pending amendment. The effect of it would be to try to make an investment analyst out of the Secretary of Labor. I do not believe that even the distinguished present occupant of that office is qualified to assume that sort of responsibility, nor do I believe that any of his predecessors would have been qualified.

I point out two things in the amendment of the Senator from South Dakota which prompt me to make that statement.

The opening sentence of the amendment is:

> The Secretary shall examine each registration and report filed under this act.

One must presume that he must examine it to see whether or not the investments are sound.

On page 2, beginning in line 6, we find the following language:

> If the Secretary determines pursuant to such investigation that any of the assets of an employee welfare or pension-benefit plan are being invested, handled, or used in an unsafe or improper manner he shall notify the officers of such plan or other persons responsible.

The purpose is, of course, to cope with a situation which the McClellan committee has revealed to us, which involves the revelation that some $10 million of pension funds have been stolen, within the purview of the committee's investigation. Heaven knows how much more may have been stolen. Perhaps we shall learn more on that subject later.

What the Senator is seeking to do is to deal with this evidence of crookedness, malfeasance, lack of due diligence,

thievery, or whatever it may have been, in connection with the operation of these funds. With that purpose I believe every Senator is in sympathy. But to make the Secretary of Labor a judge of the safety of investments seems to me to be a very unwise thing to do.

Twenty years ago Robert A. Lovett, one of my business partners, who was later Secretary of Defense, wrote an article entitled "Gilt-Edged Insecurity," which was published in the Saturday Evening Post. That article showed how difficult it was to judge whether an investment was safe or unsafe. It went on to show how investments which appeared to be gilt-edged, triple A investments in 1908, turned out, 20 years later, to be in default. It is a very difficult thing.

I do not believe any of us want to see set up in the Labor Department an investment analysis organization. We may wind up with that kind of situation, because these funds are on the increase. I hope they will be on the increase as time goes on. However, the place to supervise them is not in the Department of Labor. I believe that such supervision basically and in the interest of all concerned belongs at the State level, just as the great insurance companies are supervised at the State level. Nearly every State, I believe, has an insurance department or a commissioner of insurance, and those offices are equipped to analyze and deal with matters of this kind. That would be the ideal place for this type of examination. I do not know whether we can, by Federal law, place the matter under the supervision of an insurance examiner within a State. If we cannot do that, perhaps we ought not to deal with this question, but let the States deal with it, and keep the supervision at the level where it belongs, by organizations equipped to deal with the situation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 2 more minutes to the Senator from Connecticut.

Mr. BUSH. It has been suggested, even, that the Securities and Exchange Commission take supervision of the matter.

Mr. President, I do not want to see another great bureaucracy grow up in Washington, even though it be within the Securities and Exchange Commission. The Senator from Massachusetts himself has envisioned the possibility that in order to give thorough supervision and review to these funds, it may be necessary to establish a large organization. I certainly do not want to see one established like the Internal Revenue Service. It is perfectly possible, if it is necessary to go into the details of investments, that it might be necessary to do so, and then we would have a great big groping organization created for the supervision of pension funds. I believe that would be quite unnecessary.

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

Mr. BUSH. I shall be glad to yield, if I have the time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 2 more minutes to the Senator from Connecticut.

Mr. SALTONSTALL. I should like to ask a question of the Senator from Connecticut. It is this: The amendment, at line 7, as I understand, does not prescribe any standards whatever. It leaves that entirely within the discretion of the Secretary of Labor, as the Senator says, and makes him a security analyst.

If we are going to do anything like that—and there is a great deal of merit in the amendment of the Senator from South Dakota—then it is necessary for us to prescribe certain standards, such as have been provided for banks and insurance companies. Those standards must be established at the State level or at the Federal level. At any rate, we cannot leave such broad discretion in one man. We cannot leave it entirely to his discretion to say what is a proper investment and what is not a proper investment. That is what the Senator from Connecticut is saying, is it not?

Mr. BUSH. Exactly. Mr. President, I question whether this type of legislation is not within the purview of the Committee on Banking and Currency. It seems to me it more closely approaches insurance legislation than it does labor legislation. Pension funds are actually insurance funds. I really believe that the Committee on Labor and Public Welfare should refer the proposed legislation to the Committee on Banking and Currency, where there exists the necessary background and where the subjects of insurance and banking and investments belong. They come within the purview of that committee.

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

Mr. BUSH. I yield to the Senator from South Dakota.

Mr. MUNDT. In the first place, I do not believe the Senator from Massachusetts had the amendment properly in mind when he said that the Secretary of Labor would determine what kind of investments could be made. There is nothing in the amendment along that line in any shape, manner, or form.

Mr. KENNEDY. I believe the Senator has reference to the Senator from Connecticut in that connection.

Mr. BUSH. No; the senior Senator from Massachusetts did raise that point.

Mr. KENNEDY. I am sorry.

Mr. BUSH. He spoke of the language at line 9 on page 2, which refers to investments being handled in an unsafe or improper manner. The Secretary must determine that.

Mr. MUNDT. If he makes a determination adversely to the union, he gives to the union his interpretation. He has no authority.

Mr. BUSH. Before he does that he must determine the question. I do not believe he is qualified to do that.

Mr. MUNDT. Certainly he could determine whether a race track is a speculative investment, or an unsafe investment.

Mr. BUSH. Of course he would be able to determine that, but the bulk of his time would be spent in reviewing 95 percent, 98 percent and, I hope 99 percent of investments which would be perfectly all right. However, he must satisfy himself that they are all right.

Mr. MUNDT. How will he have the authority to do it if nothing along that line is contained in the bill?

Mr. BUSH. I believe the people would be better off if we passed merely a disclosure bill, than it would be to get into the business of analyzing and appraising the value of investments, so far as the Secretary of Labor is concerned, or anyone else, because all we would be doing would be to build up a great big groping giant of an organization, which is not needed at all, but which is unnecessary.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. KENNEDY. I yield 1 more minute to the Senator from Connecticut.

Mr. BUSH. It would be a great misfortune after all this effort—and I realize that the Senator's amendment is a sound effort—if we ended up by requiring the Department of Labor to set up enormous organizations for analyzing and appraising the value of securities.

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

Mr. BUSH. I will yield if I have the time to yield.

Mr. KENNEDY. I yield 2 additional minutes to the Senator from Connecticut.

Mr. ALLOTT. I should like to suggest that if we do not do that, as the Senator from South Dakota suggests, then the registration and reporting provisions and all the other provisions of the bill are meaningless, because we would be saying, in effect, that all the funds—and this is my objection—would have to register and file their reports and disclosures, and then everyone would go on his way and forget all about it. It is necessary either to have a huge organization to analyze and study these matters and make recommendations, and enjoin, or issue cease and desist orders, or else the bill becomes meaningless.

Mr. BUSH. I would not go quite that far, because we have, under the Securities and Exchange Commission Act, the registration system. The Commission does not publish the reports to the whole world, but they are in the files, and anyone can look at them.

The information will come in under the law—and the Senator will remember that I supported his amendment on the 90 percent feature—and the information will be open for inspection to union members or anyone else who desires to look at it. I would rather have it that way than I would give authorization to the Secretary of Labor to build up a great analytical organization to appraise the value of all the funds, of which 90 percent, as the Senator has pointed out, would not have any question raised as to whether they were proper investments. Yet we would be authorizing that kind of organization.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, may I put a question to the Senator from Connecticut?

Mr. BUSH. Mr. President, will the Senator from Massachusetts yield me some additional time?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Connecticut.

Mr. LAUSCHE. The Senator from Connecticut and the Senator from Ohio were members of the Committee on Banking and Currency last year.

Mr. BUSH. I should like to say that I regret exceedingly that the Senator from Ohio left that committee. We miss him very much.

Mr. LAUSCHE. I thank the Senator. Am I correct in my recollection that the statutes regulating the conduct of the Securities and Exchange Commission make it permissible for the Commission to certify for action to other departments of Government noncompliance with the Securities and Exchange Act?

Mr. BUSH. I cannot positively say. My impression is that the Senator is correct in that understanding.

Mr. LAUSCHE. The Senator from Connecticut probably will recall that we have made inquiry why the certifications were not made. It was pointed out that the language was permissive, and that frequently there are borderline violations.

May I ask the Senator from Massachusetts a question on this subject?

Mr. KENNEDY. Certainly.

Mr. LAUSCHE. Does the Senator from Massachusetts use the Securities and Exchange Commission laws as a parallel for the use of the permissive instead of the mandatory language concerning investigations and certifications for judicial action?

Mr. KENNEDY. I would not say the language of the bill is a quotation from the securities and exchange law, but I would say that the concept is similar.

Mr. LAUSCHE. The concept is similar, and the same principle is applicable to investigations and certifications made by the Internal Revenue Service.

Mr. KENNEDY. Once again, I do not attempt to state that the language is the same, but the practical effect of the language is similar although it relates to a different subject. I do not want to mislead the Senator.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Mr. President, will the Senator from Texas yield 3 minutes time?

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Providing income-tax information and providing for registration and disclosure are two different matters. But the fact is that the SEC and the Internal Revenue Service do not inspect every return which comes in, to determine whether, in the case of the Internal Revenue Service, a return contains erroneous material. Some of the returns are inspected. Of course, all of them are examined to determine how much tax is due; but all of them are not inspected to ascertain whether a misstatement has been made. So in that sense it is the same.

Mr. LAUSCHE. Is my understanding correct that if mandatory language is used in section 12 of the bill, the treatment accorded to unions may not be different from the treatment accorded to other entities subject to governmental regulation?

Mr. KENNEDY. In the first place, the Senator from Ohio uses the word "unions." The fact is that 90 percent of the plans are not joint union-employer administered plans, but are employer plans—administered solely by the employer. Therefore, what we are talking about is the regulation of corporations in this matter, not the regulation of unions. In 90 percent of the plans, I want every Senator to understand, we are talking about corporation investment policy and portfolios.

Therefore, as we move into this gigantic field—it is a field which involves some $35 billion in pension plan reserves alone—we do not want to give the Secretary of Labor power—at least I do not—without providing detailed standards to determine what is an improper investment. We want to provide for disclosure, to permit the beneficiaries to receive copies of the statements, so that they will be able to determine for themselves the soundness of the plan, thus enabling them to deal intelligently with the employer in deciding how funds set aside for welfare and pension benefits should be handled.

To have the Secretary of Labor examine the portfolios of every corporation in the United States and to make the judgment as to whether its investments are proper or improper requires interference with the affairs of the private enterprise system which I am not ready at this time to support. I am prepared to let the corporations decide to report and disclose in general what their portfolios contain, and to let the beneficiaries examine these reports, with the support of the Secretary of Labor, and ascertain whether there is anything improper.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that when a quorum has been developed, the Senator from South Dakota may address the Senate for 2 minutes, and the Senator from Massachusetts may address the Senate for 2 minutes. Then we will proceed to vote on the amendment.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may I ask if the yeas and nays have been ordered?

Mr. MUNDT. Yes, they have.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Under the unanimous-consent request, the Senator from South Dakota is recognized for 2 minutes.

Mr. MUNDT. Mr. President, I may say to my friend, the Senator from Texas, that we may discuss the business of the Senate confidentially, and it seems publicly only for the record. My only purpose in suggesting the unanimous-consent request was that there were so few Senators on the floor I thought if the quorum call could be concluded, with the yea-and-nay vote to be followed almost immediately, the Senator from Massachusetts and I would be able to address more Senators than are at present in the Chamber. I wonder if we could not continue with the quorum call.

Mr. JOHNSON of Texas. If the Senator from South Dakota prefers to do that, I will agree to it; but I believe that more Senators are on the floor now than there will be at the conclusion of another quorum call.

Mr. MUNDT. If all Senators realized that they would vote in 4 minutes after the Senator from Massachusetts and I began to speak, we might have more Senators present.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired. The Senator from Massachusetts is recognized.

Mr. JOHNSON of Texas. Does the Senator from South Dakota desire that we proceed to obtain a quorum?

Mr. MUNDT. I do.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side. I ask that the aids of the Senate notify all absent Senators that if they expect their names to appear on the quorum list, they should proceed to the Senate Chamber at once.

Mr. MUNDT. I am perfectly willing to enter into a unanimous-consent agreement that, at the conclusion of the quorum call, I will yield back all my time, if the Senator from Massachusetts will speak for 2 minutes.

Mr. JOHNSON of Texas. I will make that request.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Magnuson
Allott	Flanders	Malone
Anderson	Frear	Mansfield
Barrett	Fulbright	Martin, Iowa
Beall	Goldwater	Martin, Pa.
Bennett	Gore	McClellan
Bible	Hayden	McNamara
Bricker	Hickenlooper	Monroney
Bridges	Hill	Morse
Bush	Hoblitzell	Morton
Butler	Holland	Mundt
Byrd	Hruska	Murray
Capehart	Humphrey	Neuberger
Carlson	Ives	O'Mahoney
Carroll	Jackson	Pastore
Case, N. J.	Javits	Payne
Case, S. Dak.	Jenner	Potter
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Purtell
Cooper	Kefauver	Revercomb
Cotton	Kennedy	Russell
Curtis	Kerr	Saltonstall
Dirksen	Knowland	Schoeppel
Douglas	Kuchel	Smathers
Dworshak	Langer	Smith, Maine
Eastland	Lausche	Smith, N. J.
Ellender	Long	Sparkman

Stennis	Thurmond	Wiley
Symington	Thye	Williams
Talmadge	Watkins	Young

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Dakota [Mr. MUNDT] be recognized for 2 minutes; that then the Senator from Massachusetts [Mr. KENNEDY] be recognized for 2 minutes; and that at the conclusion of their remarks, the Senate proceed to vote on the amendment D of the Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. Without objection, it is so ordered; and the Chair first recognizes, for 2 minutes, the Senator from South Dakota.

Mr. MUNDT. Mr. President, I thank the Senator from Texas.

First, I should like to point out that the Senate is about to vote on the amendment which is designated as "4-26-58—D"; it is an amendment to Senate bill 2888. The amendment endeavors to provide some enforcement machinery in what otherwise would simply be a reportorial bill.

I should like to advise Senators who have not been present during all the debate that the amendment is in conformity with our usual legislative procedure; namely, to try to improve, here on the floor, proposed legislation which is pending. There will not be another chance to improve a bill of this sort, because the Senate will either pass the bill or will reject it tonight or tomorrow.

The amendment is in the same category with other amendments which we are told by the committee will come before us in June or July.

The amendment provides some direction as to what the labor-union leaders may do with these funds, because the amendment requires that the Secretary shall examine the registrations, and shall report if he finds something improper or illegal, or if he finds that the funds are being dissipated by unsafe investments, such as the speculative or gambling ventures which have been disclosed by the committee's investigation.

Some may say the amendment moves too far; others may say it does not move far enough. All I can say is that the amendment moves in the right direction; and, in the absence of the amendment, there would not be compulsion to correct the kind of things certain labor leaders have been disclosing.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

The Chair now recognizes the Senator from Massachusetts; and, under the order which has been entered, the Senator from Massachusetts may proceed for 2 minutes.

Mr. KENNEDY. Mr. President, the Senator from South Dakota is wholly wrong. Under the bill as it now stands, there will be compulsion to report. The Secretary of Labor is empowered by the bill to take action against anyone, whether employer or employee, who reports inaccurately, and the bill provides a penalty of imprisonment up to 5 years for willfully failing to report.

The purpose of the bill should be understood by the Senate. It is a disclosure bill. It provides that detailed information of all types of plans shall be filed whether by employers, or by employers and employees jointly, depending on the kind of plan involved.

The bill gives the Secretary of Labor power to investigate all the plans, if he sees fit, or to investigate on whatever basis he deems best.

The bill provides a penalty of imprisonment up to 5 years if any person makes a false statement in submitting a report.

The bill provides that anyone who has the overall management of such a plan shall file a report with the Secretary of Labor.

The bill relates to a new area which covers assets in pension plans alone amounting to over $35 billion. As we prepare to take action in this field, we are not prepared to provide that the Secretary shall have the power to regulate these plans. We provide merely for disclosure both to the beneficiaries and the public.

After the act has been in effect for 2 years, the Secretary of Labor can recommend to the Committee on Labor and Public Welfare any changes which he believes to be required.

But I believe the pending amendment is a most mischievous one, and I believe it would be a serious mistake for the Senate to adopt it. Certainly I would not be prepared to recommend, as the amendment provides, that the Secretary of Labor supervise the investment portfolio in the case of every pension plan.

The PRESIDING OFFICER. The time yielded to the Senator from Massachusetts has expired.

The question is on agreeing to the amendment lettered "D" of the Senator from South Dakota [Mr. MUNDT].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILEY (when his name was called). On this vote I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

The result was announced—yeas 22 nays 67, as follows:

YEAS—22

Allott	Curtis	Martin, Iowa
Bennett	Dirksen	Martin, Pa.
Bricker	Goldwater	Mundt
Bridges	Hickenlooper	Revercomb
Capehart	Hoblitzell	Schoeppel
Carlson	Hruska	Williams
Case, S. Dak.	Jenner	
Cotton	Knowland	

NAYS—67

Aiken	Hill	Murray
Anderson	Holland	Neuberger
Barrett	Humphrey	O'Mahoney
Beall	Ives	Pastore
Bible	Jackson	Payne
Bush	Javits	Potter
Butler	Johnson, Tex.	Proxmire
Byrd	Johnston, S. C.	Purtell
Carroll	Kefauver	Russell
Case, N. J.	Kennedy	Saltonstall
Church	Kerr	Smathers
Clark	Kuchel	Smith, Maine
Cooper	Langer	Smith, N. J.
Douglas	Lausche	Sparkman
Dworshak	Long	Stennis
Eastland	Magnuson	Symington
Ellender	Malone	Talmadge
Ervin	Mansfield	Thurmond
Flanders	McClellan	Thye
Frear	McNamara	Watkins
Fulbright	Monroney	Young
Gore	Morse	
Hayden	Morton	

NOT VOTING—6

Chavez	Hennings	Wiley
Green	Robertson	Yarborough

So Mr. MUNDT's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

Mr. WATKINS. Mr. President, I call up my amendment numbered 4-25-58-A and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. At the end of the bill it is proposed to add the following:

Section 6 of the National Labor Relations Act is amended by redesignating it as section 6 (a) and by adding at the end thereof a new subsection as follows:

"(b) (1) The Board, in its discretion, may decline to assert jurisdiction over any labor dispute where, in the opinion of the Board, the effect on commerce is not sufficiently substantial to warrant the exercise of its jurisdiction.

"(2) Nothing in this act shall be deemed to prevent or bar any agency, or the courts of any State or Territory, from assuming and exercising jurisdiction over labor disputes or classes of labor disputes over which the Board would decline, pursuant to paragraph (1) of this subsection, to assert jurisdiction."

The PRESIDING OFFICER. The Senator from Utah is recognized for 30 minutes.

Mr. WATKINS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Utah is recognized for 30 minutes. How much time does the Senator desire?

Mr. WATKINS. I yield myself 15 minutes.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WATKINS. I will yield to the Senator if the time is not taken from my time.

Mr. JOHNSON of Texas. I will be glad to take the time from my time. The Senator has ample time, and if the Senator needs more I shall be glad to yield to him.

Mr. WATKINS. That is fine.

Mr. JOHNSON of Texas. I should like to put all Senators on notice that we anticipate a vote in the next 20 or 30 minutes. I assume the Senator from Utah wants the yeas and nays on his amendment.

Mr. WATKINS. I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to have the attention of the Senator from California [Mr. KNOWLAND]. Does the Senator anticipate calling up 1 or 2 additional amendments?

Mr. KNOWLAND. One additional amendment.

Mr. JOHNSON of Texas. The Senator from California expects to ask for the yeas and nays on the amendment. Does the Senator know what other motions are likely to be made?

Mr. KNOWLAND. So far as I know there is only one in addition.

Mr. JOHNSON of Texas. As to final passage?

Mr. KNOWLAND. No. I think the Senator from Nebraska has an amendment.

Mr. CURTIS. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. CURTIS. I expect to call up my amendment, the only one I have at the desk.

Mr. JOHNSON of Texas. I should like Senators to know that we expect yea and nay votes on at least three amendments, and we expect a yea and nay vote on final passage.

Several Senators have inquired as to the program, so that they may make plans for the evening. I want to give as much advance notice as possible. We do not expect to use the full time on the amendments on this side. We may use 5, 10, or 15 minutes. We hope we may be able to conclude the session at a reasonably early hour, compared to the way the Senate was sitting last week.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The time taken to get the Senate to order will not be charged against the time of the Senator from Utah.

Mr. WATKINS. Mr. President, I have called up my amendment to the pending bill. By way of identification, let it be referred to the "no-man's land amendment."

This is a rescue operation, and I take it a rescue operation is always in order. I want the Members of the Senate who have other things to do to listen to this presentation, because sometime or other they will have to face a record on this amendment.

This is called the "no-man's land amendment" because it seeks to rescue American citizens who are taxpayers—laborers, union members, and employers—from a situation which is almost intolerable. That is why I say it is always in order. I hope my Democrat friends on the other side of the aisle will consider this matter in voting upon the amendment.

Mr. JOHNSON of Texas. May we have order in the Chamber, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. Mr. President, I will include a technical explanation of the amendment, but first I would like to describe for my colleagues the origin of this proposal.

The amendment is the text of S. 1723, which I introduced early in the first session of this Congress. It was proposed by me after the Supreme Court ruled on March 25, 1957, in what has now become known as the Guss case, the effect of which was to leave a "no man's land" between the areas of State jurisdiction and Federal jurisdiction in unfair labor practice cases.

In the Guss case the businessman doing business in Utah was so engaged that his business was determined to affect commerce within the meaning of the National Labor Relations Act; thus the National Labor Relations Board had jurisdiction.

The National Labor Relations Act specifically deals with the conduct charged in the Guss case. The National Labor Relations Board declined jurisdiction but had not entered into a cession agreement with the Utah Labor Relations Board. In other words, they had not conceded officially, so that the Utah Labor Relations Board could take jurisdiction.

At the same time the Guss case was decided, the Supreme Court decided the Fairlawn Meats case which arose in Ohio and the Garmon case against San Diego Building Trades Council. These decisions, when read in conjunction with previous decisions of the Supreme Court, established a "no man's land" in labor practices litigation, for we have established now the absolute supremacy of the National Labor Relations Act to such an extent that a litigant who has declined the jurisdiction of the National Labor Relations Board and the litigant whose case falls within a category of cases which the National Labor Relations Board has previously refused to grant jurisdiction to are just the same precluded from taking their grievances into State courts.

This leaves both the worker and the small-business man with a grievance but absolutely no way to litigate the question so as to arrive at a solution. This is working to the detriment of thousands of small-business men at the present time, and in a similar way it is affecting the lives of those who are employed in these small businesses.

This inequity was called to the attention of Congress back in the 83d Congress by the report of the Committee on Education and Labor to accompany S. 2650, No. 1211. On page 17 of that report there appears, under the title "State Powers," an ample description of this problem, which was evident even before the Guss case. As the Members of the Senate will remember, that bill, after full hearings, was recommitted, as recommended in the minority views by both the chairman of the full committee and the present chairman of the Subcommittee on Labor.

The problem has been called to the attention of the committee by my colleague, the senior Senator from New York [Mr. IVES], and myself. In fact, I have a letter from the chairman of the Subcommittee on Labor, dated May 13, 1957, in response to a communication sent to the chairman of the full committee concerning my bill, S. 1723. In that reply, the junior Senator from Massachusetts [Mr. KENNEDY] made the following statement:

> As you know, the Subcommittee on Labor has been holding extensive hearings on extension and coverage problems under the minimum-wage law, and our schedule has been full. At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act. However, I will be more than glad to keep Mr. Mathias' letter in the subcommittee files and to bring it to the attention of the subcommittee at such time as legislation on this subject is under consideration.

I cite this, Mr. President, as evidence of the attention which this particular problem has had by both the present and the previous Senate Labor Committees, and as evidence of the attention which we can anticipate it will receive in the future.

The only time that an attempt was made to rectify this error was in the 83d Congress. The same problem has existed and ample opportunity has been given for corrective action to have been taken.

I believe that Senator KENNEDY's statement, "At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act" is as valid today as it was on May 13, 1957, when he so stated such in reply to my letter.

In order that this record not be incomplete, I ask unanimous consent to insert at this place in my remarks copies of the three Supreme Court decisions to which I have referred; namely, the Guss case, the Fairlawn case, and the Garmon case.

The PRESIDING OFFICER. Without objection, the decisions may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. WATKINS. Mr. President, so long as the Guss case stands, Americans are

deprived of their fundamental right to the use of our courts in litigating and thus solving disputes, because it places a particular group outside the jurisdiction of any court or tribunal.

I do not believe that it was the intention of any Member of the Senate or of the House to bring about such a result through passing previous labor-management legislation. If it was not the intention of this body to so deprive Americans of this fundamental right, then by voting for this amendment their intentions and their interpretation of the existing act can be made manifest and a fundamental inequity corrected.

If, however, Members of this body are of the opinion that an American taxpayer should be deprived of a forum in which to litigate his labor-relations problems merely because the National Labor Relations Board declines jurisdiction or because his business falls within a category of businesses wherein the National Labor Relations Board has refused to exert jurisdiction, then let them vote against the amendment. Let them vote against the "rescue operation."

I do not believe that the present situation reflects the intention of Congress, but irrespective of what it reflects I do not believe the present situation should be permitted to continue to the detriment of these hundreds of workers and small-business men who must settle their labor relations problems under this no man's land decision.

I close with a quotation from the decision of the Supreme Court in the so-called no-man's land case, the Guss case:

And here we find not only a general intent to preempt the field but also the proviso to section 10 (a), with its inescapable implication of exclusiveness.

We are told by appellee that to deny the State jurisdiction here will create a vast no-man's land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress, power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no-man's land.

Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no-man's land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction. The National Labor Relations Board can greatly reduce the area of the no-man's land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a).

In other words, the Court is asking Congress to perform the rescue operation.

There is a note to this decision which I think is very interesting and should be considered. The note to Mr. Justice Warren's decision is as follows:

"The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or no-man's land with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief" (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that "when the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no-man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction."

In conclusion, we have a situation which should appeal to the equity powers of the Congress of the United States. No matter what the arguments have been in the past with respect to amendments to the Taft-Hartley Act, with respect to procedures, and so forth, here we have a case in which American citizens are denied the forum in which to have their rights decided. That has been going on for many years. Parties can obtain no relief.

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

Mr. WATKINS. I yield to the Senator from California.

Mr. KNOWLAND. I am sure the distinguished Senator from Utah, who has brought forward an amendment which I think is a very important one and worthy of consideration by the Senate, is familiar with the interim report of the select committee. With the permission of the Senator I should like to read from page 452 of the interim report, containing the recommendations of the select committee. The following is under the heading, "No Man's Land":

Testimony before the committee revealed that some employers have had no access to either the National Labor Relations Board or any comparable State agency. In many instances it was found that the fact that the National Labor Relations Board does not take jurisdiction in certain cases does not automatically turn over the case to a State board. In the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency. To solve the no man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

I think it is quite appropriate to the Senator's remarks to read that statement into the RECORD at this point.

Mr. WATKINS. I thank the Senator. It is very important.

Let me call attention also to the fact that this question was carefully considered in 1954. As a part of the recommendations of the majority of the Committee on Labor and Public Welfare, which submitted a report to the Senate, No. 1211, there was included an amendment in S. 2650 to take care of this situation. The bill was discussed, and, as I recall, it was recommitted upon the solid vote of the Democratic Members of this body.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. WATKINS. I yield.

Mr. KNOWLAND. In other words, we have here a situation in which we have a very clear set of recommendations by the select committee, which had heard the testimony with respect to abuses because of the so-called twilight zone or no man's land.

We have had a situation in which the subject matter has in the past been before the committee, and in which, indeed, in prior Congresses, the committee, after hearings, had reported legislation to the Senate dealing with this particular subject matter. Is that correct?

Mr. WATKINS. That is correct.

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

Mr. WATKINS. I yield.

Mr. LAUSCHE. The Senator from Ohio would like to inquire how long the no-man's land has been in existence?

Mr. WATKINS. It has apparently been in existence since the Taft-Hartley Act went into effect. Soon thereafter there was discovered an area in which citizens coming before the National Labor Relations Board were unable to get the Board to take jurisdiction because of the size of the monetary value involved, probably, in the controversy.

Mr. LAUSCHE. When was the first decision rendered?

The PRESIDING OFFICER. The 15 minutes the Senator from Utah has allotted to himself has expired.

Mr. WATKINS. I yield myself 5 additional minutes. I do not recall when the first action was taken.

Mr. LAUSCHE. I should like to inquire for what length of time the Senator from Utah has been pressing for consideration of the subject?

Mr. WATKINS. I do not remember accurately whether I appeared before the Committee on Labor and Public Welfare in 1954, when the amendment was being considered, but I did introduce a bill on March 26, 1957, immediately after the Guss case arose in the State of Utah. The State supreme court gave the State body jurisdiction, but the United States Supreme Court reversed it and sent it back. I did introduce a bill a little later, and from that point on I have been trying to get hearings on it.

Mr. LAUSCHE. Is my understanding correct that whenever the National Labor Relations Board declines to take jurisdiction, the aggrieved citizen is denied any judicial tribunal or agency before which he may ask for relief?

Mr. WATKINS. The Senator is correct. That situation affects labor as well as it does management. That is why it is a no-man's land. They are out there without any law to control the situation. Under that sort of situation, many injustices are being created. I should think that Members of the Senate, particularly the Members on the other side of the aisle, those on my left, would be very much concerned about taking this opportunity to render equity in a case of this kind, rather than to put it off, with the uncertain future that faces general legislation with respect to the Taft-Hartley law. This is some-

thing that should have been done immediately when it was first called to the attention of the Senate.

Mr. LAUSCHE. The principle which the Senator from Utah is advocating is that no citizen suffering a wrong should be denied a judicial tribunal or other governmental agency to which he may turn in order to present his case. Is that correct?

Mr. WATKINS. The Senator is correct. The equity courts have said they would not deny him relief, but there was no way of giving him relief under the law as it stands. I believe we have some equity powers in the Senate that we ought to be able to assert right now, instead of waiting. There can be no assurance, in spite of all the good intentions of the majority leader, the chairman of the Committee on Labor and Public Welfare, and the chairman of the Subcommittee on Labor, that we will get any legislation passed in this session of Congress.

I recognize that hearings may be set, after the majority party of the Senate has been prodded and pressured into taking such action, but there is nothing to indicate that the House will go along at the late date that such measures will get to the House, and that any effective relief will be given to this matter or any other matter under the Taft-Hartley Act.

Mr. LAUSCHE. Does the bill of the Senator from Utah have any relationship to the bill which was discussed by the senior Senator from Florida [Mr. HOLLAND] a few nights ago?

Mr. WATKINS. I do not recall.

Mr. LAUSCHE. The Senator from Florida was discussing the Wisconsin decision and taking away certain rights from the States. The Senator from Utah is not familiar with that situation?

Mr. WATKINS. I am not informed on that point.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SMITH of New Jersey. The point the Senator from Utah has raised has been before our committee, and was raised when I was chairman of the committee. We came to the same conclusion the Senate is coming to now. The bill was reported to the Senate and it was recommitted to the committee without any action being taken on it. The President's recommendation this year is the same, and now the McClellan committee has also made a similar recommendation. Therefore there is no reason why the amendment should not be agreed to. I shall be glad to support the Senator's amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WATKINS. I yield myself 2 additional minutes. I call attention to the fact that very few Members of the opposition party are on the floor at this time, and that only 1 or 2 of them are paying any attention to what I am saying. This is a matter that should receive the attention of all Senators, and I appeal to them, as Senators, to take it into consideration, and not prevent our doing equity in a very grievous situation.

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

Mr. WATKINS. I yield.

Mr. KUCHEL. The able Senator from Utah has suggested one reason why the National Labor Relations Board has declined to take jurisdiction, when he said a few moments ago that the money involved in a given case constituted one reason for the Board declining to take jurisdiction. I can understand some of the reasoning in back of that decision on the part of the Board. What I should like to ask the Senator is what other reasons have been advanced by the National Labor Relations Board to refuse to take jurisdiction of cases which have been filed before it.

Mr. WATKINS. I do not recall the specific items, but I know——

Mr. IVES. Will the Senator yield on that point? I believe I can clear that up.

Mr. WATKINS. I appreciate the Senator from New York offering to answer the question.

Mr. IVES. I am as much interested in the subject as is the Senator from Utah. The real reason is that the Board does not have a sufficiently large staff. I doubt if they can get such a staff. We have just concluded hearings on the subject, and if the appropriations are increased above the budget estimate by somewhat over $1 million, they would have a staff sufficient to take 20 percent more cases, but that would be about the limit. Under the old Wagner Labor Relations Act——

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time of the Senator has expired.

Mr. KNOWLAND. I yield 10 minutes more to the Senator from Utah.

Mr. IVES. Under the old Wagner Labor Relations Act, there was an understanding which existed between the National Board and certain State agencies that the National Board had authority to grant jurisdiction over certain cases to such State agencies. In New York State, for example, the New York agency used to step into cases the National Board would not take, and would assert jurisdiction. It was a friendly sort of arrangement which existed. Of course, since the Taft-Hartley Act was passed, that cannot be done, especially since the court decisions the Senator has referred to.

Mr. KUCHEL. Has the Senator studied the amendment offered by the distinguished Senator from Utah?

Mr. IVES. I will speak on it in due course. I merely wished to give some information on this point.

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

Mr. WATKINS. First I should like to point out, in connection with the jurisdictional question, that the National Labor Relations Board felt that a case must have a strong interstate influence before it would take jurisdiction.

Mr. IVES. That is correct.

Mr. WATKINS. If most of the business involved was intrastate, they wanted to leave the jurisdiction to the State. However, the State cannot do anything in view of the United States Supreme Court decisions.

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

Mr. WATKINS. I yield.

Mr. COOPER. That is the point I wished to bring out. I believe one of the reasons they failed to take jurisdiction was due to the interstate commerce feature, and they would not take jurisdiction where that feature was unsubstantial. I might say that in 1954, as our distinguished leader knows, the Committee on Labor and Public Welfare reported to the Senate a bill to cover the very point the Senator from Utah is speaking to, to clarify the decisions and to state that the States could exercise jurisdiction if the Federal Government failed to exercise it, and also clarifying the difference between State and Federal jurisdiction when an emergency arose. The Senate recommitted the bill.

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

Mr. WATKINS. I yield to the Senator from California.

Mr. KUCHEL. What I have been trying to develop is the basis on which the Federal agency would decline to accept jurisdiction in a case in which the Congress, so far as jurisdiction is concerned, clothed that agency with authority to deal with it.

If there were a case in which the incidence of the transactions in interstate commerce was slight, then I do not think there is any question that no Federal problem would be involved. In other words, I take it that one of the constitutional bases on which the legislation was originally written was on the basis of the commerce clause. I ask the Senator from Utah, Have any decisions been rendered by the Supreme Court of the United States with respect to cases on which the Board has declined to sit in judgment because of the lack of a Federal question?

Mr. WATKINS. I do not recall at the moment that there have been any cases of that type. Of course, if it was clear that interstate commerce was not involved in any way, then it would be clear that only the States would have jurisdiction.

Mr. KUCHEL. Precisely.

Mr. WATKINS. As to cases in which the Board has declined to accept jurisdiction, I think quite a number involved both interstate and intrastate commerce.

Mr. KUCHEL. So the Board was clothed with jurisdiction, but simply refused to accept jurisdiction.

Mr. WATKINS. That is right, for reasons of inconvenience or a crowded docket, and that sort of thing.

Mr. KUCHEL. I thank the Senator from Utah.

Mr. WATKINS. Earlier in the debate on the bill, I called attention to a speech made by the late Senator Walter George, of Georgia. I do not cast any aspersions upon Senators who oppose the amendments. I believe they are sincere. But I believe they are mistaken. I think we can be excused for not relying upon their judgment as to what may happen in the future.

I think the situation with which we are now faced is very much the same as that which confronted Senator George at the time the motion to override the veto of the Taft-Hartley bill was before the Senate. A part of the speech by Senator George, which was not long, was placed in the RECORD by me earlier in the debate. I ask unanimous consent that the entire speech may be printed at this point in the RECORD.

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

Mr. GEORGE. Mr. President, I wish to say at the outset that I have not the slightest doubt that the President of the United States is entirely sincere in submitting his veto message. I have no doubt also that he has analyzed the bill with the assistance of those in the executive branch of the Government who are unfriendly to this legislation. But I have no doubt that the President has reached what he considers to be an entirely honest decision on this measure.

Mr. President, I voted for this legislation when it came before the Senate. I voted for the conference report; and I shall have to vote to override the President's veto. My reasons are simple. Within 10 minutes, of course, I could not undertake and would not undertake to discuss the merits of the bill as such.

Almost 12 years ago, in July 1935, the Congress of the United States and the President of the United States approved the Wagner Act. I voted for the Wagner Act. I therefore do not appear on this floor as one unfriendly to labor. At that time I believed that it was necessary to pass the Wagner Act, although I realized that it was a very one-sided piece of legislation.

What has occurred in the interim? For nearly 10 years, at least, honest men in industry, and many in labor, as well as many not directly connected with either management or labor, have earnestly besought the American Congress to make some simple, sensible amendments to the Wagner Act.

What has happened? During all that long period of time the Committee on Education and Labor in the United States Senate has held the line, and aside from the present bill has brought to this floor only one other bit of legislation which would have corrected, in a small degree, the inequities and unbalance of the Wagner Act. I refer to the Case bill, which the President saw fit to veto about a year ago after it had been passed by the Congress of the United States.

I do not criticize the President for the exercise of his veto rights and powers; but I do assert that if there is to be any labor legislation in America, if we are to bring about any degree of balance in the unbalanced condition which has existed for almost 12 years, now is the time to do it, not in anger toward the workers of the Nation, not in resentment of their devotion to legislation which they thought was for their benefit, but simply and solely because this Nation, as a representative government, must somewhere down the road decide whether the people of the United States shall be allowed to function through their lawmaking bodies, or whether organized minorities are to control and dictate the legislation which we must have.

I speak plainly, but not in anger. There is but one way for us to break the strangle hold of labor bosses—not the rank and file of the workers, but labor bosses who have been unwilling to dot an "i" or cross a "t" for 12 long years. That is to pass this bill and invite labor and management to come to the Congress of the United States, where both should come, and sit around the table as honest men, representing conflicting and oftimes hostile interests, be it conceded, and there iron out their differences.

In my opinion this is the final test of whether Government is to function or whether minority groups, highly organized, are to dictate the type of legislation that we shall have. If there were no other reason for the passage of this legislation, I should assuredly support it.

In his address to this body the distinguished Senator from Oregon [Mr. MORSE], whom I hold in high esteem, asserted that if the bill should prove to be unworkable or have inequities and injustices in it, we could not excuse ourselves by saying that we would vote for it nevertheless. I would agree with him, but when I recall that for 12 years, whatever the merits of the proposal, the Senate Committee on Labor and Education held a stranglehold upon the throat of the American people and would not permit legislation to come before this body, then I must wholly reject the logic of the distinguished Senator from Oregon, which otherwise would be impeccable. This is the only chance that we shall have, but it is a magnificent chance for the American people. I speak not in anger or hostility toward the workers. I speak as one who voted for the original Wagner Act in the firm belief at that time that if inequities did appear and inequalities did exist, we could correct them as a legislative body. I have seen the hands of the legislative body tied. I have seen the legislative body of this Nation helpless in the face of organized minorities operating from outside.

So, Mr. President, I shall be compelled, much as I regret to do so, to vote to override the President's veto of this bill.

Mr. WATKINS. Mr. President, unless other Senators wish to be recognized on this subject, I yield the floor.

Mr. IVES. Mr. President, I wonder if I may have some time yielded to me.

Mr. MANSFIELD. How much time does the Senator from New York wish?

Mr. IVES. About 5 minutes.

Mr. MANSFIELD. I yield 5 minutes to the Senator from New York.

Mr. IVES. I point out that again we are considering a proposal which is not to the bill. The amendment now before the Senate is to the Taft-Hartley Act.

In that connection, I point out that I myself have had a bill before the Senate on this question ever since 1953. The provision in the omnibus bill of 1954, which was recommitted, was taken from my own proposal. It is very interesting to note that two paragraphs in the amendment now offered by the Senator from Utah constitute the first two paragraphs of my own bill, and to that extent, I am all for it. In fact, I think the amendment should be adopted, although not in this way. I shall shortly again tell the Senate why. I think the Senate will consider the matter, but this proposal shows what we are up against in trying to write this kind of legislation on the floor.

The third paragraph of my bill is not contained in the language of the Senator's amendment. The third paragraph should be considered in the consideration of the proposed legislation. I read paragraph (3) of my bill:

The Board, in its discretion, may, by agreement with any agency of any State or Territory, cede to such agency jurisdiction over labor disputes involving (A) unfair labor practices or (B) controversies concerning representation, in any industry or portion thereof, even though such labor disputes may substantially affect commerce.

That is why, in the draft of the bill, we left out that particular paragraph. We thought it went a little too far because it involved interstate commerce and allowed the States to take jurisdiction of actual cases in interstate commerce. In the light of the evidence which has been presented to the McClellan committee, I wonder if it might not be advisable to include that paragraph. I think the committee ought to be very careful in its consideration of the matter.

I predict that when the committee reports the omnibus bill, which will be reported on June 10 or earlier—we will take action to report such a bill—this matter should have further consideration.

I am not talking about hearings. We do not need hearings on this question; we have had them. No one disagrees on this question as a matter of principle. Everyone agrees that it is absolutely essential. There can be no doubt about that.

The paragraph in the recommendations, or the so-called recommendations, of the McClellan committee, which the distinguished minority leader read, I myself prepared. That indicates my feeling on the subject.

But I again point out that I do not think we should be legislating in this way on a question which has not been finally decided. The third paragraph in my own bill comes from the Labor Relations Board of the State of New York. I think we should reconsider that in the light of the McClellan committee disclosures.

For that reason, and because the amendment is not germane and will have the effect of wrecking the bill, I shall oppose the amendment of the Senator from Utah.

Mr. WATKINS. I disagree with my friend, the distinguished Senator from New York, for whom I have great respect. In matters of this kind, it is always in order to do equity. There is never a time when it is improper to do it. Why postpone that day when it has already been postponed since 1953, at least? Since hearings have already been held, why postpone the doing of equity to the people concerned? Why not give them a forum? The proposal can be attached to anything; it does not make any difference what it is. I understand that now some hearings are to be held.

Mr. IVES. They have already been held.

Mr. WATKINS. I have not been apprised officially of that. Unofficially, I have heard it whispered that hearings on this particular item were to begin on May 10.

Mr. IVES. No; on May 5.

Mr. WATKINS. On May 5. But there are persons who are still waiting for a forum in which to have their rights adjusted, and those persons include union labor members and other workers of all kinds who are not members of unions, and also persons engaged in small business, in whom the Senate has declared time and time again it has a special interest. Let us not stand on a predetermined program that nothing shall be

done except in a so-called orderly way which, in effect, denies justice.

Mr. IVES. It is one thing to talk about seeking equity, and another thing to achieve it.

Mr. WATKINS. That is what I am finding out.

Mr. IVES. Equity will not be achieved by what the Senator is proposing to do.

Mr. WATKINS. Evidently we will not get it, but not because my proposals are not sound.

Mr. IVES. The Senator will not get it as a part of this bill; I can assure him of that.

Mr. KENNEDY. I agree with the Senator from Utah that equity should be done in areas where the National Labor Relations Board is without jurisdiction, and where a State attempts to take jurisdiction, particularly in the instance cited by the Senator from Utah. But I should like to give some directions to the National Labor Relations Board as to when they shall have jurisdiction. I do not think we should leave it to the Board to decide where it will take jurisdiction. I think there should be some standard prescribed by Congress.

I have written the Senator from Utah a letter inviting him to testify on this subject.

Mr. WATKINS. I am very glad the Senator from Massachusetts is taking that position now. But probably he will not blame me too much—although I believe he is absolutely sincere—if I do not believe any action will be taken on it at this Congress, in view of the way things are going, notwithstanding all the statements that are made here.

Mr. KENNEDY. As a matter of fact, in 1953, I voted to have the National Labor Relations Board given jurisdiction in the case of industries of a certain size.

Mr. WATKINS. But how did the Senator from Massachusetts vote on the amendments which were proposed to the Taft-Hartley Act?

Mr. KENNEDY. I do not need to tell the Senator from Massachusetts the facts of life as regards the amendments to the Taft-Hartley Act. The fact is that when a bill to amend the Taft-Hartley Act was finally drawn up, it was so loaded down with "cats and dogs" that it had to be returned to the committee.

Mr. WATKINS. Mr. President, I think the Senator from Massachusetts has stated the truth of the matter, namely, that the reason why proposed legislation of that sort has not been enacted has been the existence of the fear that many other provisions would be added to the bill while it was on the floor.

Mr. KENNEDY. Not the fear, but the fact.

Mr. WATKINS. That is the "fact of life" as regards any bill which contains proposed amendments to the Taft-Hartley Act; and that is why the Senator from Massachusetts told me, a year ago, that there was no prospect of amending the Taft-Hartley Act.

Mr. KENNEDY. I think the Senator from Utah is correct.

Mr. WATKINS. And that is what the Senator from Georgia said about it in his time—namely, that the committee would not report such a bill. That has been the situation year after year.

Mr. KENNEDY. No; the Senator from Utah is mistaken. The fact is that so many provisions were added to the bill, that it was objectionable.

Mr. WATKINS. Objectionable to whom?

Mr. KENNEDY. It was so objectionable that the Senate voted that the bill be recommitted.

EXHIBIT 1

SUPREME COURT OF THE UNITED STATES—No. 280, OCTOBER TERM, 1956—P. S. GUSS, DOING BUSINESS AS PHOTO SOUND PRODUCTS MANUFACTURING COMPANY, APPELLANT, *v.* UTAH LABOR RELATIONS BOARD, ON APPEAL FROM THE SUPREME COURT OF UTAH

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

The question presented by this appeal and by No. 41, post, p. —, and No. 50, post, p. —, also decided this day, is whether Congress, by vesting in the National Labor Relations Board jurisdiction over labor relations matters affecting interstate commerce, has completely displaced State power to deal with such matters where the Board has declined or obviously would decline to exercise its jurisdiction but has not ceded jurisdiction pursuant to the proviso to section 10 (a) of the National Labor Relations Act.[1] It is a question we left open in *Building Trades Council* v. *Kinard Construction Co.* (346 U. S. 933).

Some background is necessary for an understanding of this problem in Federal-State relations and how it assumed its present importance. Since it was first enacted in 1935, the National Labor Relations Act[2] has empowered the National Labor Relations Board "to prevent any person from engaging in any unfair labor practice * * * [defined by the act] affecting commerce."[3] By this language and by the definition of "affecting commerce" elsewhere in the act,[4] Congress meant to reach to the full extent of its power under the commerce clause. (*Labor Board* v. *Fainblatt* (306 U. S. 601, 606–607).) The Board, however, has never exercised the full measure of its jurisdiction. For a number of years, the Board decided case by case whether to take jurisdiction. In 1950, concluding that "experience warrants the establishment and announcement of certain standards" to govern the exercise of its jurisdiction, *Hollow Tree Lumber Co.* (91 N. L. R. B. 635, 636), the Board published standards, largely in terms of yearly dollar amounts of interstate inflow and outflow.[5] In 1954, a sharply divided Board, see *Breeding Transfer Co.* (110 N. L. R. B. 493), revised the jurisdictional standards upward.[6] This Court has never passed and we do not pass today upon the validity of any particular declination of jurisdiction by the Board or any set of jurisdictional standards.[7]

How many labor disputes the Board's 1954 standards leave in the twilight zone between exercised Federal jurisdiction and unquestioned State jurisdiction is not known.[8] In any case, there has been recently a substantial volume of litigation raising the question stated at the beginning of this opinion, of which this case is an example.[9]

Appellant, doing business in Salt Lake City, Utah, manufactures specialized photographic equipment for the Air Force on a contract basis. To fulfill his Government contracts he purchased materials from outside Utah in an amount "a little less than $50,000." Finished products were shipped to Air Force bases, one within Utah and the others outside. In 1953 the United Steelworkers of America filed with the National Labor Relations Board a petition for certification of that union as the bargaining representative of appellant's employees. A consent election was agreed to, the agreement reciting that appellant was engaged in commerce within the meaning of section 2 (6), (7) of the National Labor Relations Act. The union won the election and was certified by the National Board as bargaining representative. Shortly thereafter the union filed with the National Board charges that appellant had engaged in unfair labor practices proscribed by section 8 (a) (1), (3) and (5) of the act.[10] Meanwhile, on July 15, 1954, the Board promulgated its revised jurisdictional standards. The Board's Acting Regional Director declined to issue a complaint. He wrote on July 21:

"Further proceedings are not warranted, inasmuch as the operations of the company involved are predominantly local in character, and it does not appear that it would effectuate the policies of the act to exercise jurisdiction."

The union thereupon filed substantially the same charges with the Utah Labor Relations Board, pursuant to the Utah Labor Relations Act.[11] Appellant urged that the State Board was without jurisdiction of a matter within the jurisdiction of the National Board. The State board, however, found it had jurisdiction and concluded on the merits that appellant had engaged in unfair labor practices as defined by the Utah act. It granted relief through a remedial order. On a writ of review, the Utah Supreme Court affirmed the decision and order of the State administrative agency.[12]

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[1] 61 Stat. 146, 29 U. S. C. sec. 160 (a).

[2] 49 Stat. 449, as amended, 61 Stat. 136, 29 U. S. C. sec. 151 et seq.

[3] Sec. 10 (a), 49 Stat. 453, left unchanged in this particular by the Taft-Hartley amendments, 61 Stat. 146, 29 U. S. C. sec. 160 (a).

[4] "The term 'affecting commerce' means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce." Sec. 2 (7), 49 Stat. 450, left unchanged by the Taft-Hartley amendments, 61 Stat. 138, 29 U. S. C. sec. 152 (7).

[5] The NLRB's press release of October 6, 1950, can be found at 26 LRR Man. 50.

[6] The NLRB's press release of July 15, 1954, can be found at 34 LRR Man. 75.

[7] But see *Labor Board* v. *Denver Building & Construction Trades Council* (341 U. S. 675, 684).

[8] Members of the Board disagreed as to the impact of the revision. See *Breeding Transfer Co.* (110 N. L. R. B. 493, 498–500, 506–508).

[9] Among the cases in which courts have sustained State jurisdiction where the Board declines or would decline jurisdiction are *Garmon* v. *San Diego Building Trades Council* (45 Cal. 2d 657, 291 P. 2d 1); *Building Trades Council* v. *Bonito* (— Nev. —, 280 p. 2d 295); *Hammer* v. *Local 211, United Textile Workers* (34 N. J. Super. 34, 111 A. 2d 308); *Dallas General Drivers* v. *Jax Beer Co.* (276 S. W. 2d 384 (Tex. Civ. App.)). On the other side are *Retail Clerks* v. *Your Food Stores* (225 F. 2d 659); *Universal Car & Service Co.* v. *International Assn. of Machinists* (35 LRR Man. 2087 (Mich. Cir. Ct.)); *New York Labor Board* v. *Wags Transportation System* (130 N. Y. S. 2d 731 aff'd, 284 App. Div. 883, 134 N. Y. S. 2d 603).

[10] 61 Stat. 140, 141, 29 U. S. C. sec. 158 (a) (1), (3), (5).

[11] Utah Code Ann., 1953, 34–1–1–15.

[12] 5 Utah 2d 68, 296 p. 2d 733.

On these facts we start from the following uncontroverted premises:

(1) Appellant's business affects commerce within the meaning of the National Labor Relations Act, and the National Labor Relations Board had jurisdiction. (*Labor Board* v. *Fainblatt, supra*).

(2) The National act expressly deals with the conduct charged to appellant which was the basis of the State tribunals' actions. Therefore, if the National Board had not declined jurisdiction, State action would have been precluded by our decision in *Garner* v. *Teamsters Union* (346 U. S. 485).

(3) The National Board has not entered into any cession agreement with the Utah board pursuant to section 10 (a) of the National act.

Section 10 (a) provides:

"The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This however shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation, except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provisions of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith."

The proviso to section 10 (a), italicized in the quotation above, was one of the Taft-Hartley amendments to the National Labor Relations Act. Timing and a reference in one of the committee reports indicate that it was drafted in response to the decision of this Court in *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767).[13] In *Bethlehem* foremen in an enterprise affecting commerce petitioned the New York State Labor Relations Board for certification as a bargaining unit. At that time the National Board was declining, as a matter of policy, to certify bargaining units composed of foremen. The Court held that the Federal policy against certifying foremen's units must prevail. However, it took occasion to discuss the efforts of the two boards to avoid conflicts of jurisdiction.

"The National and State Boards have made a commendable effort to avoid conflict in this overlapping state of the statutes. We find nothing in their negotiations, however, which affects either the construction of the Federal statute or the question of constitutional power insofar as they are involved in this case, since the National Board made no concession or delegation of power to deal with this subject. The election of the National Board to decline jurisdiction in certain types of cases, for budgetary or other reasons presents a different problem which we do not now decide." (Id., at 776.)

Three Justices were led to concur specially, because, as it was stated for the three:

"I read * * * [the Court's opinion] to mean that it is beyond the power of the National Board to agree with State agencies enforcing laws like the Wagner Act to divide, with due regard to local interests, the domain over which Congress had given the National Board abstract discretion but which, practically, cannot be covered by it alone. If such cooperative agreements between State and National Boards are barred because the power which Congress has granted to the National Board ousted or superseded State authority, I am unable to see how State authority can revive because Congress has seen fit to put the Board on short rations." (Id., at 779.)

Thus, if the opinion of the Court did not make manifest, the concurring opinion did, that after Bethlehem there was doubt whether a State board could act either after a formal cession by the National Board or upon a declination of jurisdiction for budgetary or other reasons. When we read section 10 (a) against this background we find unconvincing the argument that Congress meant by the proviso only to meet the first problem, that is, cession of jurisdiction over cases the National Board would otherwise handle.

The proviso is directed at least equally to the type of cases which the Board might decline for budgetary or other reasons to hear as to the type of cases it might wish to cede to the States for policy reasons—if, indeed, there is any difference between the two classes. Cases in mining, manufacturing, communications and transportation can be ceded only where the industry is predominantly local in character. In other industries, which Congress might have considered to be more or less typically local, it put no such limitation on the Board's power. The Senate committee spelled the matter out:

"The proviso which has been added to this subsection (sec. 10 (a)) permits the National Board to allow State labor-relations boards to take final jurisdiction in cases in borderline industries (i. e., borderline insofar as interstate commerce is concerned), provided the State statute conforms to national policy."[14]

The committee minority agreed as to the purpose of the proviso and agreed "with the majority that it is desirable thus to clarify the relations between the National Labor Relations Board and the various agencies which States have set up to handle similar problems."[15]

We hold that the proviso to section 10 (a) is the exclusive means whereby States may be enabled to act concerning the matters which Congress has entrusted to the National Labor Relations Board. We find support for our holding in prior cases in this Court. In *Amalgamated Association of Employees* v. *Wisconsin Board* (340 U. S. 383, 397–398), the Court said:

"The legislative history of the 1947 act refers to the decision of this Court in *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767 (1947)), and, in its handling of the problems presented by that case, Congress demonstrated that it knew how to cede jurisdiction to the States. Congress knew full well that its labor legislation 'preempts the field that the act covers insofar as commerce within the meaning of the act is concerned' and demonstrated its ability to spell out with particularity those areas in which it desired State regulation to be operative."

In a footnote to the first sentence quoted above the Court cited section 10 (a) and described its authorization to cede jurisdiction only where the State law is consistent with the national legislation as insuring "that the national labor policy will not be thwarted even in the predominantly local enterprises to which the proviso applies." (Id., n. 23. See also *Algoma Plywood & Veneer Co.* v. *Wisconsin Board* (336 U. S. 301, 313); *California* v. *Zook* (336 U. S. 725, 732).)

Our reading of section 10 (a) forecloses the argument based upon such cases as *Welch Co.* v. *New Hampshire* (306 U. S. 79), and *Missouri Pacific R. Co.* v. *Larabee Flour Mills Co.* (211 U. S. 612), that "where Federal power has been delegated but lies dormant and unexercised," *Bethlehem Steel Co.* v. *New York Labor Board, supra*, at 775, the States' power to act with respect to matters of local concern is not necessarily superseded. But in each case the question is one of Congressional intent. Compare *Welch Co.* v. *New Hampshire, supra*, with *Napier* v. *Atlantic Coast Line R. Co.* (272 U. S. 605). And here we find not only a general intent to preempt the field but also the proviso to section 10 (a), with its inescapable implication of exclusiveness.

We are told by appellee that to deny the State jurisdiction here will create a vast no-man's-land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress' power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no-man's-land.

Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no-man's-land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction.[16] The National Labor Relations Board can greatly reduce the area of the no-man's-land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a).[17] The testimony given by the Chairman of the Board before the Appropriations Committees shortly before the 1954 revisions of the jurisdictional standards indicates that its reasons for making that change were not basically budgetary. They had more to do with the Board's concept of the class of

[13] The *Bethlehem* decision was handed down April 7, 1947. The proviso to section 10 (a) first appeared when S. 1126, which contained the substance of what was to become the Taft-Hartley Act, was reported out of committee April 17. (See S. Rept. No. 105, pt. 2, 80th Cong., 1st sess. 38.)

[14] S. Rept. No. 105, 80th Cong., 1st sess., p. 26.

[15] S. Rept. No. 105, pt. 2, 80th Cong., 1st sess., p. 38. The minority members also said, "We think the clarification of relations between the Federal and State boards contemplated under section 10 (a) a wise solution to a complex problem" (id., at 41. See also S. Rept. No. 986, 80th Cong., 2d sess., pp. 30–31).

[16] The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or no-man's land with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief" (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that "When the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no-man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction" (Id., pt. 2, p. 14). The Committee's bill, S. 2650, was recommitted (CONGRESSIONAL RECORD, vol. 100, pt. 5, p. 6203).

[17] The National Labor Relations Board has informed us in its brief amicus curiae in these cases that it has been unable, because of the conditions prescribed by the proviso to section 10 (a), to consummate any cession agreements.

cases to which it should devote its attention.[18]

The judgment of the Supreme Court of Utah is reversed.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

SUPREME COURT OF THE UNITED STATES—NOS. 280, 41 AND 50, OCTOBER TERM, 1956—P. S. GUSS, DOING BUSINESS AS PHOTO SOUND PRODUCTS MANUFACTURING COMPANY, APPELLANT, *v.* UTAH LABOR RELATIONS BOARD, ON APPEAL FROM THE SUPREME COURT OF UTAH; AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, LOCAL NO. 427, AFL, ET AL., PETITIONERS, *v.* FAIRLAWN MEATS, INC., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF OHIO; SAN DIEGO BUILDING TRADES COUNCIL, ET AL., PETITIONERS, *v.* J. S. GARMON, ET AL., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(March 25, 1957)

Mr. Justice Burton, whom Mr. Justice Clark joins, dissenting.

I believe the Court is mistaken in its interpretation of the proviso which Congress added to section 10 (a) of the National Labor Relations Act in 1947.[1] It is my view that the proviso was added merely to make it clear that the National Labor Relations Board had the power, by making specific agreements, to cede jurisdiction to State or Territorial agencies over certain labor disputes. Congress sought thereby to facilitate State cooperation in the supervision of labor practices affecting interstate commerce. The Court is not justified in interpreting this action as evidencing an unexpressed and sweeping termination of the States' preexisting power to deal with labor matters over which the Board, for budgetary or other administrative reasons, has declined, or obviously would decline, to exercise its full jurisdiction.

The Labor Acts of 1935 and 1947 granted to the Board extensive jurisdiction over labor controversies affecting interstate commerce but neither act required the Board to assert at all times the full measure of its jurisdiction. In each act the first sentence of section 10 (a) "empowered," but did not direct, the Board to prevent unfair labor practices. Likewise, the first sentence of section 10 (b) granted the "power," instead of imposing the duty, to issue complaints upon receipt of appropriate charges.[2] The Board is not a court whose jurisdiction over violations of private rights must be exercised. It is an administrative agency whose function is to adjudicate public rights in a manner that will effectuate the policies of the act. (See *Amalgamated Utility Workers* v. *Consolidated Edison Co.* (309 U. S. 261)).

From the beginning, budgetary limitations and other administrative considerations have prevented the Board from exercising jurisdiction over all cases in which interstate commerce was affected. Congress knew this when, in 1947, it left unchanged the discretionary language of section 10 and added the proviso to section 10 (a). Congress has consistently refrained from appropriating funds sufficient to permit the Board to entertain all complaints within its jurisdiction. In recent years Congress has repeatedly recognized the Board's jurisdictional practice.[3] In *Labor Board* v. *Denver Bldg. Council* (341 U. S. 675, 684), this Court said that "Even when the effect of activities on interstate commerce is sufficient to enable the Board to take jurisdiction of a complaint, the Board sometimes properly declines to do so, stating that the policies of the act would not be effectuated by its assertion of jurisdiction in that case." Courts of Appeals have approved the Board's practice[4] and none of the parties to the instant cases question it.

Unless restricted by the proviso added to section 10 (a), there is little doubt that the States have the necessary power to act in labor controversies within their borders, even when interstate commerce is affected, provided the Federal Government has not occupied the field and the National Board has not taken jurisdiction. Where the Board has declined, or obviously would decline, to take jurisdiction, then Federal power lies dormant and unexercised. *Bethlehem Steel Co.* v. *New York Labor Board* (330 U. S. 767, 775). Unless the proviso stands in their way, the States may then exercise jurisdiction since their action will not conflict with the Board's administration of the act.[5] Substantive provisions of the act may limit the action of the States. See *United Mine Workers* v. *Arkansas Oak Flooring Co.* (351 U. S. 62, 75). But the States are not deprived of all power to act.[6]

By this decision the Court restricts the power of the States to those labor disputes over which the National Board expressly cedes its jurisdiction to the appropriate State agencies. However, the proviso's requirements are so highly restrictive that not a single cession has been made under it.[7] The result of this decision is the creation of an extensive of no-man's land within which no Federal or State agency or court is empowered to deal with labor controversies. It is difficult to believe that Congress sub silentio, intended to take such a step backward in the field of labor relations.

The immediate occasion that led to the enactment of the proviso throws light on its proper interpretation. That occasion was this Court's decision in the *Bethlehem* case, supra, where it was held that a State board did not have jurisdiction to certify a union of foremen as a collective-bargaining agency because the National Board, by asserting general jurisdiction over foremen's unions, had occupied the field.[8] Although an agreement had been negotiated between the National Board and the State board ceding jurisdiction over certain labor matters, this Court concluded that the agreement did not cede jurisdiction over foremen's unions. Three Justices decried certain overtones they found in the opinion of the Court to the effect that the National Board lacked authority to cede jurisdiction over predominantly

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[18] Hearings before Subcommittee of House Committee on Appropriations, Department of Labor and Related Independent Agencies (83d Cong., 2d sess. 309, 315, 323).

[1] Section 10 (a) of the National Labor Relations Act of 1935, 49 Stat. 453, was amended by the Labor Management Relations Act of 1947 by the addition of the proviso shown below:

"SEC. 10 (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith" (61 Stat. 146, 29 U. S. C. sec. 160 (a)).

[2] "(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint. * * * " (48 Stat. 453, 61 Stat. 146, 29 U. S. C. sec. 160 (b)).

[3] See report of the Joint Committee on Labor-Management Relations, S. Rept. No. 986, pt. 3, 80th Cong., 2d sess., 11–15; S. Rept. No. 99, 81st Cong., 1st sess., 40; H. R. Rept. No. 1852, 81st Cong, 2d sess., 10; hearings before Senate Committee on Labor and Public Welfare on S. 249, pt. 1, 81st Cong., 1st sess., 175–177; hearings before Senate Committee on Expenditures in the Executive Departments on S. Res. 248, 81st Cong., 2d sess., 40, 120.

[4] E. g., *Optical Workers' Union* v. *Labor Board* (227 F. 2d 687); *Local Union No. 12* v. *Labor Board* (189 F. 2d 1); *Haleston Drug Stores* v. *Labor Board* (187 F. 2d 418). See *Labor Board* v. *Indiana & Michigan Electric Co.* (318 U. S. 9, 18–19). The Board discusses its jurisdictional practice in *Breeding Transfer Co.* (110 N. L. R. B. 493). See also, Note, Discretionary Administrative Jurisdiction of NLRB Under the Taft-Hartley Act (62 Yale L. J. 116 (1952)).

[5] "The care we took in the *Garner* case (346 U. S. 485) to demonstrate the existing conflict between State and Federal administrative remedies in that case was, itself, a recognition that if no conflict had existed, the State procedure would have survived." *United Construction Workers* v. *Laburnum Construction Corp.* (347 U. S. 656, 665). See also *Weber* v. *Anheuser-Busch, Inc.* (348 U. S. 468, 479–480).

[6] See *Southern Pacific Co.* v. *Arizona ex rel. Sullivan* (325 U. S. 761); *Terminal Railroad Assn.* v. *Brotherhood of Railroad Trainmen* (318 U. S. 1); *H. P. Welch Co.* v. *New Hampshire* (306 U. S. 79); *Northwestern Bell Telephone Co.* v. *Nebraska Railway Commission* (297 U. S. 471); *Missouri Pacific R. Co.* v. *Larabee Flour Mills Co.* (211 U. S. 612).

[7] The National Labor Relations Board in its brief filed in these cases states that—

"It should be noted here that the Board has been unable, because of the prescribed conditions, to consummate any such agreements. Congress has been aware of this situation and considered the feasibility of deleting these conditions in order to reduce the tremendous volume of cases brought before the Board. S. Rept. 986, Joint Committee Report, 80th Cong., 2d sess., 31 (1948). Congress, however, has taken no action in this regard. The advocates of Federal preemption argue from this post-legislative history that Congress has thereby manifested its intent to preclude State action in the absence of cession by the Board. Precisely what inference may be drawn from such Congressional inaction is, in our judgment, wholly speculative."

[8] "It (the National Board) made clear that its refusal to designate foremen's bargaining units was a determination and an exercise of its discretion to determine that such units were not appropriate for bargaining purposes. *Maryland Drydock Co.*, (49 N. L. R. B. 733). We cannot, therefore, deal with this as a case where Federal power has been delegated but lies dormant and unexercised.

"The Federal board has jurisdiction of the industry in which these particular employers are engaged and has asserted control of their labor relations in general. It asserts, and rightfully so, under our decision in the *Packard* case, supra, its power to decide whether these foremen may constitute themselves a bargaining unit. We do not believe this leaves room for the operation of the State authority asserted" (330 U. S., at 775, 776).

local labor matters by agreement with State agencies. It was to clarify the power of the National Board to make such a cession that the proviso was added to section 10 (a).

While the proviso thus evidenced a Congressional purpose to encourage State action, there is no indication that it was intended to wipe out, by implication, the States recognized power to act when the National Board declined to take jurisdiction. Neither the language of the proviso nor its legislative history discloses a conscious Congressional intent to eliminate State authority, when the National Board has declined to act. Unequivocal legislative history would be necessary to sustain a conclusion that Congress intended such a drastic result. In the *Bethlehem* case, supra, the Court did not question the authority of the States to act when the Board, for budgetary or other administrative reasons, declined to exercise its full jurisdiction. The Court expressly refrained from passing on that question[9] but three Justices said that they found in the opinion of the Court a "suggestion that the National Board's declination of jurisdiction 'in certain types of cases, for budgetary or other reasons' might leave room for the State in those situations * * *" (330 U. S., at 778).

As a matter of fact, in 1947, nearly 40 States lacked labor agencies and comprehensive labor legislation.[10] Obviously, those States were ineligible to take advantage of the proviso. It is hard to imagine that Congress meant to make the proviso the exclusive channel for State jurisdiction when so many States would be automatically excluded from using it. The full mission of the proviso was to supply the National Board with express authority to cede jurisdiction over labor disputes by agreement where, as a matter of deliberate judgment, it concluded that due regard for local interests made that course desirable. The Board's jurisdictional yardsticks always have reflected its need to distribute its limited resources so as to best effectuate the policies of the act. The Board does not cede jurisdiction when it declines to exercise its full jurisdiction; it merely allows the States to exercise their preexisting authority.[11]

The Court's interpretation of the proviso is contrary to the established practice of the States and of the National Board, as well as to the considered position taken by the Board as amicus curiae. Congress has demonstrated a continuing and deep interest in providing governmental machinery for handling labor controversies. The creation by it of a large, unsupervised no-man's land flies in the face of that policy. Due regard for our Federal system suggests that all doubts on this score should be resolved in favor of a conclusion that would not leave the States powerless when the Federal agency declines to exercise its jurisdiction. As three Justices said in the *Bethlehem* case, supra:

"Since Congress can, if it chooses, entirely displace the States to the full extent of the far-reaching commerce clause, Congress needs no help from generous judicial implications to achieve the supersession of State authority. To construe Federal legislation so as not needlessly to forbid preexisting State authority is to respect our Federal system. Any indulgence in construction should be in favor of the States, because Congress can speak with drastic clarity whenever it chooses to assure full Federal authority, completely displacing the States" (330 U. S., at 780).

I would sustain the jurisdiction of the respective States in these cases.

SUPREME COURT OF THE UNITED STATES—No. 41, OCTOBER TERM, 1956—AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, LOCAL NO. 427, AFL, ET AL., PETITIONERS *v.* FAIRLAWN MEATS, INC., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF OHIO

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

Respondent operates 3 meat markets in the vicinity of Akron, Ohio. All of its sales are intrastate, but of its purchases in 1 year totaling not quite $900,000, slightly more than $100,000 worth came from outside Ohio directly and as much or more indirectly. Petitioner union, after an unsuccessful attempt to organize respondent's employees, asked respondent for recognition as their bargaining agent and for a union shop contract. When respondent refused to enter into such a contract, the union picketed respondent's stores and put some secondary pressure on its suppliers. Upon respondent's complaint, the Court of Common Pleas enjoined the union from picketing respondent, from trespassing upon respondent's premises and from exerting secondary pressure on the suppliers. Petitioners objected throughout that the jurisdiction of the National Labor Relations Board was exclusive. On appeal, the Ohio Court of Appeals found that respondent's business was "purely of a local character" and interstate commerce, therefore, was not burdened or obstructed. The Court of Appeals held that the union's picketing was unlawful according to Ohio policy, and it continued in effect the injunction granted by the court of common pleas.[1] The Ohio Supreme Court dismissed an appeal "for the reason that no debatable constitutional issue is involved."[2]

We do not agree that respondent's interstate purchases were so negligible that its business cannot be said to affect interstate commerce within the meaning of section 2 (7) of the National Labor Relations Act.[3] Cf. *Labor Board* v. *Denver Building & Construction Trades Council* (341 U. S. 675, 683–685). In this case, unlike No. 280 ante, page —, and No. 50, post, page —, no effort was made to invoke the jurisdiction of the National Relations Board. Although the extent of respondent's interstate activity seems greater even than that in *Building Trades Council* v. *Kinard Construction Co.*, (346 U. S. 933), we will assume that this is a case where it was obvious that the Board would decline jurisdiction.[4]

On this view of the case, our decision in *Guss* v. *Utah Labor Relations Board, ante,* page —, controls. If the proviso to section 10 (a) of the National Labor Relations Act operates to exclude State labor boards from disputes within the National Board's jurisdiction in the absence of a cession agreement, it must also exclude State courts. See *Garner* v. *Teamsters Union* (346 U. S. 485, 491). The conduct here restrained—an effort by a union not representing a majority of his employees to compel an employer to agree to a union shop contract—is conduct of which the National Act has taken hold. Section 8 (b) (2), 61 Stat. 141, 29 U. S. C. Section 158 (b) (2.) *Garner* v. *Teamsters Union, supra,* teaches that in such circumstances a State cannot afford a remedy parallel to that provided by the act.

It is urged in this case and its companions, however, that State action should be permitted within the area of commerce which the National Board has elected not to enter when such action is consistent with the policy of the national act. We stated our belief in *Guss* v. *Utah Labor Relations Board, ante,* that "Congress has expressed its judgment in favor of uniformity." We add that Congress did not leave it to State labor agencies, to State courts or to this Court to decide how consistent with Federal policy State law must be. The power to make that decision in the first instance was given to the National Labor Relations Board, guided by the language of the proviso to section 10 (a). This case is an excellent example of one of the reasons why, it may be, Congress was specific in its requirement of uniformity. Petitioners here contend that respondent was guilty of what would be unfair labor practices under the national act and that the outcome of proceedings before the National Board would, for that reason, have been entirely different from the outcome of the proceedings in the State courts. Without expressing any opinion as to whether the record bears out its factual contention, we note that the opinion of the Ohio Court of Appeals takes no account of the alleged unfair labor practice activity of the employer. Thus, it cannot be said with certainty whether the State court's decree is consistent with the national act.

One final point remains to be considered. At two of respondent's stores, located in suburban shopping centers, the picketing occurred on land owned by or leased to respondent though open to the public for access to the stores. As one of the reasons for finding the picketing unlawful, the court of appeals recited this fact, and "trespassing upon plaintiff's property" is one the activities specifically enjoined. Whether a State may frame and enforce an injunction aimed narrowly at a trespass of this sort is a question that is not here. Here the unitary judgment of the Ohio court was based on the erroneous premise that it had power to reach the union's conduct in its entirety. Whether its conclusion as to the mere act of trespass would have been the same outside of the context of petitioner's other conduct we cannot know. The judgment therefore is vacated and the case remanded for proceedings not inconsistent with this opinion.

Vacated and remanded.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

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[9] "The National and State boards have made a commendable effort to avoid conflict in this overlapping state of the statutes. We find nothing in their negotiations, however, which affects either the construction of the Federal statute or the question of constituted power insofar as they are involved in this case, since the National Board made no concession or delegation of power to deal with this subject. The election of the National Board to decline jurisdiction in certain types of cases, for budgetary or other reasons presents a different problem which we do not now decide" (30 U. S., at 776).

[10] In 1947 only 11 States had comprehensive labor statutes. Of those, 8 had established an administrative procedure for the adjudication of unfair labor practices while 3 had left these matters to conventional law-enforcement agencies—prosecuting attorneys and regular courts. See Killingsworth, State Labor Relations Acts (1948), 1–3, 111–112. Labor legislation in the other 37 States was fragmentary. Killingsworth said of these laws "that they are aimed exclusively at one or a few union practices, place few or no restrictions on employers, and do not attempt to establish a comprehensive labor relations policy" (id., at 3).

[11] When in 1954 the Board revised upward its jurisdictional yardsticks, it stated that "a desire to establish broader State jurisdiction is in no wise a factor in our decision" (*Breeding Transfer Co.*, 110 N. L. R. B. 493, 497).

[1] 99 Ohio App. 517, 135 N. E. 2d 689.

[2] 164 Ohio St. 285, 130 N. E. 2d 237.

[3] 61 Stat, 138, 29 U. C. C., sec. 152 (7).

[4] The Board's current standards for asserting jurisdiction over retail stores call for annual direct imports from out of State of $1 million or indirect imports of $2 million. *Hogue & Knott Supermarkets* (110 N. L. R. B. 543). We leave aside the question whether the presence of secondary pressure on respondent's suppliers would have affected the Board's decision whether to take jurisdiction.

SUPREME COURT OF THE UNITED STATES—No. 50, OCTOBER TERM, 1956—SAN DIEGO BUILDING TRADES COUNCIL, ET AL., PETITIONERS, *v.* J. S. GARMON, ET AL., ON WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA

(March 25, 1957)

Mr. Chief Justice Warren delivered the opinion of the Court.

Respondents are a partnership, operating two retail lumber yards in San Diego County, Calif. In the year before this proceeding began they purchased more than $250,000 worth of material from outside of California for resale at retail. Petitioner unions asked them to sign a contract including a union shop provision. Respondents refused on the ground that it would be a violation of the National Labor Relations Act to sign such a contract before a majority of their employees had selected a union as their collective bargaining agent. The unions commenced peaceful picketing to enforce their demand. About a week later respondents filed suit in the superior court for an injunction and damages, alleging that they were in interstate commerce and that the contract sought by the unions would violate the act.[1] On the same day respondents filed with the National Labor Relations Board's regional office a petition asking that the question of the representation of its employees be resolved. The regional director dismissed the petition. The unions nevertheless pressed their claim that the National Board had exclusive jurisdiction.[2] After a hearing the superior court entered an order enjoining the unions from picketing or exerting secondary pressure in support of their demand for a union shop agreement unless and until one or another of the unions had been designated as the collective bargaining representative of respondents' employees. It also awarded respondents $1,000 damages. The California Supreme Court affirmed.[3] Recognizing that respondents' business affected interstate commerce, it concluded that the Board's declination, in pursuance of its announced jurisdictional policy, to handle respondents' representation petition left the State courts free to act.[4] On the merits the court said:

"The assertion of economic pressure to compel an employer to sign the type of agreement here involved is an unfair labor practice under section 8 (b) (2) of the [National Labor Relations] act. * * * Concerted activities for such a purpose thus were unlawful under the Federal statute, and for that reason were not privileged under the California law."[5]

What we have said in *Guss* v. *Utah Labor Relations Board, ante,* page —, and *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., ante,* page —, is applicable here, and those cases control this one in its major aspects. Respondents, however, argue that the award of damages must be sustained under *United Construction Workers* v. *Laburnum Construction Corp.,* (347 U. S. 656). We do not reach this question. The California Supreme Court leaves us in doubt, but its opinion indicates that it felt bound to "apply" or in some sense follow Federal law in this case. There is, of course, no such compulsion. Laburnum sustained an award of damages under State tort law for violent conduct. We cannot know that the California court would have interpreted its own State law to allow an award of damages in this different situation. We therefore vacate the judgment and remand the case to the Supreme Court of California for proceedings not inconsistent with this opinion and the opinions in *Guss* v. *Utah Labor Relations Board, supra,* and *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., supra.*

Vacated and remanded.

Mr. Justice Whittaker took no part in the consideration or decision of this case.

[1] Sec. 8 (a) (3) allows an employer to enter into a union security agreement of the type petitioners here were seeking only if the union is the bargaining representative of his employees (61 Stat. 140, 29 U. S. C. 158 (a) (3)).

[2] They also maintained that by not appealing the regional director's decision respondents had failed to exhaust their remedies under the national act. On our view of the case, we need not consider this contention.

[3] 45 Cal. 2d 657, 291 p. 2d 1.

[4] Petitioners' interstate purchases fall below the standards for retail stores. (See *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc., ante,* p. —, n. 4). The Board draws no distinction in the application of its jurisdictional standards between representation and unfair labor practice cases. (*C. A. Braukman,* (94 N. L. R. B. 1609, 1611).)

[5] 45 Cal. 2d, at 666, 291 p. 2d, at 7.

Mr. JOHNSON of Texas. Mr. President, I am prepared to yield back the remainder of time available to our side, if the Senator from California is prepared to do likewise.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time available to the Senator from Utah on his amendment has expired.

Mr. JOHNSON of Texas. Then, Mr. President, I yield back the remainder of the time available to our side; and 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 question is on agreeing to the amendment lettered "A" of the Senator from Utah [Mr. WATKINS].

Mr. JOHNSON of Texas. Mr. President, I understand that on this question the yeas and nays have been ordered. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand, Senators who favor the pending amendment will, when the vote is taken, vote "yea"; and Senators who oppose the amendment will vote "nay." Is that correct?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment lettered "A" which has been submitted by the Senator from Utah [Mr. WATKINS].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present, he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore, I abstain from casting my vote.

Mr. WILEY (when his name was called). On this vote, in accordance with the announcements previously made, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present, he would vote "nay"; If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote I have a pair with the senior Senator from Louisiana [Mr. ELLENDER]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The result was announced—yeas 35, nays 51, as follows:

YEAS—35

Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Bennett	Flanders	Potter
Bricker	Goldwater	Purtell
Bridges	Hickenlooper	Revercomb
Bush	Hoblitzell	Saltonstall
Butler	Hruska	Schoeppel
Capehart	Jenner	Smith, N. J.
Carlson	Knowland	Thye
Case, S. Dak.	Kuchel	Watkins
Cotton	Martin, Iowa	Williams
Curtis	Martin, Pa.	

NAYS—51

Aiken	Holland	Monroney
Anderson	Humphrey	Morse
Beall	Ives	Murray
Bible	Jackson	Neuberger
Carroll	Javits	O'Mahoney
Case, N. J.	Johnson, Tex.	Pastore
Church	Johnston, S. C.	Payne
Clark	Kefauver	Proxmire
Cooper	Kennedy	Robertson
Douglas	Kerr	Russell
Eastland	Langer	Smathers
Ervin	Long	Smith, Maine
Frear	Magnuson	Sparkman
Fulbright	Malone	Stennis
Gore	Mansfield	Symington
Hayden	McClellan	Talmadge
Hill	McNamara	Thurmond

NOT VOTING—9

Byrd	Green	Wiley
Chavez	Hennings	Yarborough
Ellender	Lausche	Young

So Mr. WATKINS' amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to lay on the table the motion of the Senator from Montana.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment 4-23-58-B, and I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. JOHNSON of Texas. Mr. President, I hope all Senators will give the Senator from Nebraska a yea and nay vote on this amendment.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is the time for the reading of the amendment to be taken from my time?

The PRESIDING OFFICER. In answer to the inquiry of the Senator from Nebraska, the Chair will state the time for reading the amendment does not come out of the Senator's time.

Mr. CURTIS. I thank the Chair. Mr. President, I offer the amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 17, it is proposed to strike out "This" and insert in lieu thereof "sections 1 through 18 of this."

At the end of the bill add the following:

SEC. —. The Labor Management Relations Act, 1947, as amended, is hereby further amended as follows:

(a) Section 8 (b) (4) of title I of such act is amended to read as follows:

"(4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(A) causing or attempting to cause any employer or self-employed person to join any labor or employer organization;

"(B) causing or attempting to cause an employer or other person to cease doing business with any other person;

"(C) causing or attempting to cause any other employer to recognize or bargain with a labor organization as the representative of his employees unless such labor organization has been certified as the representative of such employees under the provision of section 9;

"(D) causing or attempting to cause any employer to interfere with his employees' right to join or refrain from joining a labor organization as set forth in section 7;

"(E) causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3);

"(F) causing or attempting to cause any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work; *Provided*, That nothing contained in subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act."

(b) Section 10 (1) of title I of such act is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph (4) (A), (B), (C), (D), (E), or (F) of section 8 (b), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred."

(c) Section 303 of title III of such act is amended to read as follows: "Whoever shall be injured in his business or property by reason of any act or acts which are made an unfair labor practice under section 8 (b) (4) of the National Labor Relations Act, as amended, may sue therefor in any district court of the United States subject to the limitations and provisions of section 301 of this act without respect to the amount in controversy, or in any other court having jurisdiction of the parties, and shall recover the damages by him sustained and cost of the suit."

Mr. CURTIS. Mr. President, I yield myself 20 minutes.

A secondary boycott consists of acts which take a labor dispute away from the primary participants therein to a neutral third person. Employees have a right to do many things to win their case against their employer. They can strike. They can picket. They can do any number of things. We would not change any of that. But when such acts are carried to a neutral third person we have what is described as a secondary boycott, which sometimes consists of a jurisdictional dispute. Sometimes pressure is brought on the employer. It takes many different forms.

Long before the Taft-Hartley law was enacted, a great many of our courts and agencies held that a secondary boycott was unlawful. The Taft-Hartley law attempted to declare secondary boycotts unlawful. A number of loopholes have developed. I discussed a number of those last week, when this question was under consideration.

For example, in the Taft-Hartley law we made it an unfair labor practice to apply pressure or coerce the employees of a neutral third concern, but we failed to prohibit the coercion of the employer. That is one loophole. That is taken care of.

We do not seek out labor unions and ask to punish them or restrict them. What we are seeking is equality before the law for all persons and groups. Groups in America, whether they be competitors or members of some other group, cannot conspire to boycott another person and drive him out of business. All we seek to establish is the principle of equality before the law. This is not a new principle. Congress has had the subject under study all through the years. The Taft-Hartley law attempted to outlaw secondary boycotts, but, as I say, 4 or 5 loopholes have been discovered, and they are frequently used.

The victims who are really hurt when a secondary boycott is invoked are usually small businesses. They are employees of small independent merchants, or perhaps smaller corporations.

The Senate Select Committee on Improper Activities in the Labor or Management Field took considerable testimony on secondary boycotts. The secondary boycott was one of the weapons used in the prolonged Kohler strike, but the evidence indicated that the secondary boycott did not hurt the Kohler Co. at all. The secondary boycott injured the small businesses involved.

The other day I spoke of the boycott being carried from Kohler's plant to Jackson, Mich., where the Link Co. was boycotted—an independent concern not related to Kohler's, yet their customers were harassed and intimidated, and prevented from entering the Link Co.

We also took evidence concerning the boycott of the Hartshorn Bros. Co. in the Los Angeles area. They were plumbing suppliers. They were in no way connected with the Kohler Co. They were not responsible for the trouble there, but the boycott was extended more than half way across the United States, and an independent merchant was boycotted. His place of business was picketed. He had no labor dispute. The customers either could not enter, or were frightened or intimidated. In that case the acts were so flagrant that when the Hartshorn Co. asked for injunctive relief, the UAW came into court and confessed its wrong, and agreed to a consent decree.

I have before me a communication from Los Angeles, Calif., with reference to another matter. It reads in part:

> My client employs 300 people, all of whom are members of a large international union. Secondary boycotts applied against this company have caused my client to lose over 100 customers.

There was no labor dispute involved. The other day I discussed at length the situation of the Burt Manufacturing Co. They make ventilators. They have a union, a certified union. It is the AFL-CIO Steelworkers Union. The men are satisfied with their union. There is no dispute on wages, hours, or working conditions. But another union, the Sheet Metal Workers Union, has boycotted Burt products in many States of the Union for 10 long years. It has carried that boycott to contractors, suppliers, builders, and businesses of all kinds. In other words, the victim of a secondary boycott can be described as an innocent bystander.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I yield very briefly, because my time is limited.

Mr. LAUSCHE. I should like to supplement the statement made by the Senator from Nebraska by pointing out that in the Burt case secondary boycott, the Sheet Metal Workers Union, by its threat not to work on Burt products, induced the architect of the State of Ohio to deny to the Burt Co. a contract, although the Burt Co. was the lowest and best bidder. I point out that this architect, when he weighed the power of the State government against the power of the Sheet Metal Workers Union, in effect, conceded that the Sheet Metal Workers Union was more powerful than the government itself.

Mr. CURTIS. I thank the Senator.

Mr. LAUSCHE. This is a vital question.

Mr. CURTIS. I thank the Senator.

I hold in my hand a letter from a company in St. Louis, Mo. This is a paragraph from the letter:

We, ourselves, were subject to a case of picketing for organizational purposes, when not a single employee wanted any part of Mr. Harold Gibbons' Teamsters Union. The effort was to force management to sign up and deliver the employees, like cattle, into his hands, and the employees, to evade his union, formed a company union for their own protection.

Mr. President, one of the loopholes in the law was made when Congress, in attempting to outlaw such acts, made the prohibition applicable against coercing employees, and left out coercion of the employer. Therefore, instead of coercing the employees, the union organizers go into his office and say to the employer: "If you don't sign up your employees, or if you use such and such a product, we will picket your place, or we will strike, or we will take other measures against neutral third persons who have no dispute with you."

This has caused a great deal of trouble throughout the length and breadth of the land.

Many people, including small and independent businesses, and the workers themselves, in every State of the Union, have asked for this corrective legislation over and over again throughout the years. The bill will, at the end of the year, have been before the legislative committee for 5 years.

I wish to read an account of a secondary boycott in Philadelphia, which was marked by violence:

A secondary boycott marked by violence was the weapon Philadelphia Teamster agents used to try to force more than 100 self-employed truck operators out of the oil-hauling business.

The details of this abuse of union power are disclosed by a trial examiner for the National Labor Relations Board in secondary boycott charges brought against the union by four Philadelphia oil-transporting companies.

UNION COMPULSION

The NLRB officer found that local 107, of Philadelphia Teamsters, sought to compel the Coastal Tank Lines, E. A. Gallagher & Sons, and the Leaman Transportation Co. to stop using self-employed truck operators. The three firms employed Teamster members to handle their regular truck operations, but frequently hired independents as an auxiliary force.

A business agent for local 107 sought to compel the Leaman Co. to sign a contract, in spite of the firm's agreements with other unions at 24 Leaman terminals. The union boss told Leaman that it would not be long before Leaman "had been rolled up into one ball of wax, organizationwise."

The 4th trucking firm, E. Brooke Matlack, Inc., became a secondary boycott victim when local 107 wanted control of the firm's 45 employees who are members of an independent union, the Brotherhood of Tank Truck Operators.

The experience of the Gallagher company revealed the Teamster insincerity. When union officials demanded Gallagher sign a new contract for wages and working conditions, Gallagher did so. Two days later the union called a strike because Gallagher refused to cut off the self-employed drivers.

A TYPICAL TACTIC

Business agents then told their members that Gallagher refused to sign a contract.

Local 107 also attempted a featherbedding demand when it asked Gallagher to put a 107 member on the trucks of self-employed drivers entering the Philadelphia area.

Picketing followed the strike against the four companies and Teamster agents sought to prevent the firms from doing business with such oil refineries as Gulf, Sun, Sinclair, Phillips, and Atlantic.

Violence and threats of injury to the families of drivers occurred during the strike and picketing. A Federal court injunction finally halted the picketing.

The people of the country are looking to the Congress, they are looking to the Senate for legislative relief. Many of the secondary boycotts which are taking place are against all sound principles, and they are most unfair. The secondary boycott is a weapon by which, in many cases, pressure can be applied upon the employer to force his employees into a union they do not want to join, and there have been many instances where the result has been a "sweetheart contract."

I wish to read a part of a letter from San Francisco, Calif., regarding an employer whose drivers have a Teamster contract. I might say that when I spoke on the floor of the Senate on May 4, 1956, I enumerated many instances of this vicious practice of secondary boycotts. This is what the man wrote to me:

There are many instances in which the details duplicate those which you have set forth in your remarks to the Senate for May 14, 1956. These involve not only the use of the secondary boycott as a pressure device during the bargaining for new terms of an existing labor contract, but also for the organization of employees, many of whom did not want to join the Teamsters Union. This is particularly true of office workers who are now under concerted pressure from the Teamsters Union in the Western States and whose employers feel the pressure and threats of secondary boycott from the Teamsters Union as a means of inducing them to prevail upon their office employees to become members of the Teamsters Union.

When we close these loopholes in the existing law, which was intended to end secondary boycotts, we will put an end to a great area of racketeering which has been carried on by Dave Beck and others of his kind in the Teamsters' Union.

The other day I discussed in some detail the case of the Coffey Transfer Co. in the State of Nebraska, which had operated for 26 years in a small county seat town of 2,000 people. Everyone was happy and contented. The workers did not wish to join Dave Beck's Teamsters' Union. There was no pressure applied to the workers. The pressure was applied to the management. Mr. Coffey was asked to sign a contract which would force those men into the Teamsters' Union against their will. He refused, and rightly so. What was the result? A boycott was invoked in Omaha, where the company picked up most of its freight, and no more freight was turned over to that small trucking line. Mr. Coffey appealed to the Government in Washington, the National Labor Relations Board, for an election. It took 5 long months to hold an election and count the ballots of 22 drivers. When they were counted, not a single driver voted for Dave Beck's Teamsters Union. The sad part of it is that a month before the announcement of that election, the Coffey Transfer Co. went out of business. They sold what physical property they had at a tremendous loss. The purchaser was one of the largest transportation companies which serve the great Middle West. The secondary boycott evil is one of the most potent forces for monopoly and merger today. Those 22 drivers have moved from that small community. That business has disappeared from the scene; it is no longer in existence. It is a victim of the secondary boycott, a victim of the delay of Congress to plug up the loopholes in the law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, I reserve the remainder of my time.

Mr. KUCHEL. Mr. President, I wonder if a few minutes are available to me, so that I may ask a few questions of the Senator from Nebraska.

Mr. KENNEDY. I yield 5 minutes to the Senator from California.

Mr. KUCHEL. I thank the Senator from Massachusetts.

I refer the Senator from Nebraska to page 2 of the amendment and ask him what he intends to be accomplished by a couple of the subdivisions appearing there. First, I desire to say that I oppose secondary boycotts. My question is whether the Senator's amendment may go considerably further than deal with the secondary boycott. So my first question is, What is intended by the language in lines 18, 19, and 20, on page 2, which reads as follows:

(E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

What does that mean?

Mr. CURTIS. That is largely a restatement of the whole section. This section in existing law prohibits these things; declares them to be unfair labor practices. But the way the language was written a loophole was left open. Going back to page 1, beginning on line 8, I read:

To exert, attempt to exert, or threaten to exert——

Mr. KUCHEL. Is the Senator reading from his amendment?

Mr. CURTIS. Yes. I read beginning on line 8, page 1, of my amendment:

To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion.

The object of which is to do certain things.

In existing law the word "employer" is not included. The law merely prohibits the coercing of employees. As I say, these subsections are a reiteration of the existing law.

Another change to which I call attention——

Mr. KUCHEL. If the Senator will permit me to ask him, do I understand

him correctly to say that subsection (e), on page 2, line 18, is merely a restatement of the present law?

Mr. CURTIS. Yes. Under the present law, employees cannot be coerced to join or refuse to join a labor organization, except as provided in that section.

Mr. KUCHEL. What is the exception?

Mr. CURTIS. Section (8) (a) (3) is not amended here. That also is existing law.

Mr. KUCHEL. But what I am searching for is a basis of policy for my decision on this proposed amendment. The Senator's amendment prohibits "causing or attempting to cause employees to join or refuse to join a labor organization except as provided" in another section. What is the exception?

Mr. CURTIS. "Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3)."

I was in error on that particular item. The proposed language is not found in the Taft-Hartley law.

The purpose of this paragraph is to prohibit the use of economic coercion against an employer when the objective is the forcing or requiring of employees to join or refuse to join a labor organization. Obviously, this purpose is related to that which is discussed in the previous paragraph.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KENNEDY. Mr. President, I yield 5 more minutes to the Senator from California. I think his questions are pertinent.

Mr. KUCHEL. Then, is it fair to me to suggest that here is an instance in the amendment offered by the Senator from Nebraska which does not have to do with the question of secondary boycott, but has to do with another problem which occurs to the Senator?

Mr. CURTIS. I think not.

Mr. KUCHEL. Causing or attempting to cause employees to join or refuse to join a labor organization is not relevant to the subject of a secondary boycott, is it?

Mr. CURTIS. Oh, yes. There are situations when pressure will be applied to an employer in an attempt to force the employer to compel his employees to join a labor organization.

Mr. KUCHEL. But how does that have anything to do with secondary boycott?

Mr. CURTIS. Suppose the employer refuses. The Teamsters Union will support such pressure. A picket line will be thrown around the employer's establishment. Other persons will not cross the picket line, so the employer is boycotted. He cannot receive supplies and materials he needs in his business, whether it be construction, merchandising, or what not.

Mr. KUCHEL. But in the example which the Senator has just cited, I respectfully suggest that subdivision (E) does nothing about it, and treats it not at all.

Mr. CURTIS. The section has to be read in its entirety. If I may say so, the existing law was an effort to prohibit the coercing of employees secondarily where there was no labor dispute. But loopholes have been left open of which I can enumerate 5 or 6. In the first place, I mentioned a while ago, we failed to prohibit the applying of pressure on the employer. That is one factor.

Mr. KUCHEL. May I interrupt the Senator? I most sincerely want to have him discuss subdivision (E), and I wish to turn his attention, if I may, to this question: How, under subdivision (E), as provided in the amendment, can a person cause or attempt to cause employees to join or refuse to join a labor organization?

Mr. CURTIS. I do not understand the Senator's question.

Mr. KUCHEL. This subdivision of the Senator's amendment spells out a specific and new type of activity which the Senator's amendment would prohibit, but he saves some area in which a person can cause or attempt to cause an employee to join a labor organization or to refuse to join it. I want to know what area the Senator saves. I do not understand it.

I should like to have the Senator from Massachusetts follow this questioning, because I am trying to get a little light on this complex subject.

Mr. KENNEDY. I am listening and studying carefully in an attempt to get illumination, but as yet it has not come.

Mr. CURTIS. Section 8 (a) of the Taft-Hartley Act reads in part as follows:

> It shall be an unfair labor pratcice for an employer—

Then, skipping down to subdivision (3)——

Mr. KUCHEL. For an employer?

Mr. CURTIS. Yes, for an employer.

Now I read subdivision (3) of subsection (a) of section 8:

> (3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this act, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in section 8 (a) of this act as an unfair labor practice)——

The PRESIDING OFFICER (Mr. CHURCH in the chair). The additional time yielded to the Senator from California has expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield me some additional time on the amendment, or some time on the bill?

Mr. KENNEDY. Mr. President, I yield 5 additional minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for an additional 5 minutes.

Mr. KUCHEL. Mr. President, I yield again to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from California.

I read further from section 8 (a) (3) of the Taft-Hartley Act—

> to require as a condition of employment membership therein on or after the 30th day following the beginning of such employment or the effective date of such agreement, whichever is the later, (i) if such labor organization is the representative of the employees' as provided in section 9 (a), in the appropriate collective-bargaining unit covered by such agreement when made; and (ii) if, following the most recent election held as provided in section 9 (e) the Board shall have certified that at least a majority of the employees eligible to vote in such election have voted to authorize such labor organization to make such an agreement: *Provided further*, That no employer shall justify any discrimination against an employee for nonmembership in a labor organization (A) if he has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership.

Now I can answer the Senator's question.

The section referred to in the amendment, on page 2, in line 20, is the section which permits the union shop; and my amendment does not disturb that.

Mr. KUCHEL. Let me ask this question, by way of example:

Suppose "A" is an employer; and suppose he talks to "B," an employee, and suggests to him that he would hope that employee might consider not joining a labor union: Would the employer be guilty of violating the Senator's amendment?

Mr. CURTIS. That point is not covered by my amendment. Another section of the law covers that point. What the Senator has referred to is the free-speech section of the Taft-Hartley law.

Mr. KUCHEL. But I do not see how we can misinterpret the following fairly simple language of the Senator's amendment:

> (E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided—

And so forth. Is it not abundantly clear that the intention is that if an employer causes an employee—not coerces, not intimidates, but causes—or attempts to cause, an employee to join or not to join, he will be guilty of an infraction of the Senator's amendment?

Mr. CURTIS. No; I think not. If the Senator from California will read the amendment, he will find that it applies to coercion. The amendment provides, in part:

> (4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means.

Mr. KUCHEL. What is the Senator now reading?

Mr. CURTIS. I am now reading the second line on page 2 of my amendment.

An employer cannot coerce his employees into joining or refusing to join

a labor organization; but line 20, to which the Senator from California has referred, makes an exception to that, where there is an agreement for a union shop. It does not disturb that.

Mr. KUCHEL. Let me ask the Senator from Nebraska this question——

The PRESIDING OFFICER. The additional 5 minutes yielded to the Senator from California have expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield 2 additional minutes to me?

Mr. KENNEDY. I yield 2 additional minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 2 additional minutes.

Mr. KUCHEL. Mr. President, this amendment relates to an involved, intricate field. I have voted for a large number of amendments, on the basis of what I believed the merits or demerits of those amendments to be. To me, all of them have involved questions relatively simple to resolve. The issues in them have been clear.

For instance, consider the amendment we had before us the other day—the amendment to provide for a secret ballot in the election of officers of a union. It was easy for me to determine that, so far as I was concerned, I voted in favor of that amendment. I believe in democracy in organized labor.

Consider the amendment to provide that an employer or his agent shall be guilty of a crime if either, in dealing with a representative of a union, commits unscrupulous acts to obtain a so-called sweetheart contract. It was easy for me to determine to vote in favor of that amendment; and I did so vote.

But the pending amendment is extremely difficult and complex. I do not want to make mistakes, and I do not consider myself to be an expert in this field. I am trying to find what is in the public interest.

I have said frankly, and I repeat, that I object, both as a Senator and as a citizen, to secondary boycotts. But it seems to me that a simple reading of some of the subdivisions of the pending amendment presents the Senate with an area not confined to the area of the secondary boycott, but, to the contrary, they bring new—and questionable—policy questions before the Senate.

So I hope the Senator from Massachusetts will devote his remarks to the section of the pending amendment to which I have referred, and also to subsection (c).

Mr. CURTIS. Mr. President, will the Senator from California yield again to me?

Mr. KUCHEL. Yes; but first I wish to say most respectfully——

The PRESIDING OFFICER. The additional time yielded to the Senator from California has expired.

Mr. KUCHEL. Mr. President, will the Senator from Massachusetts yield 1 additional minute to me?

Mr. KENNEDY. Yes, Mr. President; I yield 1 additional minute to the Senator from California; and then I understand there will be a quorum call, and that then the Senator from Nebraska and I each will yield ourselves 4 minutes; and then we shall be ready to vote.

Mr. CURTIS. I would not wish to limit myself to 4 minutes. Perhaps 5 or 6 minutes will suffice.

Mr. KENNEDY. Mr. President, at this time I yield 1 additional minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 1 additional minute.

Mr. KUCHEL. Mr. President, I wish to say most respectfully to my friend, the Senator from Nebraska, that I listened to his remarks in the Senate the other day, and the next morning I read them in the CONGRESSIONAL RECORD, and I have reread some of them; and I have asked my legislative assistants to develop for me some of the legal background which might help me decide how to cast my vote on the question of agreeing to the pending amendment, which, I repeat, is a most difficult and intricate one. I say that most respectfully. I wish the Senator from Nebraska and I had had an opportunity to sit down, outside the Chamber, and discuss some of these points. Our long day and night sessions have prevented that.

Mr. CURTIS. Will the Senator from California yield further to me?

The PRESIDING OFFICER. The additional time yielded to the Senator from California has expired.

Mr. KNOWLAND. Mr. President, I yield to my colleague 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes on the bill.

Mr. KUCHEL. I thank my colleague.

Mr. President, I yield now to the Senator from Nebraska.

Mr. CURTIS. Mr. President, this amendment was not hurriedly prepared and brought into the Chamber. The distinguished Senator from Kansas [Mr. SCHOEPPEL] offered a similar proposal in the 83d Congress, and it received careful study by the Legislative Drafting Service then. I introduced a bill containing similar language in the 84th Congress, and at that time a very competent staff spent a long time on it. Some of those staff members are no longer employed by the Senate, but they are still interested in this matter.

This year the Legislative Drafting Service has again spent a great deal of time on the amendment.

I regret that a committee hearing has not been held on the amendment, but we have waited for one for 5 years.

But I deny that the language of the amendment is defective. I think the amendment is well drawn.

Mr. LAUSCHE. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. I do not have the floor.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. LAUSCHE] is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, I should like to give my interpretation of this language, as I understand it; I refer to line 8, page 1, of the amendment of the Senator from Nebraska, [Mr. CURTIS].

It reads:

To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

Then, proceeding to line 18—

causing or attempting to cause—

I think it would read better if it read "to cause or attempt to cause"—

employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

Mr. KUCHEL. That means, if I may ask my able friend, that an employer cannot cause or attempt to cause his employees to refuse to join a union.

Mr. LAUSCHE. That is correct.

Mr. CURTIS. The reference is to section 8 (b) (4), unless there is a request for a union shop.

Mr. LAUSCHE. That is correct.

Mr. KUCHEL. Contrariwise, does that language mean that a representative of a labor union cannot attempt to cause an employee to join a union?

Mr. LAUSCHE. By threats.

Mr. KUCHEL. Oh, no; by picketing or by any other means.

Mr. LAUSCHE. Subsection (4) reads:

To exert, attempt to exert, or threaten to exert——

Mr. KUCHEL. Read the remainder of the sentence.

Mr. LAUSCHE. Very well——

against an employer, or employees of an employer, economic or any other type of coercion——

Mr. KUCHEL. Read on.

Mr. LAUSCHE. I continue the quotation——

by picketing or by any other means.

Mr. KUCHEL. That is where I raise a question.

Mr. LAUSCHE. I suppose that means that whenever an employee has an innocent employer, who provides agreeable working conditions, wages, and hours for his employees, no interloper can come forward and say, "You have got to fire your workers or we will make them join our union or we will picket you."

Mr. KUCHEL. I do not see that language in this amendment at all.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from Ohio have now expired.

Mr. CURTIS. Mr. President, I yield myself 1 minute.

The Senator from Ohio is correct. What is prohibited is "to exert, attempt to exert, or threaten to exert ecomonic or any other type of coercion, by picketing or any other means." It is the coercion which is prohibited, whether carried on by picketing or by any other means.

Mr. KUCHEL. Does that mean picketing per se is coercion?

Mr. CURTIS. No, it does not say that at all.

Mr. KUCHEL. It says, "by picketing." Is there such a thing as picketing which

is recognized as legal in one sense and not legal in another sense?

Mr. CURTIS. Yes; there is legal picketing and illegal picketing.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. How much time is left to the Senator from Nebraska?

The PRESIDING OFFICER. Nine minutes.

Mr. KENNEDY. Why does not he use 4 or 5 minutes, and then the absence of a quorum can be suggested?

Mr. CURTIS. I am ready to conclude my remarks after a quorum call.

Mr. KENNEDY. I will do the same. If it is agreeable to the minority leader to have a quorum call without the time being charged to either side, then the Senator from Nebraska and I will close.

The PRESIDING OFFICER. Is there objection to that understanding?

Mr. KENNEDY. With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair hears no objection, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Under the terms of the agreement, it is the understanding of the Chair that the Senator from Nebraska and the Senator from Massachusetts each have 5 minutes to present their respective positions on the pending amendment.

Mr. CURTIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Does not the Senator from Nebraska have 9 minutes remaining? I may not use all the time, but is that not correct?

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Nebraska does have 9 minutes remaining.

Mr. CURTIS. I hope I will not use all the time. I did not intend to yield the time back, and I knew of no such agreement.

The PRESIDING OFFICER. It is the understanding of the Chair that the Senator from Nebraska has 9 minutes and the Senator from Massachusetts has 5 minutes remaining. The Chair stands corrected.

Mr. CURTIS. Mr. President, I shall be very brief. I hope we can vote very shortly.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. I am aware of the inconvenience to Senators in considering legislation at this hour. On the other hand, I believe so strongly in the amendment that I want to take 2 or 3 minutes to summarize, now that a number of Senators have returned from the dining room.

The amendment I have offered would outlaw secondary boycotts. That was the original intent of the Taft-Hartley law. A number of loopholes have developed since the Taft-Hartley law was passed. My proposal does not bring in any new principle, but simply plugs the loopholes which have developed.

The distinguished Senator from Kansas [Mr. SCHOEPPEL] sponsored a bill with very similar provisions in the 83d Congress. I introduced a bill on this subject in the 84th Congress, and I introduced such a bill early in the present Congress.

Some of the finest technicians available to the Congress have worked upon the language used in the amendment. I am satisfied, as are many others, that the amendment is well written. It is not our fault we have never had a committee hearing. We have requested a hearing for 5 years. The evils of secondary boycott have gone on.

I pointed out that in the Kohler strike the secondary boycott did not hurt the Kohler Co., but instead hurt small independent business men.

We have a chance today to vote to outlaw the secondary boycott by plugging the loopholes—what we intended to do originally—or to refuse to do so and approve such practices.

Mr. President, I desire to read a few paragraphs from the Reader's Digest of August 1956 wherein some cases are reported which more eloquently point out the evil than anything I can say. However, I am going to read only one case:

> Joe the barber used to think he was just about the happiest man in New York City's Waldorf-Astoria Hotel. He was happy about the job he had held for 15 years, about the union he had helped form, about the freedom from tyrrany he had won when he fled his native country and became an American.
>
> Then Joe was caught in a squeeze he still doesn't understand. His union couldn't help him. Neither could his boss, who runs 14 barbershops. Neither could his boss' landlord, the Waldorf. Even the law gave him no protection.
>
> His troubles began when an organizer for a national barbers' union urged him and his friends to give up their small independent union and come in with the national. Joe and the 300 other members of his union decided against it.
>
> Undaunted, the big union's organizer went to Joe's boss and said, "Sign up." "How can I?" said Joe's boss. "My men have their own union and don't want yours. If I force them, I break the law." (He would violate the unfair-labor-practice provisions of the Taft-Hartley Act.) Soon pickets from the national union appeared outside the Waldorf. This union represented no men inside; Joe's boss had a contract with the independent union. Yet the picket signs proclaimed that Joe's boss was "unfair to organized labor."
>
> "Let them picket," Joe thought innocently. "They can't hurt us." Indeed, Joe's customers crossed the picket line and patronized him as usual. But on the third day Joe learned what the pickets were really for. Teamster union members, who had no quarrel with Joe's boss or the Waldorf, refused to go through the picket line to deliver food, linens, and other things without which the hotel could not operate.
>
> The squeezed Waldorf passed the squeeze to Joe's boss. If this isn't settled, he was told, neither of them could stay in business. The barbershop lease, soon to expire, would not be renewed. "If I lose my lease," Joe's unhappy boss said to his barbers, "you'll lose your jobs."
>
> So Joe and his friends, good union men all, had no choice but to join a union they didn't want.
>
> Thus Joe the Barber became another victim of labor's most dreaded weapon: the secondary boycott. With it, a union clubs an innocent bystander with whom it has no quarrel (in this case the Waldorf) to bring the union's primary adversaries (Joe's boss and Joe's independent union) to their knees.

Mr. President, we have waited on the committee for 5 years. The abuses arising from the secondary boycott are widespread. Today we have an opportunity to plug up the loopholes and do what Congress originally intended to do, to wit, to outlaw the secondary boycott.

I have done my best to present the case. The responsibility now rests on each Senator as the roll is called.

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

Mr. CURTIS. I yield.

Mr. MORTON. The Senator has presented an excellent case, and I commend him. I shall support his amendment.

Mr. CURTIS. I thank the Senator.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

As the conversation between the Senator from California and the Senator from Nebraska indicated, this is the most complicated section of the Taft-Hartley Act. I think that is the first point.

The second point is that this is an area which the McClellan committee did not investigate during its first year. It agreed that that subject would be investigated in the second year. It was looked into to some degree during the Kohler investigation. So it is not covered by a recommendation of the McClellan committee.

The third point is that the administration itself has brought forward proposed legislation dealing with the problem of changing the language of the secondary boycott provision, in order to bring it up to date. This is an area which I told the Senator from New Jersey the committee would consider.

The amendment of the administration, offered by the Senator from New Jersey, is entirely different from the language of the amendment of the Senator from Nebraska. This is an extremely far-reaching amendment. For example, under the amendment of the Senator from Nebraska it would be impossible for the workers in plant A who were on strike even to notify the workers at plant B, who might be doing the struck work.

The question of struck work and the right of employees to follow the struck work, and at least notify the employees in plant B that the work which they are doing is work which the employees in plant A would have been doing if they had not been striking, is an area into which we should not move without careful consideration.

The next point which I wish to make is that paragraph section 8 (b) (4) of title I of the act is proposed to be amended. The opening language in that particular paragraph of the amendment reads as follows:

> To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract)

against an employer, or employees of an employer, economic or any other type of coercion, by picketing, or by any other means—

That is extremely broad language. I could not define it. I do not know whether the Senator from Nebraska is prepared to define it.

Reading further—

Where an object thereof is—

* * * * *

(B) Causing or attempting to cause an employer or other person to cease doing business with any other person;

* * * * *

(E) Causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3).

I do not deny that the question of the secondary boycott needs careful examination, particularly as it affects the employee. I think it needs careful consideration, above all, because I assure the Senator that, although he may understand the language of the amendment, I do not believe that any other Member of the Senate could give an accurate definition of it. The program of the administration is entirely different. The Secretary of Labor has been studying the problem for 10 years, and has reached entirely different conclusions from those reached by the Senator from Nebraska.

I hope the amendment will be defeated.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the junior Senator from Texas [Mr. YARBOROUGH]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. WILEY (when his name was called). As previously announced, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The result was announced—yeas 26, nays 60, as follows:

YEAS—26

Allott	Cotton	Martin, Iowa
Barrett	Curtis	Martin, Pa.
Bennett	Dworshak	Morton
Bricker	Goldwater	Mundt
Bridges	Hickenlooper	Schoeppel
Butler	Hoblitzell	Watkins
Capehart	Hruska	Williams
Carlson	Jenner	Young
Case, S. Dak.	Knowland	

NAYS—60

Aiken	Humphrey	Neuberger
Anderson	Ives	O'Mahoney
Beall	Jackson	Pastore
Bible	Javits	Payne
Bush	Johnson, Tex.	Potter
Carroll	Johnston, S. C.	Proxmire
Case, N. J.	Kefauver	Purtell
Church	Kennedy	Revercomb
Clark	Kerr	Robertson
Cooper	Kuchel	Russell
Douglas	Langer	Saltonstall
Eastland	Long	Smathers
Ellender	Magnuson	Smith, Maine
Ervin	Malone	Smith, N. J.
Flanders	Mansfield	Sparkman
Frear	McClellan	Stennis
Gore	McNamara	Symington
Hayden	Monroney	Talmadge
Hill	Morse	Thurmond
Holland	Murray	Thye

NOT VOTING—9

Byrd	Fulbright	Lausche
Chavez	Green	Wiley
Dirksen	Hennings	Yarborough

So Mr. CURTIS' amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Dakota, so that he may call up the amendment he desires to offer.

Mr. MUNDT. Mr. President, I offer my amendment identified as 4-26-58-B.

The PRESIDING OFFICER. The amendment will be stated

The LEGISLATIVE CLERK. On page 26, between lines 15 and 16, it is proposed to insert the following:

(f) Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election held under the laws of the State of his legal residence, holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare or pension plan required to be registered under this act, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

Mr. MUNDT. Mr. President, I should like to have the majority leader help me get the yeas and nays. Then I shall be prepared to work out an agreement with him on a limitation of time for debating the amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent——

Mr. BUSH. Mr. President, may we have order, so that we may hear the majority leader?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the author of the amendment may have 12 minutes allowed to him in which to present the amendment, that then we shall have a quorum call, without the time being charged against anyone, and that then the proponent of the amendment shall have reserved to him 3 minutes of additional time, and the opposition shall then have 5 minutes of time allowed to it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I call to the attention of the Senate the fact that we will vote in approximately 20 minutes. We shall have a quorum call following the 12-minute presentation by the author of the amendment.

Mr. MUNDT. Mr. President, I am happy to cooperate with the majority leader in that arrangement of time for debate. I believe I can explain my amendment to the Senate in the time allotted to me.

The PRESIDING OFFICER. How much time does the Senator desire to yield himself?

Mr. MUNDT. I yield myself the 12 minutes, and I hope that I may be able to win the support of the chairman of the subcommittee——

The PRESIDING OFFICER. The Senator from South Dakota will suspend until the Senate is in order. The Senate will be in order. The Senator from South Dakota may proceed.

Mr. MUNDT. I have based the amendment, in part, on the situation described in the text of a speech delivered on November 21, 1957, by the brother of our distinguished chairman of the subcommittee, the estimable young man who serves as counsel for our select committee, Mr. Robert F. Kennedy. I should like to quote from the speech he delivered on November 21, 1957, in which he said:

The Select Committee on Improper Activities in the Labor or Management Field has been in existence for some 10 months. We have heard over 350 different witnesses in some 150 sessions. We have received over 70,000 letters of complaints of improper practices in labor-management relations.

The most disturbing situation—

I call the attention of the Senate to the superlative used by Robert F. Kennedy—

The most disturbing situation with which we have to deal is the gangster, hoodlum, racketeer, and even the Mafia infiltration of some labor unions. The implications of this activity are immense—the stakes involved are huge.

For some years now, the racketeer and gangster have been attracted to labor unions as a source of money and power—the money they can steal or extort; the power inherent in controlling large sums of money and the lives of thousands of union members. Because of present deficiencies in the law, the Federal Government has found itself powerless to deal adequately with this underworld penetration which has sought, successfully, to control unions directly, or to make deals to control them indirectly.

I should like to point out that the biggest of these funds are the pension and welfare funds; that the obvious place to which these racketeers gravitate is where they can get control of these vast sums of money. As counsel for the select committee points out, at the present time the law is defective in that connection. As anyone who has studied S. 2888 knows, it is silent on the subject of gangsters and crooks in the labor movement.

Consequently, its seems to me that we should legislate in order to correct this situation now because this is the only time we will have S. 2888 before us in this session of Congress. This is an amendment to the text of S. 2888, and at page 26, between lines 15 and 16, it would provide this language:

Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election—

Thus preserving States rights and thus preserving the right of a State to determine when a criminal shall lose his voting franchise; and when it is held by the State that he is too dangerous or corrupt to vote, he shall be held to be too dangerous or corrupt to be in charge of a welfare or pension fund of the laboring men and women of this country—

holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare pension plan required to be registered under this act, shall be fined not more than $5,000 or imprisoned not more than 5 years, or both.

It seems to me that if we are serious at all about trying to protect the welfare of the workingmen and workingwomen of this country, the very least we can do tonight, on the one occasion in 1958 when we are going to vote on this kind of proposal, is to say to the felons, to the hoodlums, to the racketeers, to the crooks who work their way into control of pension funds: "If you do it you will be acting against the law, you will be subject to fine or imprisonment because of your violation of the act."

I call the Senate's attention to page 253 of the intermediate report of the Select Committee on Improper Activities in the Labor or Management Field, the report of the committee which has labored for 18 months, which lists a number of the hoodlums who have been involved in the labor movement.

For example, to start with, there is John Dioguardi, the three-time convicted labor racketeer and suspected instigator of the blinding of Columnist Victor Riesel. This is shown by the committee report to which the distinguished junior Senator from Massachusetts himself subscribes.

Mr. KENNEDY. Mr. President, will the Senator yield to me out of my time?

Mr. MUNDT. Yes; out of the Senator's time.

Mr. KENNEDY. The Senator keeps talking about labor racketeers. I think it would be fair if the Senator recognized that our committee was set up to deal with improper activities in the labor or management field. I have not heard the Senator refer to management in the last 2 or 3 minutes.

Mr. MUNDT. Precisely. That is because I do not know of any management racketeers in this particular category. But my amendment provides for the protection of those funds both on the part of management and of labor. That is why I voted against the Allott amendment and in support of the Senator from Massachusetts to keep the bill as it should be, in my opinion, equitable and applicable to both management and labor.

Mr. KENNEDY. Mr. President, will the Senator yield further on my time?

Mr. MUNDT. On the Senator's time.

The PRESIDING OFFICER. It is the understanding of the Chair that, under the unanimous-consent agreement, the Senator from South Dakota has 12 minutes, and that those in opposition to the amendment will have no time until after the quorum call, in which case they have 15 minutes.

Mr. KENNEDY. The Senator has quoted the chief counsel, who attempts to occupy a neutral position. In the same speech to which the Senator referred, it was said:

Certain employers, because of selfish financial interests, would prefer to make sweetheart contracts with union officials to avoid paying better wages to their employees. We have developed the effect that this collusion has had on the Puerto Rican workers in New York City. We have also already considered the role of certain companies such as Anheuser-Busch, Associated Transport, Fruehauf Trailer, in the hearings that we have held in connection with Dave Beck, James Hoffa, and James Cross, of the Bakers Union.

Then the speaker went on to discuss Nathan Shefferman. In other words, I think, in the hearings we have had, plenty of improper practices have been shown on the part of both labor and management. I simply do not like to hear a constant reiteration of racketeering by labor, and nothing about management racketeers.

Mr. MUNDT. All of which, I hope, will induce Senators to vote for my amendment, because it is written to cover those in charge of pension funds, no matter who they are. Certainly I am against the racketeer, whether he is behind a six-shooter gun or a long-barrel pistol, in order to shoot somebody. The amendment applies to the whole pension- and welfare-fund system. I refer to such racketeers as were named in the hearings, as follows:

John Dioguardi * * *; Gerald Connelly, a Minneapolis dynamiter, who fled to a teamster job in the Minnesota city after being linked to a murder in Miami; Eugene (Jimmy) James, accused by the Douglas-Ives subcommittee of the $900,000 looting of the Laundry Workers International Union welfare funds; Herman and Frank Kierdorf, who landed jobs with Hoffa-controlled locals after serving penitentiary sentences for armed robbery; Ziggy Snyder, a Detroit waterfront ex-convict, who made a tidy side living in business enterprises which paid American citizens the munificent sum of $1.25 a day; Dan Keating, Louis Linteau, Sam Marrosso, and Mike Nicoletti, convicted of extorting money from contractors in Pontiac, Mich.; Angelo Melli, the Detroit prohibition hoodlum; Barney Baker, a former New York waterfront tough.

These are the characters and the type of men whom my amendment would preclude from holding positions of responsibility in union welfare funds. Unless the Senate has got itself completely into a position where it dare not legislate because the committee says, "It is not in the bill," or unless we are going to completely agree with the requests in the pile of telegrams each Senator has on his desk, which say "Pass the bill without amendment, without dotting an "i" or crossing a "t," this is the place where we can legislate and improve this bill to make it effective and protect the funds of widows, orphans, and the working people in the labor unions from the hoodlum who has muscled his way in and who in no sense or manner is stopped or curtailed by S. 2888 in its present language.

I believe that we, as Senators, have the responsibility in these yea and nay votes to measure up to the situation confronting us. There will be no other chance to vote on this amendment, because this is the time when the Senate will pass S. 2888. This amendment is not something which can be taken up when the committee meets on May 5. This is not something which can be brought out on that happy afternoon in July when everyone knows it will be too late for the House to act anyhow on any labor legislation we might then adopt. But I suspect the Senate will go through the gesture of passing a bill which will then die in the House. It will be a useless gesture.

This is the time we shall have to decide in a yea and nay vote if we will permit the hoodlums to ransack the pension funds of the working men and women of the Nation.

My office has been deluged with mail from men and women beseeching us to do something against the hoodlums, the racketeers, and the Johnny Dio's. This is the time. Now is the place, and we are the Senators who have the responsibility to act on the question in a yea and nay vote. I hope there will not be objection to the amendment simply because it comes from a Republican member of the select committee, or simply because it seems to be the practice on this legislation that because an amendment has not been considered or reported by the committee itself, we will vote "no," because by voting "no," we would be placing a great big senatorial O. K. on the continued robbing of pension funds by racketeers, hoodlums, and gangsters in America.

Mr. President, I reserve the remainder of my time.

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

Mr. MUNDT. I yield.

Mr. COOPER. When the Senator uses the word "officers," does he refer only to officers of a fund?

Mr. MUNDT. That is correct. I have tailored the amendment so it will fit into S. 2888. It does not apply to any other kind of union position although I favor its extension to other positions. This particular amendment relates only to the person who has a position of authority, responsibility, or trust, who is an employee of the welfare and pension fund.

Mr. COOPER. I suppose the amendment is intended for those offenses where there is a loss of citizenship.

Mr. MUNDT. A loss of voting citizenship.

Mr. COOPER. One has to be a citizen to vote.

Mr. MUNDT. I believe a person can remain a citizen but not vote. It protects the right of citizenship. The amendment would apply if a man's crime was so felonious or vicious that he lost the right to vote in that State, he also loses the right to hold his position in the union pension fund.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes remaining, which he is entitled to use before the quorum call. But he must use it before the quorum call. He then has 3 minutes after the quorum call.

Mr. MUNDT. That is correct.

The PRESIDING OFFICER. Under the unanimous-consent agreement, 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	Hayden	Morton
Barrett	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoblitzell	Neuberger
Bible	Holland	O'Mahoney
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Kefauver	Saltonstall
Church	Kennedy	Schoeppel
Clark	Kerr	Smathers
Cooper	Knowland	Smith, Maine
Cotton	Kuchel	Smith, N. J.
Curtis	Langer	Sparkman
Dirksen	Lausche	Stennis
Douglas	Long	Symington
Dworshak	Magnuson	Talmadge
Eastland	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Flanders	Martin, Pa.	Wiley
Frear	McClellan	Williams
Fulbright	McNamara	Young

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). A quorum is present.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from South Dakota is recognized for 3 minutes.

Mr. MUNDT. Mr. President, what I have to say is wholly repetitious for Senators who were present before. For those who were necessarily absent, I should like to point out this amendment is germane. It deals with one of the knottiest problems involved in pension and welfare funds. It completely conforms with the States rights of every State of the Union. It provides that officials who have committed crimes which are so serious and felonious and against the public interest that the States have thought they should be deprived of the right to vote should also be deprived of the right to hold positions in unions.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I yield to the Senator from New York.

Mr. JAVITS. This applies equally to employers and employees or the representatives of either, does it not?

Mr. MUNDT. Precisely, because it applies to the bill, which deals with both funds.

Mr. JAVITS. May I say it is very well drawn in terms of applicability to individual State laws, so there is no uncertainty about it.

Mr. MUNDT. I appreciate that comment.

Mr. President, I hope this amendment can be adopted by unanimous vote. I cannot conceive of the Senate, or any substantial portion of the Senate, voting to place its stamp of approval on corruption. I do not want to array brother against brother. I quoted the brother of a Senator only in the hope that the chairman of the subcommittee might be induced to accept the amendment, because BOB KENNEDY said: "The most disturbing situation with which we have to deal is the gangster, hoodlum, racketeer, and even the Mafia infiltration of some labor unions."

This will stop such infiltration, because it will prevent such persons from holding union office.

I think the amendment should be adopted unanimously, so the racketeers will know they do not have any friends in the United States Senate.

Mr. KENNEDY. Mr. President, we attempt to deal with the problem in the bill by providing that the Secretary of Labor shall make a study of standards which are necessary for all jurisdictions under the program. The amendment of the Senator from South Dakota covers only one area of what could be a substantial limitation of standards provided for those who might be affected. We were not ready to take the proposal until we had experience under the bill. However, as the Senator has put it, I think all Senators are against criminals, and therefore I should like to accept the amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. I think this is a good opportunity to bring about a degree of unanimity in the Senate, namely, that all of us are against criminals. I assume the yeas and nays have been ordered. I think it will have a good effect on the country to show the unanimity that exists on this one proposition.

Mr. MUNDT. I thank the Senator.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. I merely wish to make a brief observation. In the bill which I introduced I have a similar provision. It is not worded the same way, but it is designed to accomplish the same purpose. It provides that—

> No individual who has been convicted of any crime shall be eligible to serve as an officer, director, trustee, member of any executive committee or any other such governing body, business agent, manager or organizer of any local union while he is ineligible to vote wherein such crime was committed by reason of having been convicted of such a crime.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Texas. I would say, from what the Senator has just read, I would prefer the language of the Senator from Arkansas; but I would want no one in America to entertain the slightest doubt about how I feel about criminals. If we need to go on record and have a yea-and-nay vote, I hope we can vote on the amendment of the Senator from South Dakota, because I think it is one of the most courageous, fearless, and intelligent positions I have ever seen the Senator take in the 20 years I have served with him.

Mr. McCLELLAN. I wanted the Senate to know that those of us who have been dealing with this problem had not overlooked the fact that this is a very important question.

Mr. JOHNSON of Texas. Would the Senator agree to add his language as a subsection to the Mundt amendment?

Mr. McCLELLAN. I would be glad to have my proposal go in any bill.

Mr. AIKEN. Mr. President, will the Senator from South Dakota yield so that I may ask him a question?

Mr. MUNDT. I yield.

Mr. AIKEN. The amendment provides that certain persons shall be ineligible to serve as officers, trustees, custodians, or employees of an employee welfare or pension plan. Does it also apply to an employer's pension plan? Is it interpreted as applying to both?

Mr. MUNDT. So the legislative history may be clear, I interpret the words "employee welfare fund" to be a definitive term to include all the welfare funds encompassed in this bill.

Mr. AIKEN. For the benefit of employees?

Mr. MUNDT. For the benefit of employees, precisely.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DWORSHAK. Mr. President, to be sure there are no mistakes, I ask for a recapitulation.

The PRESIDING OFFICER. In the judgment of the Chair, there is no basis for a recapitulation. If the Senator from Idaho wishes to press his request——

Mr. DWORSHAK. This is an unusual vote. In view of what has transpired in the past few days, I think the American people are entitled to know

that no mistake was made when this vote was cast.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Does a recapitulation of a vote require consent of the Senate?

The PRESIDING OFFICER. In the judgment of the Parliamentarian, the Chair has authority to order a recapitulation after the vote is announced when there is some question as to the accuracy of the vote, if the Senator from Idaho is raising that question.

Mr. DWORSHAK. Yes, Mr. President. I am raising that question, to be sure there are no mistakes.

The PRESIDING OFFICER. The clerk will recapitulate the vote.

Mr. JOHNSTON of South Carolina. Mr. President, can it simply be announced that every Senator voted "yea"? Did not all Senators vote "yea"? If all Senators did, the Chair can tell the Senator and be through with it.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Chair is informed that a recapitulation is in order only after the result is announced. After the vote is announced there will be a recapitulation if the Senator desires it.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Virginia [Mr. BYRD] is absent because of a death in his family. I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

The result was announced—yeas 90, nays 0, as follows:

YEAS—90

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

NOT VOTING—5

Byrd	Green	Yarborough
Chavez	Hennings	

So Mr. MUNDT's amendment was agreed to

Mr. DWORSHAK. Mr. President, I ask for a recapitulation of the vote.

The PRESIDING OFFICER. The clerk will recapitulate the vote.

The vote was recapitulated.

The PRESIDING OFFICER. The Chair again announces that on this amendment, the yeas are 90, and the nays are 0. The amendment is agreed to.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Montana to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am pleased to observe the bipartisan nature of the last vote.

I should like to ask unanimous consent that when the Senator from California [Mr. KNOWLAND] calls up his amendment, 5 minutes be allowed to those in favor of the amendment, and 5 minutes to those in opposition to the amendment, and that then we may have a quorum call. I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may I have the question put on the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. ALLOTT. Mr. President, reserving the right to object, I did not understand the request.

Mr. JOHNSON of Texas. I ask unanimous consent that, when the Senator from California calls up his amendment, the Senator from California be allowed 5 minutes in favor of the amendment, and the committee be allowed 5 minutes in opposition to the amendment; that we proceed to have a quorum call, and then proceed to have the yeas and nays on the amendment.

Mr. ALLOTT. I have no objection.

Mr. JOHNSON of Texas. I thank the Senator from Colorado.

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

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from California will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

PROTECTION OF UNION MEMBERS

SEC. —. (a) (1) Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge and the provisions of subsections (b) to (l), inclusive, of section 10 of the National Labor Relations Act shall apply to such proceeding. If after hearing the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations it shall order the labor organization to cease and desist from such wrongful action, and, if the election was conducted by the labor organization and the wrongful action could affect the results of the election, shall invalidate such election.

(2) Nothing contained in this subsection shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

PENALTIES

(b) Any individual, group, or organization which willfully interferes with, restrains, or coerces any employee or member of a labor organization seeking to initiate or participate in the procedure set forth in the provisions of subsection (a) shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years, or both.

Mr. KNOWLAND. Mr. President, this amendment is designed to protect the right of union members to vote as authorized by their union's constitution in elections conducted by a labor organization. Many members of organized labor have been subjected to coercive pressure on the part of union officials so as to deprive them or their union constitutional right to participate in election proceedings of their union. The pending amendment provides the following:

First. Any member of a labor organization may file a petition with the Labor-Management Relations Board that he has been deprived, through actions of his labor organization, of his right to vote.

Second. The Board, upon the finding of prima facie evidence of the truth of such allegations, shall proceed against the union as in the case of an unfair labor practice.

Third. Upon a finding by the Board that the voting rights of such members have been denied in violation of the constitutional bylaws of the union it shall issue a cease-and-desist order against such action and shall invalidate the election if the results thereof could have been affected by the labor union's wrongful action.

Fourth. Any individual or group who willfully interferes with the right of a union member to petition the National Labor Relations Board under these provisions is subject to prosecution, punishment, and fine for the commission of a felony.

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

Mr. KNOWLAND. I yield.

Mr. POTTER. Can the Senator inform us whether this amendment has been considered by the Labor Subcom-

mittee of the Committee on Labor and Public Welfare to as great an extent as was the amendment adopted unanimously a short time ago?

Mr. KNOWLAND. I can say only that the problems of union members having been deprived of their right to vote, and the general subject of elections, have been covered in the general subject matter. This is not the subject of one of the specific recommendations.

Mr. POTTER. But did the Senator's amendment receive the same amount of consideration, to his knowledge, as did the amendment which was just adopted unanimously?

Mr. KNOWLAND. No; I should say that it was not in the same category.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me for the purpose of making an insertion in the RECORD?

Mr. KNOWLAND. Certainly.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a statement on the background of right-to-work legislation, and to include excerpts from a debate in the House of Representatives at the time that general principle was incorporated in the so-called Taft-Hartley Act.

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

BACKGROUND OF RIGHT-TO-WORK LEGISLATION

The House had under consideration H. R. 3020 which was the Hartley version of the Taft-Hartley bill.

The committee proposed to offer an amendment which was taken from the Case bill which dealt with this subject. Here are excerpts from the debate and the action relative thereto:

[From the CONGRESSIONAL RECORD, vol. 93, pt. 3, pp. 3559–3562]

"Mr. CASE of South Dakota. Mr. Chairman, I understand the committee will offer a committee amendment on page 50, an amendment which should be considered in connection with the question now under discussion. That is a section which proposes to recognize State action on the question of the closed shop. It is a very important section particularly in those States which have taken action upon this question, either by legislation or by constitutional amendment. I call attention to it because just this week the attorneys general of several States have been in session at Lincoln, Nebr., to consider what steps they may need to take in order to protect the validity of State enactments on the subject in view of the Congressional power over interstate commerce.

"Section 13 on page 50, which is a committee amendment, reads as follows:

" 'SEC. 13. Nothing in this act shall be construed to invalidate any State law or constitutional provision which restricts the right of an employer to make agreements with labor organizations requiring as a condition of employment membership in such labor organization, and all such agreements, insofar as they purport to impose such requirements contrary to the provisions of the law or constitution of any State, are hereby divested of their character as a subject of regulation by Congress under its power to regulate commerce among the several States and with foreign nations, to the extent that such agreements shall, in addition to being subject to any applicable preventive provisions of this act, be subject to the operation and effect of such State laws and constitutional provisions as well.'

"It seems to me it is important to remember that will be offered as a committee amendment because it strengthens the provisions of the bill so far as bans on the closed shop are concerned in the States which have taken action. I think now there are about 12 States that have taken formal action and another dozen have that kind of action under consideration. Those who want to support the committee position can well vote, it seems to me, to support the committee in the provisions heretofore discussed and against the amendment now pending and in favor of the committee amendment which will be offered as section 13 of the amended Wagner Act.

"Mr. FISHER. Of course, the gentleman refers to the fact that there were 12 States, now 13 with Texas, that have voted on this proposition, which is an indication of the overwhelming public opinion in this country in that direction. In that connection I should like to call the gentleman's attention to the fact that in the last Gallup poll on this subject, 66 percent of the American people are shown as favoring the open shop, 18 percent favor the union shop, 8 percent favor the closed shop, and 8 percent have no opinion on the subject.

"Mr. CASE of South Dakota. I think that is representative of the general opinion. My State first enacted a legislative bill and then the voters in a general election confirmed that by an amendment to the State constitution, known as the right-to-work amendment. Under this trend the gentleman mentions that will be done in many other States of the country. The committee amendment will support such action where it is taken.

"Mr. KEARNEY. I have read section 13. May I ask the gentleman if it would not suffice if in the second line after the word 'provision,' a period were inserted and strike out the rest of the section.

"Mr. CASE of South Dakota. Of course, if you put a period there, it would be pretty broad because it would deal with subjects other than the right of the employer to make closed-shop agreements. You might nullify much of the bill, because you would establish State rights to deal with all phases of industrial relations in spite of any provisions whatsoever in the act.

"Mr. KEATING. In considering the Gallup poll referred to by the gentleman from Texas, is it not the understanding of the gentleman that that poll was on the question of what a particular person preferred, a closed or union shop, the question not being: Did the person prefer to have the Congress of the United States ban legally one or the other, the closed shop or union shop?

"Mr. CASE of South Dakota. The gentleman has probably answered the question in his question. I do not remember the exact phrasing of the Gallup poll question."

"Mr. JONKMAN. Mr. Chairman, I shall support this amendment. I believe it presents the issue whether or not we are going to maintain our fundamental American freedoms, which have already been frittered away to a great extent, or whether we shall have a new birth of freedom for the individual. This amendment simply gives a laborer the right to refrain from joining a union. Why should an American citizen not enjoy that right?

"It is true that with this right the nonunion member may enjoy benefits which have been secured by organized labor without having contributed to this result. Strictly speaking and all other things being equal this seems unfair to those who are organized.

"However, it seems to me that the other considerations outweigh this inequality. The union shop proposed in this bill differs from the closed shop only in that the former requires that the employer must voluntarily ask for the union shop, then 50 percent of the actual employees must vote for it and upon the happening of these two events it becomes a closed shop to every employee 30 days after he begins work there. From that time on he becomes the subject of union officials and must assume at least moral cooperation and responsibility for all the conduct of union leadership.

"Now the principal criticism of unions today is not directed at unionism itself but to the irresponsible and corrupt management and leadership into which many unions have drifted. It requires but little reading of the hearings on this bill to cause one to shudder at the tyranny and depredation committed by such union officers and leaders. A member of such unions must assume partial responsibility for such conduct.

"I have, I daresay, thousands of labor constituents in my district who cannot conscientiously become members of certain unions because they cannot and dare not accept joint responsibility for the conduct of leaders of such type. They should not be compelled by the union-shop provision in this bill to accept that stigma but have the right to refrain from joining any union whose leaders engage in disreputable practices.

"It is, of course, true that all legislation is the result of compromise. But to compromise on this principle is as I said at the outset a further frittering away of a fundamental American freedom. It is further an admission that the union shop is not something that can be sold on its merits but must be riveted on the wrists and ankles of a substantial part of our citizenry for the ease and certain tribute for such aforesaid labor leaders."

"Mr. BARDEN. May I say to the gentleman that we had a pretty thorough discussion of this in the committee at the time it was adopted overwhelmingly by the committee. I am not so sure but the gentleman voted for it.

"Mr. HOFFMAN. I would probably follow the gentleman's advice.

"Mr. BARDEN. I hope you will in this instance and withdraw your amendment. All of this amendment was taken from the Case bill. There did happen to be a slight change in the wording of it, however. * * *

"May I say to the gentleman that there are certain technical requirements that must be met when you are dealing with a matter such as this for it does have some bearing upon the power vested in Congress. It is dealing with a very technical question of regulating commerce between the several States, and in view of the fact that many of the States have passed laws dealing with the closed shop, why, then, the committee felt, and I am sure the whole House will feel, that the States should be recognized and their laws should certainly be given full power and effect as far as a State is concerned.

"Mr. JENNINGS. Does it not in effect mean this, and is it not designed to have this effect, that insofar as this House or the Congress may, it concedes the right of the several States to pass legislation or laws such as have been passed by certain States.

"Mr. BARDEN. The gentleman is exactly correct.

"Mr. HOFFMAN. Mr. Chairman, if the gentleman will yield, I stated in my opening statement that I understood what the committee was trying to get at, which was to give permission to the States to legislate on interstate commerce insofar as it affected these contracts. But what I want to know is whether this section does it. If you say so, I will have to go along with you.

"Mr. BARDEN. Well, I say so.

"Mr. HOFFMAN. All right. Then I withdraw the amendment.

"Mr. CASE of South Dakota. I might call attention to the fact that the 79th Congress

about a year or two ago passed a law which did this same type of thing in regard to the insurance laws. You may remember that we divested the insurance business of its interstate character to a certain extent, and that earlier the Congress had enacted the Webb-Kenyon law to permit the States to handle the liquor traffic in the days of prohibition, and this does exactly the same thing.

"Mr. BARDEN. That is right, as I recall it. The amendment is in the best possible form the committee and its attorneys could prepare it.

"The CHAIRMAN. Without objection, the amendment offered by the gentleman from Michigan (Mr. HOFFMAN) to the committee amendment is withdrawn.

"There was no objection.

"The CHAIRMAN. The question is on the committee amendment.

"The committee amendment was agreed to."

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

Mr. KNOWLAND. I yield.

Mr. SALTONSTALL. I would appreciate it if the Senator from California would give us a little further description of the provisions of subsections (b) to (l), of section 10 of the National Labor Relations Act, as referred to in lines 3 and 4 on page 2 of his amendment.

Mr. KNOWLAND. That provision in the Taft-Hartley Act merely sets forth the procedure by which hearings are held under the Taft-Hartley Act, in connection with unfair labor practices. That is all it relates to.

Mr. KENNEDY. Mr. President, once again we are back in an area involving changes. This amendment does not involve a change in the text of the Taft-Hartley Act, but involves writing a new section into the law.

It is true that Massachusetts, under the Schlicter law, provides that when a union member is denied his rights, he is able to take the case to the State board. I do not believe it has been considered, in connection with the Taft-Hartley Act, that the right of appeal by a union member should be nationalized, so that he might take his appeal to the National Labor Relations Board.

I question the way the amendment is written. The opening sentence is:

> Upon the filing with the Board by any member of a labor organization of a petition alleging that such member has been disciplined by his labor organization so as to deprive him, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor organization, of his right to vote in any election conducted by such labor organization—

And so forth. Does that mean after he has exhausted the grievance procedures within his international union, or does it mean that once his local has denied him what he conceives to be his rights, he is able to take an appeal to the National Labor Relations Board?

The second point relates to penalties. As I stated the other day, under the Taft-Hartley Act, if an employer seeks to deny an employee his rights under that act, he is subject to a cease-and-desist order. Under the penalties suggested by the amendment of the Senator from California, if anyone should attempt to interfere with a union member taking his appeal to the National Labor Relations Board, he would be subject to a possible penalty of 5 years' imprisonment. I believe that such a penalty would be excessive, however desirable the prohibition might be. I should say that this question is in the area of union democracy, so-called, and should be very carefully considered by the Subcommittee on Labor.

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

Mr. KENNEDY. I yield.

Mr. MORSE. Was the amendment of the Senator from California considered by the subcommittee in connection with the welfare and pension bill before the Senate?

Mr. KENNEDY. No. It involves an entirely different question.

Mr. MORSE. Has the subcommittee at any time held hearings on the amendment of the Senator from California?

Mr. KENNEDY. No, it has not.

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

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I understood the distinguished Senator from Massachusetts to say that the State of Massachusetts had legislation dealing with this subject. To paraphrase a distinguished former official of the Government, "What is good for Massachusetts ought to be good for the country."

Mr. KENNEDY. I was not aware that the Senator wanted to nationalize the right of appeal.

Mr. KNOWLAND. When a union member is deprived of his right to vote——

Mr. KENNEDY. By the local or by the international? The Senator does not say "after he has exhausted his constitutional privileges, as guaranteed by the constitution of the union." I should think that proviso should certainly be a part of any such amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. May I ask whom the minority leader was seeking to paraphrase?

Mr. KNOWLAND. I was seeking to paraphrase a former Secretary of Defense.

Mr. JOHNSON of Texas. Which Secretary of Defense?

Mr. KNOWLAND. Mr. Wilson.

Mr. JOHNSON of Texas. Mr. Charlie Wilson?

Mr. KNOWLAND. Yes.

The PRESIDING OFFICER. Does the Senator from California yield back the remainder of his time?

Mr. KNOWLAND. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back the remainder of his time?

Mr. KENNEDY. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. All time has been exhausted or yielded back. Under the unanimous-consent agreement, there will be a quorum call at this time.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The clerk will call the roll for the purpose of developing a quorum.

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

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

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. HENNINGS] would each vote "nay."

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUSCHE (when his name was called). I have a pair with the Senator from Texas [Mr. YARBOROUGH]. If he were present, he would vote "nay." If I were privileged to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. WILEY (when his name was called). As I previously stated, I have a pair with the distinguished Senator from Rhode Island [Mr. GREEN]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

The result was announced—yeas 35, nays 53, as follows:

YEAS—35

Allott	Bridges	Carlson
Barrett	Bush	Case, S. Dak.
Bennett	Butler	Cotton
Bricker	Capehart	Curtis

Dirksen	Knowland	Saltonstall
Dworshak	Kuchel	Schoeppel
Flanders	Martin, Iowa	Smith, N. J.
Goldwater	Martin, Pa.	Thye
Hickenlooper	Morton	Watkins
Hoblitzell	Mundt	Williams
Hruska	Potter	Young
Jenner	Revercomb	

NAYS—53

Aiken	Holland	Morse
Anderson	Humphrey	Murray
Beall	Ives	Neuberger
Bible	Jackson	O'Mahoney
Carroll	Javits	Pastore
Case, N. J.	Johnson, Tex.	Payne
Church	Johnston, S. C.	Proxmire
Clark	Kefauver	Purtell
Cooper	Kennedy	Robertson
Douglas	Kerr	Russell
Eastland	Langer	Smathers
Ellender	Long	Smith, Maine
Ervin	Magnuson	Sparkman
Frear	Malone	Stennis
Fulbright	Mansfield	Symington
Gore	McClellan	Talmadge
Hayden	McNamara	Thurmond
Hill	Monroney	

NOT VOTING—7

Byrd	Hennings	Yarborough
Chavez	Lausche	
Green	Wiley	

So Mr. KNOWLAND's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Montana to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill. The Chair announces that the proponents of the bill have 82 minutes remaining; the opponents have 58 minutes remaining.

Mr. KNOWLAND obtained the floor.

Mr. ALLOTT. Mr. President, will the Senator from California yield me 5 minutes?

Mr. KNOWLAND. I yield 5 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, for some 4 or 5 days the Senate has debated Senate bill 2888. I compliment some of my friends on the other side of the aisle who, in their support of the Mundt amendment, have decided they are against sin. It would have been wonderful if, some 2 or 3 months ago——

Mr. JOHNSON of Texas. Mr. President, may we have order so that we can hear the compliments of the Senator from Colorado?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Colorado may proceed.

Mr. ALLOTT. Mr. President, is this interruption to be taken out of my time?

Mr. JOHNSON of Texas. I will yield the Senator as much time as is necessary to make up for the interruption.

Mr. ALLOTT. It would have been wonderful if, some time in the past 2 months, 3 months, or 3 years, we could have got down to a basis for discussion of some of the elemental principles of the bill, which would have permitted us really to get to the guts of the abuses which have been uncovered.

For example, if the amendment offered by the Senator from South Dakota had been coupled with a simple amendment to require some of the officers to post bond in an amount designated by the Secretary of Labor, or even if in committee there had been a consideration of this matter, we would have had a much better bill.

No one realizes more than I, as I have tried to document them in the Senate, the abuses which occur in this area. They are sickening. If Senators had sat, as I sat with the Senator from Illinois, in some of the hearings and had heard the testimony to which we listened, I am certain that even the testimony taken before the select committee of which the Senator from Arkansas [Mr. MCCLELLAN] is the chairman would not have made them feel so utterly sick at heart and utterly sick at their stomachs as the testimony we heard.

I have called this a namby-pamby bill; I have called it a lollipop bill; I have called it a "Milquetoast" bill. I think it is all of those things. Yet because I have seen in connection with some $700 million or $800 million a year which are going into these funds the ways, the means, and the various types of looting and thieving—yes, and even tie-ups with the highest organized crime in the Nation—I feel compelled to support even this feeble endeavor. I must confess that I do so with a great sense of sacrifice of my own pride, because I think the bill is a sniveling attempt to deal with this subject. Nevertheless, the thievery of moneys to which members of labor unions are being subjected is so great that I feel impelled to support the bill.

Whatever my contributions to this subject may or may not have been, I hope that I shall be proved wrong. I hope that the next few years—the next 4 years, specifically—will prove that the bill will uncover and expose the abuses. I hope it will not, although I am not optimistic about it, prove to be a bane rather than a boon to the workers or the country.

But, more than that, I hope that somehow we can restore at least some sense of integrity, decency, and honesty to the administration of the fixed-cost funds, because it is there that the trouble has been.

I have done within my own limits the best I could to point out that it is the fixed-cost fund which creates a pool upon which the money thieves thrive. I have pointed out that even though an employer may create his own private fund, and even though he solely may contribute to it, and his employees contribute nothing, and even though he may have acted with the greatest of humanitarian motives, nevertheless, what the bill does is to say, "You cannot do anything any more in behalf of yourself."

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ALLOTT. May I have 1 more minute?

Mr. KNOWLAND. I yield 2 additional minutes to the Senator from Colorado.

Mr. ALLOTT. The bill says, "You cannot do anything more, not only without reporting it to your employees, but also without reporting it to the whole country."

These, I think, are things which are bad for the country. I think it is bad that we surrender the right of contract as to whom we wish to manage, operate, report on, and govern the funds. But all these things have been pointed out. I cannot complain now, after 4 or 5 days, that I have not been heard. I cannot complain that the Senate has not listened to my voice. My opinion regarding these matters has not been changed in the slighest or in the least iota.

But because I am so convinced of the great necessity for the enactment of some legislation in this field, I very reluctantly support this "Milquetoast" bill.

Mr. KNOWLAND. Mr. President, I shall yield myself 5 minutes.

Mr. MUNDT. I wonder whether the minority leader might prefer to close the debate for our side.

Mr. KNOWLAND. Yes.

Mr. MUNDT. Mr. President, at this time will the Senator from California yield briefly to me?

Mr. KNOWLAND. Yes.

Mr. President, I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. MUNDT. Mr. President, in the course of the debate during the past several days, I have, in my own language, in the course of many statements, set forth my reaction to Senate bill 2888. My reaction to it is generally the one which has been described to the Senate by the Senator from Colorado [Mr. ALLOTT]. I believe the bill is a weak effort to do a big job.

I shall support the bill because I think the amendment the Senate adopted by unanimous vote a short time ago at least moves in the direction of correcting one of the very serious probems which confronts us in connection with the labor movement.

But the Senate has also had before it amendments relating to various other fields in which there are difficulties and in which problems have been exposed.

We have had before us several amendments on the subject of democratic unionism. I regret that none of them was adopted. I believe they are very important to the correction of labor problems and the restoration of sanity, decency, and good behavior in the labor movement.

If there could be honest, democratic unionism, with secret ballots on elections, and with objective counting of the ballots, I believe that the men and women in the unions pretty much would correct these problems. But those amendments were not agreed to.

We have had a great deal of testimony on the subject of secondary boycotts and picketing. The Senator from Nebraska [Mr. CURTIS] offered a very salutary amendment in that field, but the Senate did not take favorable action on it. I believe this failure to act may rise to plague us.

The Senate had before it an amendment with respect to the use for political-campaign purposes, for the benefit of certain groups in various States and counties, of the funds collected from labor-union members. It seems to me that if the Congress does not act in that area, a great juggernaut will be raised outside the political parties of this country, with more money to spend and more manpower to use and more influence to exert in regard to what happens in this country than any of us can contemplate or that a free political party can prevent. I had an amendment on that subject to offer; but as it became obvious, from repeated yea-and-nay votes, that nothing outside the purview of Senate bill 2888 would be acted upon favorably by the Senate, I did not offer the amendment. But the problem remains unsolved.

I believe we have made some progress in regard to dealing with the hoodlum elements.

I believe we have also made progress by means of this debate. We have heard from the chairman of the subcommittee clear, repeated statements that he would hold hearings, and would give witnesses an opportunity to testify, and would bring out a labor bill in June. The majority leader has said that he would bring out a bill, and would give the Senate a chance to vote on it. I believe all of us recognize that those statements are well intentioned, and that the Senate will be given that opportunity.

Some of us on this side of the aisle believe firmly, however, that such an effort made in June will be made too late to get proposed legislation of that sort acted on favorably by the House of Representatives in time to be finalized at this session into actual legislation.

I have great respect for the majority leader, and I am glad he has undertaken to meet the challenge to get such proposed legislation through both Houses of Congress before the end of this session.

However, I have had a little research work done on the size of his problem. He has undertaken to meet a man-sized challenge; but, of course, he is a Texan, and down in Texas they can do things in a big way. So I have confidence that he will give this matter the good old Texas try.

But, Mr. President, let me point out how serious the challenge is:

During the last session of the 84th Congress, in 1956, 306 Senate bills were reported by Senate committees on or after June 1, 1956.

Of course, Mr. President, if the contemplated proposed legislation comes before us and is approved or passed by the Senate by June 1, 1958, we shall be fortunate, indeed.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, will he Senator from California yield some additional time to me?

Mr. KNOWLAND. Mr. President, I yield 5 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 additional minutes.

Mr. MUNDT. I thank the Senator from California.

Mr. President, history has a way of repeating itself. As I said a moment ago, in the 2d session of the 84th Congress, in 1956, 306 Senate bills were reported by Senate committees on or after June 1, 1956. Of those 306 bills, all but 7 were passed by the Senate—indicating a lack of controversial material insofar as their provisions were concerned.

Of the 299 which were passed by the Senate, only 77 received any action by the House as a whole; and all of those 77 were passed by the House.

Of the 77 which were passed by the House, 18 were private bills.

Of the remaining 59 bills which were passed by the House, only 6 dealt with matters of any consequence. They were as follows:

Senate bill 3120, extending agricultural conservation payments.

Senate bill 3616, increasing railroad retirement benefits.

Senate bill 3820, increasing the borrowing power of the Commodity Credit Corporation.

Senate bill 3897, which related to the improvement of Government accounting methods.

Senate bill 4060, the Postal Service Compensation Act.

Senate bill 4221, an amendment of the International Wheat Agreements Act.

The remaining 53 bills which were passed by the House of Representatives treated with such subjects as land transfers and conveyances, retirement pay for lighthouse keepers, the protection of walruses, and the removal of greenhouses from the Botanical Gardens.

I believe that all of us who share with me my deep and sincere affection and admiration for the majority leader will wish him well in this formidable undertaking, because we want legislation in this field to be enacted. However, I am afraid that by our action in the last few days we have closed the door to it in 1958; I am afraid such a bill will not be passed by the Senate in time for the House to act and for the Rules Committee of the House of Representatives to clear it for action in time for the House of Representatives to take final legislative action on it.

I believe that the record of the 2d session of the 84th Congress, in 1956, clearly discloses that during that session, in 1956, the legislative measures which were passed after the first of June were substantially less controversial than the kind of legislation which we know in our hearts is required if these major problems are to be dealt with adequately.

I can only hope that when the bill does come before us, the Senate will devote itself diligently to writing a satisfactory bill. In that connection, I have the frail—and, I am afraid, the futile—hope that whatever bill the Senate passes in June will be acted on by the House in time to make it possible for the bill finally to be enacted into law at this session.

Mr. President, there is just this little glimmer of hope: Our distinguished majority leader has an equally distinguished confrere in the House of Representatives, who holds an equally important position there, and who also is a Texan. So I dare hope that when those two great Texans give this job the good old Texas try, perhaps it will be possible to get the job done at this session, despite our gloomy predictions.

Mr. SMITH of New Jersey. Mr. President——

Mr. KNOWLAND. I yield 7 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 7 minutes.

Mr. SMITH of New Jersey. Mr. President, in my remarks at this time I shall be very brief.

As the ranking Republican member of the Committee on Labor and Public Welfare, I do not wish the debate to close without paying the warmest tribute I possibly can pay to the hard work which has been done on this bill during the past 4 years.

I was chairman of the committee when the subcommittee to deal with this subject was first appointed. At that time the Senator from New York [Mr. IVES] was named chairman of the subcommittee. Later, when the leadership in the Senate changed, the Senator from Illinois [Mr. DOUGLAS] took over that responsibility, and later the Senator from Massachusetts [Mr. KENNEDY] assumed the chairmanship.

Mr. President, I cannot say enough in expressing my great admiration for the wonderful job these men have done. All of us owe them a vote of thanks.

This subject matter and the bill itself have been very contentious. I was not on the subcommittee that did this work, but I was the ranking Republican member of the full committee. I know from experience, as a result of attending some of the hearings, what an enormous area the subcommittee had to cover.

Under these circumstances, Mr. President, I ask the indulgence of the Senate for a moment or two, while I make this brief closing statement:

Mr. President, I am supporting the bill as an initial and temporary step toward protecting employee welfare and pension plans. In doing so, I wish to emphasize the point that the bill really constitutes trial legislation of 4 years' duration, after which period the Congress will be required to reexamine the entire matter, at which time it will be in a far better position to do so.

I emphasize the point that this measure is really temporary, experimental legislation, and is bound to be such, in view of the very complicated nature of the subject.

While I am supporting S. 2888, I do so in the realization that it is far from comprising a fully perfected program for the protection of benefit plans. It is my hope, however, that 4 years of experience, combined with the studies which this bill authorizes the Secretary of Labor to make, will enable Congress to draw up new legislation to correct any deficiencies, inequities, or errors which are bound to appear in this relatively new and complicated field of legislation.

Four years of hearings, as the Senator from Colorado has stated, still leave us with an unsatisfactory knowledge of welfare and pension plan operations, a knowledge which is far too scanty, I believe, to form a base on which to determine final public policy now. That some legislation is necessary is undeniable. The basic question is, how much?

Mr. President, I believe that a bill should be passed which will permit a continued study and examination to be made in this field, to the end that final policy, adjusted to the needs and requirements of the situation, can be set by Congress. It is only reasonable that registration and reporting of all plans be provided for now, as an aid to such a study, although it is very possible that the scope of the final legislation will be much narrower.

For this reason, Mr. President, I support the proposed bill, S. 2888.

When further study is made, and knowledge is gained from experience, several fundamental matters of policy will naturally have to be reconsidered.

The bill does promulgate some definite policies now. I am not at all certain that the experience which will be acquired through a study of all plans will support the continuation of such policies 4 years from now.

Therefore, I wish to take a few minutes to refer to some of these policies in order to flag them and to indicate the complexity and breadth of the matter under consideration.

First. Should a policy of requiring that all plans be reported annually be adopted, when defalcations have been disclosed in only a few?

The Senator from Colorado [Mr. ALLOTT] has brought this matter out. I think it needs a great deal of further study.

There are literally thousands of welfare and pension benefit plans; estimates put the number at between 40,000 and 250,000. It would seem that unless steps are taken to reduce to reasonable proportions the number of plans required to report, there is the serious possibility that the program will become unmanageable.

Not only does this raise clerical and administrative problems, but, probably more important, there is the danger that a sheer mass of documents might serve to obscure the very wrongdoings which this legislation is designed to expose. There is also the danger of penalizing benefit plans which have been honestly administered in order to get at the few plans in which graft and corruption have actually been discovered.

Second. Another question which should be considered is: Do we desire to establish a policy which is designed to curb negligence and inefficiency in the management of employee welfare and pension benefit plans, as well as criminal wrongdoing?

It seems to be the policy of the pending legislation to extend beyond the problem of corruption. As stated in the language of the bill, one of its aims is to make available to the employee-beneficiaries information which will permit them to determine, first, whether the program is being administered efficiently and equitably; and, second, more importantly, whether or not the assets and prospective income of the programs are sufficient to guarantee the benefits which have been promised to them.

This present bill provides for far more than anticorruption legislation directed against the machinations of dishonest men who betray their trust. Rather, it inaugurates a new social policy of accountability. By requiring full disclosure of the operation of all benefit plans to the Federal Government irrespective of their nature, it is assumed that the employee beneficiaries will be in a position to police and evaluate those plans.

This policy could very well lead to the establishment of mandatory standards by which these plans must be governed. This bill authorizes the Secretary of Labor to undertake studies to determine "the desirability and feasibility of establishing and requiring compliance with standards of conduct in matters concerning the management and operation of employee welfare and pension benefit plans."

There is the possibility that a vast area of social control by Government would be opened up if mandatory standards for this private social-security system are adopted.

Third. In line with the prospect of Government regulation of the management of these benefit plans, is another question of broad social policy. Is the investment of the reserves of the welfare and pension plans to be opened to public inspection? Again unrelated to corruption is this matter of the prudent investment of the reserve funds of the benefit plans. As the majority states in their report:

> Of perhaps even greater importance from the public interest point of view is the use which is made of the larger reserves which have been accumulated.

In other words, this is an area involving investment policies of private capital.

I call these points to the attention of the Senate so that the members might realize the policy considerations involved in the pending legislation.

Knowledge in the field is still wanting. However, it can best be procured by making facts and statistics available. S. 2888 is aimed to provide for this. Four years from now, when experience will have deepened our knowledge of the field, final policy determinations can be made more adequately.

This is far from a perfect bill, Mr. President, but I will vote for this bill so that we can experiment with methods of safeguarding the rights and interests of the employee beneficiaries of all welfare and pension plans.

Again I extend my cordial congratulations to the committee, which did a wonderful job in drafting and reporting the bill.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Ohio [Mr. BRICKER].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. BRICKER. Mr. President, until the type of amendment submitted by the Senator from South Dakota [Mr. MUNDT] was adopted, I intended to vote against the bill. I think it is a mere shadow, without substance, and in essence adds nothing to the law. However, since there is some substance to the amendment of the Senator from South Dakota, as a result of its being adopted, I shall vote for the bill.

There is one thing we have seen during this week that has disturbed me, and that is the sort of monolithic voting which has taken place on the other side of the aisle. I have received sheaves of telegrams practically demanding that I vote for the measure without amendment.

I was elected to this body to use my judgment and to cast my own vote, and not to represent any class, group, minority, or otherwise, of the public. That I shall do, supporting the bill reluctantly and fearing that it may be used as an excuse for the failure to pass a constructive bill before the end of this Congress.

I am encouraged by what has been said by the majority leader tonight, because if one thing has been shown to be needed to cure the situation which has been revealed to the country and to this body by the select committee headed by the distinguished Senator from Arkansas [Mr. MCCLELLAN], it is action in the labor-management field.

I have supported many of the amendments to make the leaders of organized labor responsive to the Congress and the votes of the Members of this body. I am distressed, however, at the voting which has taken place during the past week, the unanimous voting, with the exception of my distinguished colleague [Mr. LAUSCHE] on the other side of the aisle, that has far overshadowed the judgment on this side. I have no doubt there are many Members on the other side who would have voted against the membership on that side had it not been for the controlled voting. I do not want to see this body become representative in form only and not in substance.

Mr. President, I have prepared a statement of 4 or 5 pages about my feelings concerning the bill, and I ask unanimous consent to have it published in the body of the RECORD, as a part of my remarks.

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

STATEMENT BY SENATOR BRICKER

Greedy and unscrupulous labor bosses have won a great victory in the Senate of the United States. They have defeated all amendments to guarantee to union members control over union affairs. They have defeated every effort to cure what responsible employers and responsible union leaders

recognize as gross injustices in labor-management relations. All this they have done with the support of every Democratic Senator save one, my distinguished colleague the junior Senator from Ohio.

It is a great victory for the power-hungary labor leaders who preach democracy but who fail to practice it in their own organizations. It is a great victory for those political labor leaders who would rather condemn the Taft-Hartley Act as a slave labor law than cure its deficiencies. It is a great victory for those in the Democratic Party who value unity above principle.

I believe, however, that this will prove to be a classic example of the Pyrrhic victory in politics. The American people have seen and heard the witnesses who appeared before the McClellan committee, which committee has done a good job. In 1957 and 1958 that committee held 136 hearings and called 650 witnesses. The American people, including the rank and file of union members, expect some action by this Congress to outlaw dictatorial, corrupt, and violent acts and practices in labor organizations. Our constituents will not, and they should not, accept the excuse that this Congress was too busy to enact remedial legislation.

I am sorry to say, that some Senators have said in this debate, "it is unwise to legislate on the floor of the Senate." I do not see how this alleged incompetence can be squared with the Senate's reputation as a great deliberative body. It is our duty, in fact our most important duty, to legislate right here in this Chamber. In some cases the expert advice and assistance of our committees may be necessary or desirable, but in other cases the customary committee procedures may be unnecessary or undesirable.

Failure to throw out the rotten apples in the labor-union barrel cannot be excused on the false theory that the Senate of the United States is the agent of its committees. Our committees are agents of the Senate. We can dispense with their studies and reports at any time. We have done so in the past. The insistence of Democratic Senators, my distinguished colleague excepted, that the customary committee procedures be followed means simply, I fear, that no constructive legislation on the subject will be enacted by this Congress.

I can readily understand, Mr. President, why some Members of this body might be reluctant to vote on the merits of an amendment dealing with secondary boycotts without having the benefit of the committee's thinking. This, I grant, is a rather complex problem. Although I feel that I am qualified to vote on the matter, I do not question the sincerity of those who would withhold judgment until the committee has made its recommendations.

On the other hand, there is nothing mysterious, technical or involved about some of the other amendments proposed to the pending bill. For example, are Members of the Senate so limited in intelligence, so inept in the use of the English language, that they cannot act on an amendment which provides merely for the periodic election of union officers by secret ballot? I think not.

The amendments offered to the pending bill by the minority leader are just as important, but not nearly so complicated, as the civil-rights bill passed in the last session. Then, as now, it was argued that a good bill could not be written on the Senate floor. Then, as now, it was pointed out that following the customary procedure would be tantamount to killing the bill. The Senate proceeded to legislate. We passed a good bill.

I am especially concerned about the fate of the amendment proposed by the senior Senator from Utah to close the jurisdictional gap between the Federal Government and the States. The Supreme Court has created a no-man's land in labor-management relations by holding that when the NLRB declines to assert its statutory jurisdiction over unfair labor practices, the States cannot provide any relief. This is an intolerable situation. It puts small-business men and labor organizations to a contest of strength beyond the power of any judicial body to resolve.

I would say to my friends on the other side of the aisle that any legislation to eliminate this legal no-man's land, no matter how imperfectly phrased, is better than the law of the jungle which now prevails in this area. What harm would be done if we passed the amendment proposed by the senior Senator from Utah? If the Senate Labor Committee rephrases the amendment in the bill it plans to report in June, well and good. Nothing would be lost. Much would be gained if, as now seems certain, the Senate Labor Committee bill never reaches the President for his signature.

The unity with the exception of my distinguished colleague of Democratic Senators on all amendments offered to the pending bill is the most disturbing aspect of this debate. If the Senate had voted on the merits of each amendment offered, some of the less technical of these amendments would have been approved. I cannot imagine that my distinguished colleague from Ohio is the only Democratic Senator, not opposed to the Knowland amendments, who knew their purpose and effect well enough to vote "yea." I can only conclude, therefore, that my colleague, unlike some of the Members of his party, is unwilling to sacrifice principle on the altar of party unity.

I do not fear the political consequences of my votes on this measure. I shall tell the voters of Ohio this fall that a solid bloc of Democratic Senators, my colleague excepted, I fear passed up the one and only opportunity this Congress had to promote honesty and decency within labor organizations and fair play in labor-management relations.

I find the nonconformity on this side of the aisle very refreshing in comparison with the monolithic voting pattern which has been revealed increasingly across the aisle in recent months. What disturbs me about party line voting across the aisle is its tendency to smother all intraparty differences on this side. If voting in the Senate of the United States on important issues ever becomes, as in the British House of Commons, a massing of one political party bloc against another, we may retain the form and shape of representative government but we shall not have its substance.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. HICKENLOOPER. Mr. President, as Senators know, I am not a member of the Committee on Labor and Public Welfare. I have listened to the debates. I have been interested in legislation of this type for several years. I have heard stated on the floor in the past 2 or 3 days what has been done by the Committee on Labor and Public Welfare. I think my colleagues have labored and labored, and that the mountain has brought forth a mouse. This is not a bill which in any way, shape, or form really reaches any of the problems that exist in the labor-management field today.

There is a slight amount of "plus" in this bill. It is very, very slight, just enough to possibly tip the balance, so that perhaps I would be more justified in voting for the bill than voting against it.

I do not know how many Members of the Senate believe we will be able to pass additional legislation in this field at this session of Congress. I happen to be one who is thoroughly convinced, based upon a little experience in this legislative body, that at this session of Congress there will be no legislation in this field further than the pending bill.

I am not talking about what the Senate may do. I am not talking about the fact that Senators may go to their constituents and say, "Look; we did this in the Senate, but the House did not pass the legislation."

I am predicting that there will be no further legislation in this field during this session. Today there are influences surrounding the Government of the United States which are insidious and which, in my judgment, will control that situation.

I think it is tragic. It is tragic that I myself am not able to vote for legislation which I believe would reach the evils which confront us. I am disappointed that we do not have the majority in the Senate to root out the evils which we all know exist.

Therefore, Mr. President, while, perhaps, this bill may contain a modicum of benefit—I think that is a term some of us have used—otherwise it is an empty gesture. It attacks those who do not need to be attacked, from the standpoint of history, and, in the main, leaves unscathed those who have robbed the people they are supposed to represent.

I think it is a tragedy that we do not have the votes in the Senate of the United States to stand up courageously and reach the evils which should be corrected, and we will not have the votes during this session of Congress.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield me 1 more minute?

Mr. KNOWLAND. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. HICKENLOOPER. I am aware that this is a political year.

The slight modicum of benefit to which I referred is just enough to tip the scales, so I may be justified in supporting the bill, because it may reach out a very slender finger pointing toward the evils. But this bill will not be a weapon. It will not be a tool to correct the evils.

At this time, when we have the opportunity, I think it is a tragedy that bills were not reported to the Senate which would reach the known evils. The bill under consideration, which has been referred to so ably by the Senator from Colorado as a "milksop" bill, is the only thing which may possibly have a chance to pass the Congress of the United States during the present session.

In closing, Mr. President, I again predict that, outside the possibility of this bill being passed, no further legislation touching this subject has any chance whatsoever of being enacted by the Con-

gress of the United States at this session. History is against it. The record is against it. We will let the record speak for itself, when adjournment sine die may come.

Mr. KNOWLAND. Mr. President, I yield 2 minutes to the junior Senator from Utah.

Mr. BENNETT. Mr. President, I had determined to vote against the bill, partly in disappointment for what it was failing to do, and partly because I feared that by passing the bill in the form in which it was presented and was apparently going to be passed we would preclude consideration of a more vigorous and direct attack on even the problem presented with relation to union welfare and pension funds.

When the amendment of the Senator from South Dakota [Mr. MUNDT] was adopted, that changed my mind. My vote for this bill is not a vote for the original bill; it is a vote, in final form, for the amendment offered by the Senator from South Dakota.

SEVERAL SENATORS. Vote! Vote!

Mr. KNOWLAND. Mr. President, I yield myself 3 minutes.

Mr. President, we are about to vote on the bill. I shall support it. I believe it is only one small, faltering step in the right direction.

I hope that even though this body has lost the opportunity to broaden the legislation and give some of the real protection which the rank and file of organized labor and the country need, perhaps the other body may find an opportunity to use the bill as a vehicle and to move into the field of labor legislation before the 85th Congress adjourns sine die.

The Senate, in its judgment has rejected a number of amendments relating to the election of officers by secret ballots, to the protection of members against so-called "sweetheart contracts," to their protection against discrimination by unions, to the publication of union financial reports, to the protection of voting rights, of economic strikers, to the elimination of the "no-man's land" and jurisdiction problem, to the protection of the individual union members in assuring them a vote, and to giving the Secretary of Labor a mandate to examine the reports which are submitted and take certain steps if they are found to be wanting. Other amendments have also been voted on and rejected.

We have adopted one amendment, the one offered by the distinguished Senator from South Dakota [Mr. MUNDT], which improves the bill somewhat. I am glad the amendment was adopted by a unanimous vote. I hope that may indicate even a committee does not cover all the points which need to be covered. From the floor there came an amendment which I think is both necessary and desirable.

We have had assurances from able and distinguished Senators on the other side of the aisle who, in a solid phalanx, have determined that in their judgment the Senate should not broaden the pending legislation. I know the Senate will rely, and does rely, on the commitments which have been made that at this session of Congress, early enough so that we may give to the country and to the members of organized labor and to the workers of the country the protection they need, consideration will be given to needed legislation in this field.

I think the distinguished Senator from Arkansas [Mr. MCCLELLAN], as I pointed out the other day, has done an outstanding and magnificent job for the country, along with the other members of select committee, in exposing abuses in this field, in connection with which, to be sure, a minority of labor officials—and only a minority of them—have betrayed their trust. These exposures certainly are indicative of the fact that the members of unions are entitled to protection from a recurrence of that type of activity.

While I heartily approve of the efforts of the American Federation of Labor—Congress of Industrial Organizations and their ethical practices committee in this regard—I think most of the members of that organizations will themselves privately admit that legislation is necessary, because there will not be sufficient authority in the ethical practices committee to give the protection which both the country and the union membership will demand.

Mr. President, so that we may have the information at one place in the RECORD, I ask unanimous consent to have printed in the RECORD at this point a number of statements which have been made during the course of the debate by the distinguished majority leader, by Members on our side of the aisle, and by Members on the other side of the aisle, including the chairman of the Committee on Labor and Public Welfare, the chairman of the subcommittee, and other Senators who have spoken. Many of these Senators have indicated in principle they support the general basis of the amendments which were offered, but felt, because of orderly procedures, they wanted to run the course of committee hearings. We will have the chance now, we are assured, to do that.

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

Mr. JOHNSON of Texas. I wish to give the Senator from New Jersey assurance that this Congress expects to receive from the Committee on Labor and Public Welfare further proposed legislation on this general subject * * * I am not in a position to say what kind of bill will be reported * * * but I think I am in a position to say for the majority of the subcommittee and the majority of the full committee, as represented by the chairman of the subcommittee and the chairman of the full committee, that they will hear all proposals, namely, all proposals of the administration, all proposals of the Senator from Arkansas, all proposals of the minority leader, and all proposals from anyone else who desires to make recommendations. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7308.

Mr. JOHNSON of Texas. * * * When we have concluded our action on this bill, I am going to urge every member of the committee to make haste, in the traditional American manner, to give everyone who desires to be heard a hearing, and then to prepare a bill on the subject. I am going to ask the Senator from New Jersey [Mr. SMITH] and the Senator from New York [Mr. IVES] to participate and I hope the bill will be a bipartisan bill. Then if Senators do not like the bill, they can submit amendments to it. The Senator from Arkansas has stated that he will offer some proposals, and all other Senators can do likewise.

I think such a bill is likely to be passed by both houses and be signed by the President. That process is far more likely—far more likely than any action taken in 2 days on the floor of the Senate—to result in the enactment of an effective bill. I may be wrong; but if I am, time will tell. (CONGRESSIONAL RECORD, Apr. 26, 1958, p. 7408.)

Mr. COOPER. * * * We have received today the commitment of the junior Senator from Massachusetts, whom I consider to be an absolutely honorable man, that hearings will be resumed by May 7, that they will be continued, and that a bill will be reported, which will permit amendments such as we are debating today to be considered fully in the Labor Committee and on the Senate floor.

While the majority leader may not have said explicitly that he will see to it that the bill will be considered by the Senate at an early date, I believe in essence he has committed himself to the Senate and to the people of this country that there will be a chance to consider such a bill when it is reported by the Labor Committee. If he has not done that, then I do not understand the arguments and the position he has taken today. Therefore, I repeat—and I hope he is listening to me—that I believe the majority leader has said today, in fact and in spirit, that he intends that the Senate shall have a chance to vote on such a bill at this session. And I have confidence that he will do this. * * *

I wish to make my own position understood. I wish to make my position clear that I intend to vote against the amendments, not on their substantive value and merits, but because there has been no chance for hearings and study in committee. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7355.)

Mr. HILL. I wish to say to the Senate, as chairman of the full committee—as I have said to the distinguished Senator from Massachusetts, the chairman of the subcommittee—that as soon as his subcommittee is ready to report a bill, we will have a meeting of the full committee, and the full committee will act expeditiously to bring that bill to the floor of the Senate. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. CASE of New Jersey. Mr. President, first, I associate myself with the Senator from Kentucky in the expression of his views concerning the objective of the amendment. I express my agreement with him in his understanding of the commitment which has been given by the majority leader, by the chairman of the subcommittee, and by the chairman of the full committee.

I, for one, together with the Senator from Kentucky, will believe that we have been duped if the matter is not brought before the Senate in time for action by the Senate and by the other body at this session of Congress.

I join with all other Senators who believe, as I do, that appropriate action should be taken on these objectives, which are very necessary and worthy, before the end of this session.

Mr. KENNEDY. I can assure the Senate that we are going ahead with the hearings and that we shall continue those hearings a week from Monday. * * * It is my intention to the utmost—and I pledge myself to it—to continue hearings beginning a week from Monday. It is my judgment that the hearings will not take more than 3 weeks * * * the bill before us covers only 1 of the 5 areas of the recommendations made by the chairman of the committee, the Senator from Arkansas [Mr. MCCLELLAN], namely, the disclosure of pension and welfare plans. * * * I intend to look into all

the other areas, and intend to report to the Senate such legislation as is needed. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. KENNEDY. It is my thought we can be through the hearings before the end of May, and I hope prior to that, although the date set by the Senator from Oregon [Mr. MORSE] was June 10. If the bill is not reported to the Senate by June 10, he has said he will move to discharge the committee. So the schedule is tight. I hope we can complete the work in 2 weeks. I hope the committee will move to report a bill to the Senate. With the deadline set it will have to. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7310.)

Mr. THURMOND. * * * I heartily support the purpose of some of the amendments proposed, because the need for them has been shown. One of the principal reforms we should try to effect is the return to our working men and women of control over their own organizations.

I regret, however, that the amendments are being proposed now because they have not been subjected to hearings and the orderly procedures of the Senate which I deem to be necessary if we are to pass sound legislation. The so-called civil-rights bill of last year is an example of the folly which can be created and foisted upon the American people when normal and orderly legislative procedures are thrown to the wind.

Labor, management, the administration, and the public have a right to be heard on the merits and demerits of any labor legislation of this magnitude. The Senate has been assured by the Labor Subcommittee chairman and the Labor Committee chairman that hearings will be held and a bill reported to the Senate on the subject of these amendments. I do not believe that the vote of the Senate on these amendments reflects the true attitude of the Senate toward the merits of the amendments, since many Members are voting against them solely because they have not been considered by the Labor Committee in accordance with the normal procedures.

Although I favor enactment of the substance of some of the pending amendments, I must vote against them today. I want to make it clear that I intend to support some of the legislation embodied in these amendments in the Labor Committee and on the Senate floor when the Labor Committee reports a bill on the subject later in the session. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7360.)

Mr. THURMOND. In response to the distinguished Senator from Nebraska, I may say that I do not concede to him or to anyone else any greater interest in the working people than I have. I want to take every step I can to protect their interests, but I do not intend to follow a course which will depart from the orderly procedures of the Senate. That is the way in which the civil-rights bill was passed last year, and I have not forgotten it. I do not intend to have a course followed again which will enable the Senate to consider bills which have not been referred to a committee for careful consideration and study.

If the committee does not report the kind of bill which I favor, I will not hesitate to support amendments or to offer amendments to accomplish what I think is needed to protect the working people. I think that amendments are needed, and I would favor the amendment offered by the distinguished Senator from California, for whom I have a high regard, if it is not in the bill when it is reported by the Committee on Labor and Public Welfare. If that amendment were offered, I would support it. But today I shall not support any of these amendments, because they have not followed the orderly procedure of the Senate. * * * I have been assured by the chairman of the subcommittee of the Committee on Labor and Public Welfare that there will be no delay. These committee members are honorable gentlemen, and I assume that when they say there will be no delay, there will be none. (CONGRESSIONAL RECORD, Apr. 25, 1958, pp. 7361–7362.)

Mr. IVES. I think there is some reticence on the part of some Senators * * * to vote against any of the proposed amendments * * * unless Senators are assured that the hearings to which the Senator from Massachusetts refers are to be held, and unless they know that our committee is going to report out legislation dealing with these subjects * * * I should like to have the Senator from Massachusetts give that assurance so that there will be no question about it. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7233.)

Mr. IVES. * * * I desire to see passed a tion which has been raised by the Senator from California, and the statement that two Senators have pledged themselves to move to discharge the committee if no bill is reported, or if several bills are not reported—it need not necessarily be one bill—I should like to say that I, too, pledge myself. Therefore, the Senator now has three promises. That means June 10, Mr. President, it means that we will have to get busy, because I mean what I say. There may be more than one bill, just as the Senator from California has more than one amendment. In fact, I think it is much better to have more than one bill dealing with this question * * * I am among those who voted for the Taft-Hartley Act * * * I voted to override the President's veto. I have never regretted doing so. I, too, was marked for extinction by organized labor: I never received any help from them. The hearings before the McClellan committee have demonstrated amply that the Taft-Hartley Act does not go far enough. That is why we shall have to act as the Senator from California is proposing, but I do not believe in acting this way (procedurally). (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7348.)

Mr. IVES. * * * * I desire to see passed a good bill dealing with this subject matter. I am just as strongly in favor of the amendments in principle, not the particular amendments as framed, but the amendments in principle, as is anyone else. A good many of them have been covered in the measure I have proposed. In principle, I am as strongly in favor of the suggested provisions, as my good friend, the Senator from California, or any other Member of the Senate. I favor them exactly as much. I think we all favor them. There is no exception in regard to racketeers. We want to clean out the racketeers, the thugs, the goons and criminals who have penetrated the labor organizations. We must do it. Otherwise, the future of our country may be in considerable doubt. * * *

I have a pledge to make. If the Senators who have given such a notice get sick and die, or otherwise pass out of the picture, and I am still around, I am going to move to discharge the committee, if nothing happens. (CONGRESSIONAL RECORD, Apr. 26, 1958, p. 7410.)

Mr. MCCLELLAN. I am interested in this subject matter. The legislative situation which has developed in the Senate has given me a great deal of concern. I find myself in the position of favoring some of the proposed amendments which I am confident will be offered. I favor the objective and the purpose of some of them, perhaps with some modifications. I do not like to be placed in the position of having to vote against an amendment to a bill, the principles and objectives of which I favor; * * * the distinguished minority leader has introduced a rather broad bill. It contains some provisions which are rather comprehensive, which I should like to see enacted into law. But if we take up that bill section by section and title by title, and consider it as an amendment on the floor of the Senate, would we not be denying to labor, management, the administration, and others who may be interested in such legislation, the right to be heard?

Mr. President, I have gone this far, and I have not minced words. I think everybody understands my position. If we have to legislate this way, then I will join in so legislating: but I do not want to follow this kind of procedure or be a party to it until we know there is no other way.

For that reason, I have said, in conversations with my colleagues and with members of the Committee on Labor and Public Welfare, and particularly in conversation with the chairman of the full committee and the chairman of the labor subcommittee, and our distinguished majority leader, that I hope the committee will start hearings immediately. To start by May 5 is satisfactory to me. We all have pressing obligations. Let the hearings start then, so that they can be concluded within a few weeks. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7310.)

Mr. MCCLELLAN. I have stated emphatically without any reservation, that if a bill is not reported by the Committee on Labor and Public Welfare, after the committee has had an opportunity to hold hearings and hear witnesses, I would move to discharge the committee from the further consideration of one of the bills before it, so that we can get a bill to the Senate floor as a basis for legislation * * *. I reserve the right, and I shall exercise the privilege of moving to discharge the committee, so that we can have a bill before the Senate, and undertake to legislate in this field before Congress adjourns * * *. The present Congress will fail in its duty if it does not, at this session, legislate in this area * * *. I cannot tell the committee what bill to report * * *. I simply want legislation on the subject enacted; but when the next bill is reported in this session, I reserve the right to offer any amendment to it which I may desire to propose * * *. We can get legislation at the present session, if the Senate has the courage. It is being said in some quarters and in some publications that the Congress of the United States does not have the moral or political courage to act. I will not be a party in any sense to indefinite delay or to taking any action which will preclude the Congress from meeting its responsibility in the present session of Congress * * *. The President's proposals, the Knowland proposals, the Mundt proposals, the Goldwater proposals, and the McClellan proposals can all be offered on the floor of the Senate and voted up or down. (CONGRESSIONAL RECORD, Apr. 25, 1958, p. 7311.)

Mr. MORSE. * * * I wish to say that if the Committee on Labor and Public Welfare does not proceed to report a bill to the Senate or does not report to the Senate adversely bills that have been submitted to it, by not later than June 10 of this year, I myself, as a member of the committee, will move to discharge the committee from further consideration of such bills. I say that because I shall never support, as a member of a committee, a bottling-up process. (CONGRESSIONAL RECORD, Apr. 24, 1958, p. 7234.)

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from California has expired.

Mr. KNOWLAND. I yield myself an additional 5 minutes.

I desire to express a word of gratitude to the Committee on Labor and Public Welfare, because on the 23d day of January, I introduced the bill which covered the same subject matter as the amendments upon which the Senate has voted on in the past few days, and which the Senate in its judgment has rejected, and

today, on the 28th day of April, I received the following letter, which I should like to read into the RECORD:

UNITED STATES SENATE,
COMMITTEE ON LABOR AND
PUBLIC WELFARE,
April 28, 1958.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR KNOWLAND: As you know, the Subcommittee on Labor of the Committee on Labor and Public Welfare is continuing hearings begun March 26 on proposals relating to union financial and administrative practices and procedures and the recommendations for legislative action made by the McClellan committee in its first interim report.

I wish to invite you to appear before the subcommittee to testify on your bill and other proposals relating to labor legislation pending before the Committee on Labor and Public Welfare.

While, of course, there is no intention whatever to limit the scope of your testimony to any particular type of legislation, I would like to call your attention to the fact that the subcommittee is concentrating primarily on proposals for legislative action related to the areas covered by the recommendations of the McClellan committee in its first interim report and related legislative recommendations made by the administration.

The subcommittee would welcome your testimony at a hearing beginning at 10 a. m. on May 5, 1958, in the Old Supreme Court Chamber, Room P-63 of the Capitol. Would you kindly advise the clerk of the committee at your earliest convenience whether you will be able to appear at this time.

With kindest regards, I am,

Very sincerely,

——— ———,
Chairman, Subcommittee on Labor.

I have replied today to the committee that I expect to be present on the 5th of May to testify in behalf of these amendments. I hope we may be able to expedite the hearings, and that all the statements which have been made on the floor may come to fruition so that the people of the country will get some effective labor legislation at this session of the Congress.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I do not agree with the Senator from Colorado that this bill is a "lollypop," "sniveling," or "milk-toast" bill. I think the bill gives very substantial protection to more than 85 million people who depend on these plans either for welfare or for their pension. I hope that every Member of the Senate will read in detail the requirements the bill makes for reporting on the part of those who handle these plans.

I read from page 13 of the bill:

(1) If the plan is funded through the medium of a trust, the report shall include—

(A) the type and basis of funding, actuarial assumptions used, the amount of current and past service liabilities, and the number of employees, both retired and nonretired covered by the plan;

(B) a summary statement showing the assets of the fund, broken down by types, such as cash, investments in governmental obligations, investments in nongovernmental bonds, and investments in corporate stocks. Such assets shall be valued on the basis regularly used in valuing the investments held in the fund and reported to the United States Treasury Department if a statement of the assets of the fund is required to be filed annually with the United States Treasury Department, or shall be valued on such basis as is prescribed by the Secretary if such a statement is not so required to be filed with the United States Treasury Department;

There is page after page of requirements, in great detail. The bill provides that a certified public accountant shall certify the plans under oath. It provides that any misstatement which is made in the report may result in a prison sentence up to 5 years. It provides very strong limitations on embezzlement or stealing of any of these funds. This is a strong program, in a new area. I believe that every Member of the Senate who votes for it will find that he has done a service to the country and to those dependent upon these plans.

While I am glad to have in the bill the amendment of the Senator from South Dakota [Mr. MUNDT], it does not alter the bill very much. If any Senator is using the amendment of the Senator from South Dakota as an excuse for voting for the bill, he is making a great mistake. Any Senator who votes for it under the assumption that he is voting for a "lollypop," "sniveling," or "milk-toast" bill is making a great mistake.

It has required 4 months to bring the bill to the floor of the Senate. The Senator from Colorado insisted on many meetings being held. We started in January. We did not get the bill to the floor of the Senate until April. I hope every Member of the Senate will realize what he is voting for. This is legislation in a new area. It is a good bill. It could not have been written without the support of the Senator from New York [Mr. IVES] and the Senator from Illinois [Mr. DOUGLAS], whose bill, of course, it is.

I do not need to have any Member of the Senate talk to me about abuses in the labor-management field. I have been a member of the McClellan committee. I signed its first year's report. I began hearings 1 day after the McClellan committee made its report. The Senator from Arkansas did not introduce his bill, after carefully considering the evidence, until April 15. I would not have any Member suggest that we have been derelict in any way, when the man who has been far ahead of any other Member of the Senate introduced his bill only a week ago.

So Senators who now talk about the interests of the working man and woman in this field should recognize that those of us who have been on the McClellan committee for a year have put our heads on the block and taken a great deal of abuse from many sources.

We are just as much interested as anyone else in doing something about the abuses in the labor-management field. This is a beginning. We have made a commitment as to what we will do by June 10. Every Member of the Senate will have an opportunity to be heard, beginning with the Senator from Arkansas. Any other Member of the Senate who desires to do so can come before our subcommittee and testify. The subcommittee will then make its report to the full committee.

Mr. JOHNSON of Texas. Mr. President, I yield myself 5 minutes.

As every Member of the Senate recognizes, we are approaching a very important vote. It is a vote which has significance not only because it demonstrates what the Senate will do, but because it demonstrates what the Senate will not do.

I hold in my hand a copy of a message from the President of the United States. This message was transmitted to the Congress on January 23. I quote in part from the message:

The American public is in need of reassurance:

1. That the funds which are set aside for the benefit of working men and women in health, welfare, and pension plans are accounted for.

The President further points out four additional steps which he thinks need to be taken.

Tonight I wish to pay my humble tribute to the very able Senator from Illinois [Mr. DOUGLAS]. He held hearings morning and afternoon for a long period of time in order to bring about the recommendations contained in the bill now before this body.

I wish to express my deep appreciation to the very able chairman of the subcommittee [Mr. KENNEDY], who picked up where the Senator from Illinois left off, in an attempt to implement the recommendation which I have just read to the Senate.

I wish to express my personal appreciation to the chairman of the Committee on Labor and Public Welfare, the distinguished Senator from Alabama [Mr. HILL], who cooperated with the Senators I have named in bringing this legislation to the floor of the Senate.

I should also point out that this could not have been done except for the cooperation of men like the very able Senator from New York [Mr. IVES] and others on his side of the aisle who have supported us in the efforts which have been made to bring the bill to a final vote.

I particularly appreciate the statements made by a former member of the Committee on Labor and Public Welfare, the distinguished Senator from Vermont [Mr. AIKEN], who served for so long and so well on that committee. He realized the importance of passing the bill as it was reported, without crippling amendments which might result in its defeat.

It was only as the result of the greatest of effort that the bill was brought out of the committee and brought to a vote. Ways and means were found to delay it. But finally it was determined that not only would the recommendation which the President made in this particular field be acted upon in this Congress, but if the majority leader had any voice in the matter, the Congress would establish ground rules which would protect constructive labor against the selfish schemes of a small handful of racketeers.

Mr. President, I made that assertion. If the minority leader chooses to call it a commitment which was made with a pistol at my temple, I would say to him, "Sir, that assurance was made in February, in a public address in this city." It was made with the knowledge and the cooperation of the chairman of the subcommittee and the chairman of the full committee.

We have carefully considered some highly important amendments. I am glad to say that in the wisdom of the Senate those amendments have been rejected. Had they been accepted, they would have endangered this important piece of legislation.

I believe it would be a mistake to interpret the Senate votes as a demonstration of bias for or against a particular cause. Those votes, in my opinion, represent only the Senate's unshakable determination—I repeat—the Senate's unshakable determination to be fair to all people at all times, even, as the Senator from Iowa would say, in a campaign year.

The Senate has said, "We have not heard all the views of the men and women who would be affected by all these amendments. We are not going to write sweeping legislation into law until we have heard those views."

This is not an unusual situation, I would remind the minority. The Senate frequently finds itself confronted with legislative proposals which have good objectives but which may not take us clearly to those objectives.

The objective of the amendments which we have considered within the past few days was to curb the exploitation of the workingmen and workingwomen of this country by a small handful of racketeers. With that objective every man and woman on both sides of the aisle can heartily agree. I wish to add one sentence. We not only all agree; we will also have an opportunity to vote upon the issue before this session is ended.

I do not want, by anything I may say, to confirm the prediction of the Senator from Iowa [Mr. HICKENLOOPER], that in a political year all Senators may act politically. I do not want to establish a reputation as a prophet as to what the other body may or may not do.

I served in the other body only 6 terms. I know of nothing the Senate could do which would hasten or slow down the action of the other body. I believe the Members of the other body to be a group of patriotic, God-fearing, liberty-loving, public-spirited citizens, who do their duty as they see it, and who do not need dictation by the Members of the Senate.

I hope the country will never reach the point where the Senate is willing to reach a verdict before it has a trial. I hope we never reach the stage where we can be stampeded into writing legislation with noble objectives but with no really clear understandable idea about how to reach those objectives.

This nation was founded on the idea that even the lowliest person is entitled to his day in court. Time and time again I have seen Members of the Senate rise in this great Chamber and say, "Stop, look, and listen until we have all the facts." We grew to greatness on that proposition. The day that the Senate abandons it will be the day when we shrink to oblivion.

Time after time proposals have been put forward which had behind them the force of an outraged public opinion. Each time the Senate has said, "No, we will not go into that matter, and we will not act with finality until all the facts are available and the people have been heard."

Mr. President, I well recall the great, beloved predecessor of the present minority leader. I shall never forget the day that Bob Taft sat in the Senate Chamber, when a bill affecting the working people of this country was rushed through the corridor from the House to the Senate, with tremendous steam behind it. The statement was made, "We must have this bill enacted now. You have got to get out of town before sundown."

Mr. President, it was my administration that was then in power. Some of those slogans resembled the voices I have heard in the last few hours: "Now or never."

Mr. President, I take great pride in the fact that I served as a coleader of the Senate with a man named Bob Taft, who would not "get out of town before sundown," and who refused to accept the fact that it is "now or never."

What did he say? He said, "This is not in accord with the American tradition. It is not in accord with the American tradition to act without hearings or without thought or without consideration."

It was not very many days before the Senate realized how wise Bob Taft was and how wise the Senate had been in following his admonition.

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

Mr. JOHNSON of Texas. I do not yield at this time.

Mr. KNOWLAND. Mr. President, the Senator from Texas——

Mr. JOHNSON. I refuse to yield to the Senator now. The Senator knows the rules. I will yield to him at the proper time. The Senator frequently asks me to delay asking him to yield until he has concluded his remarks.

Mr. KNOWLAND. Mr. President, this is an old practice of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I shall yield to the Senator when I get ready to yield to him, later.

The PRESIDING OFFICER. The Senator from Texas has the floor. He declines to yield.

Mr. JOHNSON of Texas. I ask the Senator to follow the rules. For some time it has seemed to me that the labor field is a field in which we should act. On the basis of information brought to me by the distinguished Senator from Arkansas, on behalf of himself and the distinguished senior Senator from New York, the majority leader supported a resolution creating a select committee to go into this entire subject with a searchlight. The senior Senator from Arkansas and the senior Senator from New York need no apology, or explanation, or justification from the Senator from Texas for their conduct. They have acted with prudence and with diligence in the national interest.

Except for their great efforts, I doubt that there would be any great sentiment or any great demand that Congress act in this field.

Mr. President, I remind those who clutch to their bosoms the credit for any achievements which may come in this field that on February 23 I said to the country that whatever effort I could contribute would be to the end that legislation be enacted at this session of Congress.

The Senator from Texas is proud that his colleague, the Speaker of the House of Representatives, comes from the same State. But so far as action taken in that body is concerned, I have no responsibility. I do not think it makes any difference to the House whether we pass the bill tonight, next week, or next month. I think they are just as patriotic and just as intelligent as we are, and know exactly what their duty is without any advice from us.

I expect the Senator from Arkansas [Mr. MCCLELLAN], the Senator from New York [Mr. IVES], the Senator from Vermont [Mr. AIKEN], and other Senators who have had long experience in the field to go before the subcommittee headed by the Senator from Massachusetts [Mr. KENNEDY], and later before the full committee, headed by the Senator from Alabama [Mr. HILL], and make their recommendations. I hope the committee will carefully consider those recommendations and will act upon them, rejecting those which should be rejected because they may be biased, and accepting those which appear to be in the national interest. I believe the committee can be expected to operate in that manner.

One of the oldest rules known to prudent men is: "Don't burn down the barn in order to get a rat." I do not yield to the minority leader or to any other member of the minority in my desire to see effective legislation in this field. One of the first votes I cast in the Senate was to insure the achievement of such objectives. I cast several similar votes in the House during my service in that body.

The hearings will begin next week. The subcommittee expects to hear the views of those who represent management, if they care to make their views known, and of labor and the public. The very able and alert Senator from Massachusetts [Mr. KENNEDY] has told us that he hopes to conclude the hearings in 3 weeks. We expect the committee then to prepare its recommendations carefully for this body and to have them available at the earliest possible moment.

If the House in its wisdom decides to start hearings tomorrow upon the recommendations which have been made here this evening by Senators, the House may do so. I know of nothing I could do, one way or the other, which would affect the date when the House started those hearings.

But I feel that the course which the majority of the Senate has taken will result in the writing of prudent and effec-

tive legislation at as early a date as could be expected from this legislative body, in which I am honored to serve.

I think the revelations we have had are the result of the vision, the foresight, and determination, and also, in the words of the distinguished Senator from Colorado [Mr. ALLOTT], the "guts" of the Senator from Arkansas [Mr. McCLELLAN]. He is entitled, I think, to the major share of the credit. But credit also must be given to Senators who happen to sit on this side of the aisle. I do not refer to them as members of one party or as Democrats. I am rather proud of the course they have taken in the last few days in following the recommendations of one of the greatest men ever to sit in this body, a man who refused to shoot from the hip and be stampeded.

Finally, I have never been prouder of the Senate than I have been in the last few days, when almost every single Senator present and voting on this side of the aisle voted to give everyone his day in court; and on most occasions, at least one-third of those present and voting on the other side of the aisle stood up for the same principle.

Whether that will result in the House passing the bill, I do not know. Whether it will bring about the President's signature, I do not know. But I believe, and I think I know, that that procedure is a fair one and will give us our best chance to write into law the protections for the working people of the country which we think ought to be written into the law.

I now yield to the Senator from California.

Mr. KNOWLAND. I may say to the distinguished Senator from Texas that I well remember the night to which he had reference. I was then a younger Member of the Senate than I am today. At that time a number of Senators on both sides of the aisle, as I recall, had been listening over the radio. A great railroad strike had been in progress.

I remember when the legislation to which the Senator from Texas referred came over from the other body to this Chamber under some attempts at acceleration. I remember with great pride, as I am sure the other 46 Senators on this side of the aisle remember, that despite the fact that the recommendation to draft the railroad workers into the Army in peacetime had been made by the then President of the United States, Mr. Truman, it was the Republican leader of the Senate who rose at this desk and objected to any effort to railroad the proposed legislation through on that historic evening.

Mr. JOHNSON of Texas. It was not only the Republican leader. He was one of the Senators, but there were others.

Mr. KNOWLAND. He was one of the first Senators, if not the foremost one, who spoke out at that time.

Mr. JOHNSON of Texas. I will take no credit from him; but I will say that other Senators took the same position. I did not confine my statement to him only.

Mr. KNOWLAND. No; I understand many other Senators felt the same way. But the Republican leader of the Senate took a position of leadership at that time.

Mr. JOHNSON of Texas. Was he the Republican leader?

Mr. KNOWLAND. I believe he was at that time. In any event, he was the one to stand up at that time. I have a very vivid recollection of the occasion.

The vast difference between legislation attempting to draft railroad workers into the Army and the pending proposed legislation and the amendments we have had before us is that at least 95 percent of the amendments were for the purpose of restoring rights to the rank and file of the workers, not for the purpose of taking their rights away.

We were dealing with proposed legislation which had come from the Committee on Labor and Public Welfare. But apparently we have an honest difference of opinion.

Again, I say I hope the prospects outlined by the distinguished majority leader prove to be correct, and that we will get such proposed legislation, because I was very much impressed by the remarks made by the distinguished senior Senator from Arkansas [Mr. McCLELLAN], who has done such a good job, that he recognizes as much as does any other Member of this body the necessity to provide the protections which the hearings have demonstrated so clearly are needed.

I hope that Members on both sides will overwhelmingly support such proposed legislation when we have an opportunity to act on it.

Mr. JOHNSON of Texas. Mr. President, I thank the Senator from California for his observation, and I thank all Senators for their indulgence.

Mr. HICKENLOOPER. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Iowa; and then I shall ask that the vote be taken.

Mr. HICKENLOOPER. Mr. President, is there not a vast difference between the proposed legislation which was attempted to be crashed through this body in 2½ hours—which was the situation in connection with a railroad workers draft proposal; when it was passed by the House of Representatives, immediately after the Presidential recommendation was made, and was rushed to the Senate, but was stopped on this floor by the late Senator Taft, less than 2½ hours after it was passed by the House of Representatives—and the presently proposed legislation, which has repeatedly been stated on this floor to have been under consideration, preparatory to consummation, for more than 4 years?

I think there is a vast difference.

Mr. JOHNSON of Texas. Yes; I agree with the Senator from Iowa that there is a vast difference.

However, I do not think there is any difference between the position taken by the late Senator Taft and the position taken at this time by the majority of the Senate, namely, that everyone is entitled to his day in court, for the position of the late Senator Taft was that, so far as he was concerned, he was going to insist that everyone have his day in court; and that is the position I have attempted to supporrt.

Mr. President, I should like to yield the floor.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield to me?

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I do not wish to be in the position of not yielding to any of my colleagues. However, I shall try to say very little, myself.

I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I was quite impressed by the speech the able majority leader made; however, I was rather impressed in the wrong direction.

Mr. JOHNSON of Texas. I thank the Senator from Indiana for his courtesy.

Mr. CAPEHART. I shall state the reason; it was because the majority leader told us that we should take time to consider these measures, that hearings should be held, that every man is entitled to his day in court.

Yet on this great subject he is now going to allot only 3 weeks for hearings for everyone in the United States and he has agreed that the proposed legislation should be reported to the floor of the Senate on June 10.

I say to the Senate that it is impossible——

Mr. JOHNSON of Texas. Mr. President, at that point let me ask whether the Senator from Indiana insists on more hearings.

Mr. CAPEHART. I am just saying——

Mr. JOHNSON of Texas. Will the Senator from Indiana answer that question?

Mr. CAPEHART. Let me say to the Senator from Texas that I said his observations left me cold, for the simple reason that he made a speech in which he pleaded that every man have his day in court, and he said that hearings will be held, and that this matter will be gone into very, very thoroughly. Yet the majority leader is allocating only 3 weeks, and he is saying that in 3 weeks' time there will be reported to the Senate an all-inclusive labor bill.

Mr. JOHNSON of Texas. Then the Senator from Indiana does not choose to answer my question directly, does he?

Mr. CAPEHART. My criticism——

Mr. JOHNSON of Texas. Mr. President, I understand the criticism the Senator from Indiana makes. But will he answer the question?

Mr. CAPEHART. I do not know that it is at all necessary for me to answer the question.

Mr. JOHNSON of Texas. Does the Senator from Indiana think 3 weeks is not enough time?

Mr. CAPEHART. I am saying to the majority leader that 3 weeks is not enough time, and the committee should have been considering these matters.

My point is that he has said every man should have his day in court, and that extended hearings should be held on this important subject; but he has promised this body that the hearings will begin on May 5, and that an all-inclusive labor bill will be reported to the Senate within 3 weeks' time. That is why his plea left

me cold, because it is impossible to hear everyone and hold extensive hearings on this subject in 3 weeks' time, and do justice to the subject.

Mr. JOHNSON of Texas. Mr. President, I would point out—and then I shall conclude; and I thank Senators for their indulgence—that I have not set any 3-week schedule. The committee has been holding hearings although some may not be aware of that fact.

The distinguished Secretary of Labor has already testified before the committee, as has the distinguished president of the AFL-CIO.

The distinguished chairman of the subcommittee feels that he will be able to complete the hearings which are essential in 3 weeks. I do not quarrel with him as to whether the hearings last for 3 weeks or 4 weeks or 5 weeks; and I ask him to take into consideration what the very able former chairman of the Banking and Currency Committee has said as to whether 3 weeks is sufficient time.

The only thing I am interested in is having adequate time for hearings. Certainly 3 weeks is better than no weeks. We have no time in which to consider these amendments which have been pulled on us from the hip, morning, afternoon, and evening. We should have the committee take whatever time is necessary to consider the testimony and the amendments, and then make its recommendations. I believe the committee can do that before some Senators move that the committee be discharged from the further consideration of the bill, as some Senators have assured us they would do.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, on the question of the final passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the majority leader yield back the remainder of the time under his control?

Mr. JOHNSON of Texas. Yes, on the condition that the minority leader do likewise.

Mr. KNOWLAND. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is——

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The vote about to be taken is on the question of the final passage of the bill. Is that correct?

The PRESIDING OFFICER. The Senator from Texas is correct.

The question is on the final passage of the bill. On this question the yeas and nays have been ordered.

All remaining time has been yielded back, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Virginia [Mr. BYRD] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. FLANDERS] is detained on official business, and if present and voting, he would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

YEAS—88

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

NOT VOTING—7

Byrd	Green	Yarborough
Chavez	Hennings	
Flanders	Robertson	

So the bill (S. 2888) was passed, as follows:

Be it enacted, etc., That this act may be cited as the "Welfare and Pension Plans Disclosure Act."

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that the growth in size, scope, and numbers of employee welfare and pension benefit plans in recent years has been rapid and substantial; that the continued well-being and security of millions of employees and their dependents are directly affected by these plans; that they are affected with a national public interest; that they have become an important factor affecting the stability of employment and the successful development of industrial relations; that they have become an important factor in commerce because of the interstate character of their activities, and of the activities of their participants, and the employers, employee organizations, and other entities by which they are established or maintained; that they substantially affect the revenues of the United States because of the billions of dollars involved in these plans and the fact that their income in many cases is exempt from taxation under the income tax laws, and a great percentage of the costs of and contributions to these programs are deductible in computing taxable income for the purposes of such laws; that owing to the lack of public and employee information concerning their operation, gross abuses and opportunities for abuses have developed in the management and operation of some of these plans to the detriment of the beneficiaries, and without uniform minimum legislative safeguards may gravely threaten the soundness and stability of these plans, undermine public confidence in them, endanger responsible management-labor relations, and result in loss of revenue to the United States; and that it is therefore desirable in the interests of employees and their beneficiaries, for the protection of the revenue of the United States, and to provide for the general welfare and the free flow of commerce, that disclosure be made with respect to the operation and administration of such plans.

(b) It is hereby declared to be the policy of this act to protect interstate commerce, the revenue of the United States, and the interests of participants in employee welfare and pension benefit plans and their beneficiaries and the interests of employers and the public in such plans, to conserve the moneys involved in such plans so as to assure that they are utilized for their intended purposes, and to provide adequate safeguarding thereof, by requiring the registration and reporting to the Federal Government of financial and other information with respect thereto, and disclosure of such information.

DEFINITIONS

SEC. 3. (a) When used in this act—

(1) The term "employee welfare benefit plan" means any plan, fund, or program which is communicated or its benefits described in writing to the employees, and which was heretofore or is hereafter established by an employer or by an employee organization, or by both, for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the events of sickness, accident, disability, death, or unemployment.

(2) The term "employee pension benefit plan" means any plan, fund, or program which is communicated or its benefits described in writing to the employees, and which was heretofore or is hereafter established by an employer or by an employee organization, or by both, for the purpose of providing for its participants or their beneficaries, by the purchase of insurance or annuity contracts or otherwise, retirement benefits, and includes any profit sharing plan which provides benefits at or after retirement.

(3) The term "employee organization" means any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with emloyers concerning an employee welfare or pension benefit plan, or other matters incidental to employment relationships; or any employees' beneficiary association organized for the purpose, in whole or in part, of establishing such a plan.

(4) The term "employer" means any person acting directly as an employer or indirectly in the interest of an employer in relation to an employee, and includes a group or association of employers.

(5) The term "employee" means any individual employed by an employer.

(6) The term "participant" means any employee or former employee of an employer or any member of an employee organization who is or may become eligible to receive a benefit of any type from an employee welfare or pension benefit plan, or whose beneficiaries may be eligible to receive any such benefit.

(7) The term "beneficiary" means a person designated by a participant or by the terms of an employee welfare or pension benefit plan who is or may become entitled to a benefit thereunder.

(8) The term "person" means an individual, partnership, corporation, mutual company, joint-stock company, trust, unincorporated organization, association, or employee organization.

(9) The term "Secretary" means the Secretary of Labor.

(10) The term "State" means any State of the United States, the District of Columbia, the Territories of Alaska and Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone.

(11) The term "commerce" means trade, commerce, transportation, or communication among the several States or between any foreign country and any State, or between any State and any place outside thereof.

(b) Any two or more employee welfare benefit plans or any two or more pension benefit plans shall be considered to be "related plans" for the purposes of this act if they have substantially common officers or administrators, cover employees of the same employer, or are otherwise established, operated, or administered on a common basis.

COVERAGE

SEC. 4. (a) Except as provided in subsection (b), this act shall apply to any employee welfare or pension benefit plan if—

(1) it provides benefits for employees employed in two or more States;

(2) some or all of the benefits thereunder are provided by or through the facilities of a service or other organization having its principal office outside of the State in which the principal office of the plan is located;

(3) it is established or maintained by any employer or employers engaged in commerce or in any industry or activity affecting commerce or by any employee organization or organizations representing employees engaged in commerce or any industry or activity affecting commerce or by both; or

(4) the income of such plan is claimed to be exempt from taxation under the provisions of the Internal Revenue Code of 1954 by reason of its nature or activities, or the costs of or contributions to such plan are claimed as allowable deductions in computing taxable income under such provisions.

(b) This act shall not apply to an employee welfare or pension benefit plan if—

(1) such plan is administered by the Federal Government or by the government of a State, by a political subdivision of a State, or by an agency or instrumentality of any of the foregoing;

(2) such plan was established and is maintained for the purpose of complying with applicable workmen's compensation laws; or

(3) such plan is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 and is administered as a corollary to membership in a fraternal benefit society described in section 501 (c) (8) of such Code or by an organization described in section 501 (c) (3) of such Code.

REGISTRATION

SEC. 5. (a) The person or persons, as defined by the Secretary, charged with or having responsibility for the overall management of any employee welfare or pension benefit plan shall register such plan with the Department of Labor in accordance with this section. Except as provided by section 8 (b), employee welfare or pension benefit plans established prior to the effective date of this act shall be registered within 90 days after the promulgation by the Secretary of the applicable regulations, and such plans established on or after the effective date of this act shall be registered within 90 days after their establishment or after the promulgation of such regulations, whichever is later.

(b) The registration of an employee welfare or pension benefit plan shall be in the form prescribed by the Secretary, shall be signed by the person or persons charged with or having responsibility for the overall management of the plan, and shall include their names and addresses, their official positions with respect to the plan, and their relationship, if any, to the employer or to any employee organization; the approximate number of persons covered or expected to be covered by the plan; the type and scope of the plan; whether the plan is mentioned in a collective-bargaining agreement; copies of the plan or of the bargaining agreement, trust agreement, contract, or other instrument, if any, under which the plan was established and is operated; the source of the financing of the plan and the identity of any organization through which benefits are provided; whether the records of the plan are kept on a calendar-year basis, or on a policy or other fiscal year basis, and if on the latter basis, the date of the end of such policy or fiscal year; and such other related data and information as the Secretary shall determine to be necessary to carry out the policy of this act. Amendments to the registration reflecting changes in the data and information included in the original registration, other than data and information also required to be included in annual reports under section 6, shall be filed with the Department of Labor, at such time or times, and in such form, as the Secretary shall by regulations prescribe.

REPORTING

SEC. 6. (a) The person or persons, as defined by the Secretary, who are charged with or have responsibility for the overall management of any employee welfare or pension benefit plan shall file with the Department of Labor an annual report with respect to such plan. Such report shall be filed within 120 days after the end of the calendar year (or, if the records of the plan are kept on a policy or other fiscal year basis, within 120 days after the end of such policy or fiscal year) but, except as provided by subsections (a) and (b) of section 8, not more than 1 year after the date of its registration under section 5, and annually thereafter.

(b) A report under this section shall be in such form as the Secretary shall prescribe, shall be signed by the person or persons by whom it is required to be filed, and each such report shall include the following, together with such related data and information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) The name, address, and description of the plan or program, including the type of plan and the type of administration; the schedule of benefits; copies of any substantial changes in the plan or in the trust agreement, contract, or other instrument under which the plan was established and is operated, which have been made since the previous filing; and the names, titles, and addresses of any trustee or trustees and of any person or persons charged with or having responsibility for the overall management of the plan, and their official positions with respect to the plan, and their relationship, if any, to the employer or to any employee organization, and any other offices, positions, or employment held by them.

(2) The amount contributed by the employer or employers; the amount contributed by the employees; the amount of benefits paid or otherwise furnished; the number of employees covered; a detailed statement of assets, liabilities, receipts, disbursements, and other financial activities of the plan; the salaries and fees charged to the plan, to whom paid, in what amount, and for what purposes. The information required by this paragraph shall be certified to by an independent certified or licensed public accountant, based upon a comprehensive audit made on behalf of the participants and conducted in accordance with accepted standards of auditing, but nothing herein shall be construed to require such an audit of the books or records of any bank, insurance company, or other institution providing an insurance, investment, or related function for the plan, if such books or records are subject to examination by any agency of the Federal Government or the government of any State.

(c) If some or all of the benefits under the plan are provided by an insurance carrier or service or other organization such report shall include with respect to such plan (in addition to the information required by subsection (b)) the following, together with such related information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) The premium rate or subscription charge and the total premium or subscription charges paid to each such carrier or organization and the approximate number of persons covered by each class of such benefits.

(2) The total amount of premiums received, the approximate number of persons covered by each class of benefits, and the total claims paid by such carrier or other organization; dividends or retroactive rate adjustments, commissions, and administrative, service, or other fees (other than routine fees not in excess of $50 paid in connection with determining the eligibility of individuals for insurance or for receipt of benefits) or other specific acquisition costs, paid by such carrier or other organization; any amounts held to provide benefits after retirement; the remainder held by such carrier or other organization; and the names and addresses of the brokers, agents or other persons to whom commissions or fees were paid, the amount paid to each, and for what purpose: *Provided*, That if any such carrier or other organization does not maintain separate experience records covering the specific groups or programs it serves, the report shall include in lieu of the information required by the foregoing provisions of this paragraph (A) a statement as to the basis of its premium rate or subscription charge, the total amount of premiums or subscription charges received from the plan, and a copy of the financial report of the carrier or other organization and (B), if such carrier or organization incurs specific costs in connection with the acquisition or retention of any particular plan or plans, a detailed statement of such costs.

Such insurance carrier or organization shall certify to the person or persons charged with or having responsibility for the overall management of the plan, within 90 days after the end of each policy year, the information necessary to enable such person or persons to comply with the requirements of this subsection and subsection (e) (2), and a copy of such certification shall accompany such report.

(d) Details relative to the manner in which any funds held by an employee welfare benefit plan are held or invested shall be reported as provided under paragraphs (B), (C), (D), and (E) of subsection (e) (1).

(e) Reports on employee pension benefit plans shall include, in addition to the applicable information required by the foregoing provisions of this section, the following, together with such related information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of this act:

(1) If the plan is funded through the medium of a trust, the report shall include—

(A) the type and basis of funding, actuarial assumptions used, the amount of current and past service liabilities, and the number of employees, both retired and nonretired covered by the plan;

(B) a summary statement showing the assets of the fund, broken down by types, such as cash, investments in governmental obligations, investments in nongovernmental bonds, and investments in corporate stocks. Such assets shall be valued on the basis regularly used in valuing the investments held in the fund and reported to the United States Treasury Department if a statement of the assets of the fund is required to be filed annually with the United States Treasury Department, or shall be valued on such basis as is prescribed by the Secretary if such a statement is not so required to be filed with the United States Treasury Department;

(C) a detailed list, including information as to cost, present value, and percentage of the total fund, of all investments in securities or properties of the employer and of each other party in interest as defined by the Secretary;

(D) a detailed list, including information as to cost, present value, and percentage of the total fund, of all investments in a security or property (other than obligations the interest or principal of which is guaranteed by the United States), if the cost of present value thereof, whichever is lower, exceeds 5 per centum of the fund or $50,000 whichever is larger, or 10 per centum of the current value of the outstanding securities or obligations of any one issuer;

(E) a detailed list of all loans made to the employer and to each other party in interest as defined by the Secretary.

The trustee of such trust shall certify to the person or persons charged with or having responsibility for the overall management of the plan, within 90 days after the end of each calendar year (or, if the records of the plan are kept on a fiscal year basis, within 90 days after the end of each such fiscal year), the information necessary to enable such person or persons to comply with the requirements of this paragraph, and a copy of such certification shall accompany such report. Except where such trustee is a bank or other institution the books or records of which are subject to examination by any agency of the Federal Government or the government of any State, such information shall also be certified to by an independent certified or licensed public accountant, based upon a comprehensive audit made on behalf of the participants and conducted in accordance with accepted standards of auditing.

(2) If the plan is funded through the medium of a contract with an insurance carrier, the report shall include—

(A) the type and basis of funding, actuarial assumptions used in determining the payments under the contract, the amount of current and past service liabilities based on those assumptions, and the number of employees, both retired and nonretired, covered by the contract; and

(B) except for benefits completely guaranteed by the carrier, the amount of all reserve accumulated under the plan.

(3) If the plan is unfunded, the report shall include the total benefits paid to retired employees for the past 5 years, broken down by year; the number of employees, both retired and nonretired, covered by the plan; any actuarial assumptions or evaluations made during the last 5-year period; and a statement reflecting the average age and duration of employment of the employees, the average salary or wage if the benefits are related to salaries or wages, and the average age of the retired employees, for any 1 year during the last 5 years next preceding the filing of the report.

(f) If the Secretary determines that any of the information required by this section to be included in reports filed hereunder, or in the registration statements required by the previous section, is uninformative or duplicative and could be eliminated without interfering with the carrying out of the objectives of this act, he may by regulation authorize the omission of such information from such reports or registration statements thereunder filed.

DISCLOSURE

SEC. 7. Disclosure of information contained in a registration or annual report or other document filed under this act shall be made to the participants and their beneficiaries and other persons as follows:

(1) The Secretary shall make copies of such registration, annual report, or other document available for examination in the public documents room of the Department of Labor; and

(2) The person responsible for the overall management of the plan shall make copies of such registration, annual report, or other document available upon request for examination by any participant or beneficiary at the principal offices of the plan, and shall provide information from any such registration, report, or other document, in as brief summary form as the Secretary shall prescribe to carry out the policy of this act, to each participant or beneficiary requesting it.

PLANS COVERING FEWER THAN 100 EMPLOYEES

SEC. 8. (a) Section 6 shall not apply to any employee welfare or pension benefit plan which, together with any related plan or plans, covers fewer than 100 employees until the expiration of 2 years following the date of enactment of this act.

(b) The Secretary may exempt from the requirements of section 5, relating to registration, or section 6, relating to annual reports, or of both such sections, for such indefinite or other period or periods as he may determine, any category or categories of employee welfare or pension benefit plans (classified on the basis of the number of employees covered) which together with any related plans cover fewer than 100 employees, if he finds that compliance would be unduly burdensome to such plans or, because of the number of such plans, would place an undue administrative burden on the Department.

(c) During any period for which an employee welfare or pension benefit plan is exempt under subsection (a) or subsection (b) from the requirements of section 5 or section 6 it shall not be required to make disclosure as required by section 7, but in lieu thereof the person or persons having responsibility for the overall management of such plan shall make available for inspection by any participant or beneficiary or other interested person at the principal offices of the plan or such other place as may be prescribed by the Secretary such of the information specified by section 6 as may be requested, except that the information specified by subsection (b) (2) of such section shall not be required to be certified to by an independent public accountant as provided in such subsection unless the Secretary deems such certification necessary to carry out the policy of this act and so provides in his regulations.

ADVISORY COUNCIL

SEC. 9. (a) There is hereby established an Advisory Council on Employee Welfare and Pension Benefit Plans (hereinafter referred to as the "Council") which shall consist of 13 members to be appointed in the following manner: one from the insurance field, one from the corporate trust field, two from management, four from labor, and two from other interested groups, all appointed by the Secretary from among persons recommended by organizations in the respective groups; and three representatives of the general public appointed by the Secretary.

(b) It shall be the duty of the Council to advise the Secretary with respect to the carrying out of his functions under this act, and to submit to the Secretary recommendations with respect thereto. The Council shall meet twice each year and at such other times as the Secretary requests.

(c) The Secretary shall furnish to the Advisory Council an executive secretary and such secretarial, clerical, and other services as are deemed necessary to the conduct of its business. The Secretary may call upon other agencies of the Government for statistical data, reports, and other information which will assist the Council in the performance of its duties.

(d) Appointed members of the Council shall be paid compensation at the rate of $50 per diem when engaged in the work of the Council, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U. S. C. 73b-2) for persons in the Government service employed intermittently and receiving compensation on a per diem when actually employed basis.

POWERS OF THE SECRETARY

SEC. 10. (a) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

(b) The Secretary is authorized to utilize any information submitted under the provisions of this act for statistical and research purposes and to compile and publish such studies, analyses, reports, and surveys as he deems appropriate.

(c) The Secretary is authorized to make such studies as he deems necessary to serve as a basis for making recommendations for further legislation concerning matters to which this act relates.

(d) The Secretary is authorized to make such expenditures and, subject to the civil-service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such personnel, including attorneys, as may be necessary to perform the functions imposed by this act. Attorneys appointed under this section may appear for and represent the Secretary in any litigation, but such litigation shall be subject to the direction and control of the Attorney General.

(e) All pertinent accounts, correspondence, memorandums, papers, books, and other records of any employee welfare or pension benefit plan shall be subject at any time or from time to time to such reasonable, periodic, special, or other examinations by representatives of the Department of Labor as the Department may deem necessary to accomplish the policy of this act.

STUDIES WITH RESPECT TO STANDARDS OF CONDUCT AND CIVIL SUITS

SEC. 11. The Secretary shall cause to be conducted a study for the purpose of determining the desirability and feasibility (1) of establishing and requiring compliance with standards of conduct in matters concerning the management and operation of employee welfare and pension benefit plans by persons serving as officers, agents, employees, trustees, or custodians of such plans or otherwise occupying positions of responsibility in, or exercising authority or control over, the management or operation of such plans or having a fiduciary relationship to such plans or their participants or their beneficiaries, and (2) of authorizing the Secretary to institute civil suits against any such persons who have been guilty of gross misconduct or gross abuse of trust in respect of any employee welfare or pension benefit plan for the purpose of enjoining such persons from further serving in such capacities, or for the purpose of recovering from them on behalf of the plan the amounts of any financial losses suffered by the plan or its participants or their bene-

ficiaries by reason of such misconduct or abuse of trust. Upon the conclusion of such studies the Secretary shall transmit to the Congress his conclusions and recommendations with respect thereto.

INVESTIGATIONS; INJUNCTIONS

SEC. 12. (a) The Secretary may, in his discretion, make such investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this act or any rule or regulation thereunder, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which he may deem necessary or proper to and in the enforcement of the provisions of this act or in the prescribing of rules and regulations thereunder.

(b) For the purposes of any investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U. S. C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

(c) Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act, or of any rule or regulation thereunder, he may in his discretion bring an action in the proper district court of the United States, or United States court of any Territory or other place subject to the jurisdiction of the United States to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Secretary may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary investigations and criminal proceedings.

(d) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction, for cause shown, to restrain violations of, to enforce any duty created by, or to compel disclosure of any information required to be submitted to the Secretary in accordance with, this act or the rules and regulations thereunder. All actions under this subsection shall be brought on behalf of the Secretary.

PENALTIES

SEC. 13. (a) Any person who willfully violates or fails to comply with any provision of this act or the rules or regulations promulgated thereunder shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any registration, report, certification, or other document or information required under the provisions of this act or the rules or regulations promulgated thereunder, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(c) Any person who makes any false entry in any book, record, report, or statement required by law or appropriate regulation thereunder to be kept or made for any such welfare or benefit plan, with intent to injure or defraud such plan or any participant or beneficiary thereunder, or to deceive anyone authorized or entitled to examine the affairs of such plans, or who willfully destroys any such books, records, reports, or statements unless authorized by appropriate regulations, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

(d) Any persson who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or to the use of another, any of the moneys, funds, securities, premiums, credits, property, or other assets of any employee welfare or pension benefit plan, or of any fund connected therewith, shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(e) Any person charged with or having responsibility for the overall management of any employee welfare or pension benefit plan, or being an officer, trustee, custodian, or employee of any such plan, or an officer of any employer any of whose employees are covered by such plan, or an officer or employee of any employee organization any members of which are covered by such plan, who receives or agrees to receive any fee, kickback, commission, gift, or thing of value with intent to have his decision or action on any question or matter concerning the procurement of property or insurance or other services for or in connection with such plan influenced thereby; and any person who pays or agrees or attempts to pay any fee or commission or makes or agrees or attempts to make any gift or transfers or agrees or attempts to transfer any thing of value to any person charged with or having responsibility for the overall management of any employee welfare or pension benefit plan, or to any officer, trustee, custodian, or employee of any such plan, or officer of any employer any of whose employees are covered by such plan, or officer or employee of any employee organization any members of which are covered by such plan, with intent to influence or attempt to influence his decision or action on any question or matter concerning the procurement of property or insurance or other services for or in connection with such plan, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both. Nothing contained in this subsection shall be construed to prohibit the payment to or acceptance by any person of usual salary or compensation for necessary services performed in the regular course of his duties as such an officer or employee.

(f) Any person who, during any period for which he is ineligible by reason of conviction of any offense against the laws of the United States or of any State to vote in any election held under the laws of the State of his legal residence, holds office, acts, or serves as an officer, trustee, custodian, or employee of an employee welfare or pension plan required to be registered under this act, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

TERMINAL DATE

SEC. 14. This act shall be effective for a period of 4 calendar years from the date of its enactment. On or before January 1 of each year, the Secretary shall make a complete and comprehensive report to the Congress of his operations under this act. The report filed on or before January 1, 1961, shall include the recommendations of the Secretary as to the continuance, simplification, or modification of this act.

COOPERATION WITH OTHER FEDERAL AGENCIES

SEC. 15. (a) The heads of other Federal departments and agencies shall cooperate with the Secretary in furnishing information, data, reports, and such other material as may be necessary to the effective administration and enforcement of this act. The Secretary shall make available to the Internal Revenue Service such of the information furnished to or obtained by the Department of Labor under this act as the Secretary of the Treasury may need for the purpose of enabling such service to administer more effectively the Federal income-tax laws. The Secretary shall also provide for the making available of information furnished by employee welfare and pension benefit plans pursuant to this act to other departments and agencies of the Government to assist in the performance of the functions of such departments and agencies. The Secretary shall cooperate and consult with the Secretary of the Treasury, the Secretary of Commerce, the Chairman of Securities and Exchange Commission, the Secretary of Health, Education, and Welfare, and the Chairman of the Board of Governors of the Federal Reserve System, and with the heads of such other departments and agencies as he deems appropriate regarding the administration of this act, and with the consent of the respective heads of such departments and agencies may utilize the facilities of such departments and agencies for such research and other purposes as the Secretary deems appropriate.

(b) In order to avoid burdensome and unnecessary effort and expense to employee welfare and pension benefit plans and to the Government resulting from a multiplicity of forms, the Secretary shall consult and cooperate with the heads of the various departments and agencies of the Government with a view to developing standardized forms for use in the reporting of information relating to such plans required by this act, the internal revenue laws, or other laws of the United States, or regulations promulgated thereunder.

COOPERATION WITH STATES

SEC. 16. (a) The Secretary shall consult and cooperate with any State officers or agencies having responsibility for the administration of State laws requiring the disclosure of information concerning employee welfare and pension benefit plans, with a view to developing standardized forms for such purpose, developing means of facilitating compliance with such laws, and avoiding burdensome and unnecessary effort and expenses resulting from a multiplicity of forms. Before prescribing forms under this act for registration and reporting, and for summaries which may be required for distribution to participants and beneficaries, the Secretary shall obtain information with respect to the format and content of forms employed in connection with such State laws, and shall have in mind the requirements of such State laws in prescribing forms under this act.

(b) In order to assist the States to discharge such responsibilities as they may have with respect to employee welfare and pension benefit plans, the Secretary shall by regulation require the persons responsible for the registration, reporting, and summaries required by this act to file copies of such documents, or any portions thereof, with a State agency upon its request.

(c) In the case of an employee welfare or pension benefit plan providing benefits to employees employed in two or more States, no person shall be required by reason of any law of any such State to file with any State agency (other than an agency of the State in which such plan has its principal office) any information included within a registration, report, summary, or other document filed pursuant to this act if copies of such registration, report, summary, or other document are filed with the State agency, and if copies of such summary or such portions of the registration, report, or other document, as may be required by the State agency, are distributed to participants and beneficiaries in accordance with the requirements of such State law with respect to scope of distribution. Nothing contained in this subsection shall be construed to prevent any State from obtaining such additional information relating to any such plan as it may desire, or from otherwise regulating such plan.

EFFECT OF OTHER LAWS

SEC. 17. The provisions of this act, except section 12 (b) and section 16 (c), and any action taken thereunder shall not be held to exempt or relieve any person from any liability, duty, penalty, or punishment provided by any present or future law of the United States or of any State affecting the operation or administration of employee welfare or pension benefit plans, or in any manner to authorize the operation or administration of any such plan contrary to any such law.

SEPARABILITY OF PROVISIONS

SEC. 18. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. DOUGLAS subsequently said: Mr. President, in passing S. 2888, the Senate has taken a long step forward in the protection of 84 million beneficiaries of health, welfare, and pension plans, in safeguarding Government revenues, and in deterring on the part of a few officials grave abuses in relation to these funds which have shocked the American people.

The Senate has placed its stamp of approval on several principles for far reaching importance.

First, the Senate has declared in unmistakable terms that the welfare and pension plan moneys are trust funds and that the public has a right to demand that they be spent only for the health, welfare, and security of the men, women, and children for whom they are intended.

Second, the Senate has provided reasonable reporting and disclosure procedures, because it recognizes that the sunlight of publicity can to a large degree prevent the evil which flourishes in the dark.

Third, instead of a large Federal bureaucracy with regulatory powers, the Senate has adopted a protective method which relies strongly upon deterrence rather than control, and upon self-policing by labor, employers, and the banking and insurance industries. Thus we have voted to use the power of Government to reveal, and to rely mainly upon the power of the citizen to heal.

Fourth, these reasonable and moderate reporting and disclosure provisions are backed up by tough sanctions for violations, by criminal penalties for failures to file; for false statements or accounts; for embezzlement from such funds and for paying or receiving fees, kickbacks, commissions, or gifts in the nature of bribes.

All these provisions, together with the subpena powers and the authority to file suits for preventive relief against violations of the law, if enacted, constitute a formidable arsenal against abuses.

Fifth and finally, the Senate has determined that such legislation, to be fair, must be mutual. The law must impose its restrictions and give its protections to employer-administered funds as well as to those with which unions have some connection. This principle of even-handed justice should do much to win wider support for the measure and make it more effective. I hope we have established a precedent for appropriate application of the principle of mutuality in other measures to follow.

I am glad the Senate did not yield to the somewhat self-righteous appeals of some business groups that only the unions are at fault.

Those of us who took part in drafting and improving and supporting S. 2888 have never claimed that it is a sure cure for all the ills which may afflict welfare and pension plans. But we are convinced the legislation can be a powerful deterrent against the abuses we uncovered.

The critics of S. 2888 who claim it does too little, like those who have objected that it does too much, are, in my opinion, contradicted by any fair analysis of what the bill actually contains.

Those who have sought to attach to S. 2888 all manner of amendments dealing with other phases of labor-management relations, on the plea that the Senate Committee on Labor and Public Welfare will not report any labor legislation after hearings, or that the majority policy committee will never let such legislation be considered by the Senate, are also contradicted by the action on this bill, which the RECORD shows was reported by the committee on April 21, 1958, and was made the pending business on the motion of the majority leader on April 23, 1958.

I, for one, take pride in the constructive work the Senate has done on this bill and in the part I have been permitted to play in the 4-year legislative project. I congratulate those on both sides of the aisle who have helped to make the passage of the bill possible, particularly—if I may single out a few for special mention—the chairman of the committee, the Senator from Alabama [Mr. HILL]; the chairman of the subcommittee, the Senator from Massachusetts [Mr. KENNEDY], whose able services have been well demonstrated by his work on the floor as well as in the committee; the leading supporter and drafter from the other side of the aisle, the Senator from New York [Mr. IVES]; and our majority leader, the Senator from Texas [Mr. JOHNSON].

Mr. President, I want to add a word, if I may, about the devoted members of the staff, who play such a large part in the passage of good legislation, and who so seldom are given credit for the part which they play.

In the first place, I want to thank Mr. Paul J. Cotter, who is the chief counsel of the subcommittee, who conducted most of the investigations and who was a rock of integrity, a man of complete honor and of great energy.

I also want to thank Mr. Jack Forsythe, the general counsel of the Committee on Labor and Public Welfare.

I want to thank the devoted staff, which worked in the period of the investigation: Joe Zisman, who is on loan from the Department of Health, Education, and Welfare; Mr. Louis Reed, the research director for the committee; Mr. Frank Plant, the chief investigator, a man of great energy and great integrity, and a conscientious sleuth in running down evil; Mr. Blake Turner, also an extremely good investigator and an honorable man; Mr. Robert Dunne, who is now with the McClellan committee; Mr. Fred Suss; Mr. Louis Solomon, a consultant; Mr. Al Trule; Mr. Frank McNaughton; Mr. Duncan McIntyre, and Mr. William Leece.

Finally, Mr. President, I want to express my deep indebtedness and indeed the indebtedness of the whole country to my own administrative assistant, Mr. Frank McCulloch, an extraordinarily efficient and honorable man, perhaps unduly self-effacing, who has been of tremendous assistance in regard to this legislation and in regard to all other legislation for the public good.

PENALTIES FOR INTERFERENCE WITH UTILITY LINES, PANAMA CANAL ZONE

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, H. R. 3604.

The Senate resumed the consideration of the bill (H. R. 3604) to amend section 831 of title 5 of the Canal Zone Code to make it a felony to injure or destroy works, property, or material of communication, power, lighting, control, or signal lines, stations, or systems, and for other purposes.

MILITARY PAY ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1501, H. R. 11470.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

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 consider the bill, which had been reported from the Committee on Armed Services with amendments.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 12 o'clock noon tomorrow.

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

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like the Senate to know that on tomorrow the Senate will consider Order No. 1501, H. R. 11470, an act to adjust the method of computing basic pay for officers and enlisted members of the uniformed services. That is the military pay bill.

I am informed that this bill was reported by the committee unanimously, and we anticipate little opposition to it. We hope to follow the military pay bill with the Interior Department appropriation bill, and I ask unanimous consent that it be in order to consider that measure, notwithstanding the fact that it was only reported to the Senate today. The reports and hearings will be available to Members before it is taken up.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS. Mr. President, reserving the right to object, the bill has not even been printed. After all the lecturing the Senator from Texas has done about orderly procedures of the Senate, surely he is not asking us to take up a bill involving four or five hundred million dollars when Senators cannot even get copies of the bill.

Mr. JOHNSON of Texas. The request of the Senator from Texas did not include that. The Senator from Texas asked consent that at the conclusion of the consideration of the military pay bill it be in order to take up the Interior Department appropriation bill, with the understanding that the reports and hearings will be available. If the Senator from Delaware has the slightest objection to it, I assure him the request is conditioned on the fact that the reports and hearings will be available. If the Senator from Delaware wants more time, the Senator from Texas will be delighted to withdraw the request.

Mr. WILLIAMS. Until such time as I see the bill and see what is in it, I object to the unanimous-consent request to bring it up. If the Senator from Texas wants to make the request tomorrow, he may do so then, but I do want to look at the bill before consenting.

Mr. JOHNSON of Texas. I think the Senator from Delaware is within his rights. I would be the last one to insist that we do otherwise. I had talked to other Members about it. I had not talked to the Senator from Delaware. The bill was reported. I did not intend to bring it up until hearings and reports were on each Senator's desk. I can understand the merits of the Senator's contention. I withdraw the request.

Mr. WILLIAMS. If the Senator wants to do it tomorrow——

Mr. JOHNSON of Texas. I understand. The Senator from Delaware is always cooperative with the problems of the leadership. I appreciate his attitude. He is perfectly right.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

UNVEILING OF BUST OF ALBEN W. BARKLEY ON TOMORROW

Mr. JOHNSON of Texas. Mr. President, if the minority leader will follow my announcement, I should like to state that tomorrow there will be a ceremony at 12:15, the unveiling of the bust of the late distinguished Alben William Barkley, Vice President of the United States for the 41st term, and a Senator from the State of Kentucky. That unveiling is to be at the main entrance to the Senate Chamber at 12:15. I shall ask the Senate to take a recess, subject to the call of the Chair, at that time.

After the Senate convenes and the prayer is offered, I shall ask for a quorum of the Senate, and then ask that the Senate recess until those proceedings shall have been concluded. I should like all Senators to be on notice of our intention.

AREA REDEVELOPMENT ACT—ADDITIONAL REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, out of order, from the Committee on Banking and Currency, I report favorably, without amendment, the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, and I submit a report (No. 1494) thereon. I ask unanimous consent that the report may be printed, together with minority views, and an illustration.

The PRESIDING OFFICER. The report will be received and printed, and the bill will be placed on the calendar, and the report will be printed, as requested by the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I do not wish to detain the Senate at this hour of night with a detailed statement with respect to the bill. I have prepared such a statement and I ask that it be printed at this point in the RECORD.

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

WHAT THE BILL DOES

Many industrial and rural areas throughout the United States have suffered from a high level of unemployment and underemployment, year after year, in good times and bad.

S. 3683 is designed to help these areas lift themselves out of this situation, to transform themselves into productive communities enjoying the American high standard of living.

An Area Redevelopment Administration, headed by an Area Redevelopment Commissioner, would be created as a constituent agency of the Housing and Home Finance Agency.

The Commissioner would designate as industrial redevelopment areas, those areas suffering from substantial and persistent unemployment, and as rural redevelopment areas, those areas with a large number and percentage of low-income families and substantial and persistent unemployment and underemployment. An overall program for the economic development of each area would then be prepared and approved by the Commissioner. This program would be prepared by the leaders of the area with the advice and assistance of the appropriate State and local authorities and the Area Redevelopment Administration.

The Commissioner could make loans for industrial projects in industrial redevelopment areas out of a revolving fund of $100 million. He could make loans for industrial projects in rural redevelopment areas out of another $100 million revolving fund. A third revolving fund of $100 million would be established for loans for public facilities which would improve the opportunities for the establishment and expansion of industrial and commercial facilities in a redevelopment area. These funds would be obtained by borrowing from the Treasury. The Commissioner could also make grants for the same kind of public facilities from appropriated funds of $75 million a year.

The Commissioner could give information and technical assistance to redevelopment areas. Financial assistance under the urban redevelopment program under the Housing Act of 1949 could be given in redevelopment areas. The Secretary of Labor and the Secretary of Health, Education, and Welfare could provide information and financial assistance in connection with vocational training programs and the Secretary of Labor would be authorized to arrange for subsistence payments up to 13 weeks to persons receiving such vocational training, but not then receiving unemployment compensation.

BACKGROUND OF THE BILL

The problems which S. 3683 is designed to meet are not new. The provisions in S. 3683 have been considered in one form or another over and over again.

Many bills have been introduced in the 85th Congress which aim at alleviating conditions of unemployment and underemployment in depressed areas. S. 104, S. 964, S. 1433, S. 1854, S. 3447 have been referred to this committee, and have been the subject of extensive hearings and detailed consideration.

Almost 1,000 pages of testimony were taken by the Subcommittee on Production and Stabilization. During these hearings, 12 Senators, 8 Members of the House of Representatives, representatives of 5 departments and the HHFA, 3 governors, 11 union representatives, and many community representatives testified in support of legislation to help these chronically depressed areas, and numerous supporting statements were filed.

S. 3683 represents the best judgment of a bipartisan majority of the committee on the measures that should be adopted to solve this problem. In large part, these are provisions which the Senate approved 2 years ago. The passage of 2 additional years and the present recession has made the problems of these chronically depressed areas more acute, not less.

FEDERAL RESPONSIBILITY

The Federal Government has a continuing responsibility to afford useful employment opportunities and to promote maximum employment, production and purchasing power which applies alike to general nationwide economic conditions, and to conditions in those unfortunate areas where unemployment and underemployment continue to exist, year after year, whatever may be happening elsewhere.

This responsibility is clearly stated in the Employment Act of 1946.

The Federal Government has made some attempts in the past to aid labor surplus areas. It has developed a number of uncoordinated programs whose objective is to help depressed areas.

Experience has shown, however, that these uncoordinated programs are totally inadequate to provide for the need of areas suffering from chronic labor surplus, as the Economic Report of the President for 1956 recognized.

"Although these programs have proved helpful, experience demonstrates that bolder measures are needed. To this end, a new

area assistance program is recommended for aiding communities that have experienced persistent and substantial unemployment."

Only a comprehensive Federal program such as proposed by S. 3683 can meet the serious needs of depressed urban and rural areas.

STATE AND LOCAL RESPONSIBILITY

The States in which these depressed areas are situated and the localities themselves have for years been wrestling with the problem.

These efforts must continue. The initiative, enterprise, and ingenuity of the leaders of these areas and of the State officials, and the financing available locally and in the States, will always be the most important elements in the development of these areas.

THE COST OF DEPRESSED AREAS

Depressed areas are an expensive burden, one which the United States cannot afford to continue to carry. They absorb vast sums in unemployment compensation and relief payments. These areas produce far less than they could and should; they contribute little to the Nation's output or to the local, State, and Federal tax revenues. Their low purchasing power means they are not good paying customers for the rest of the country.

An economic recession has snowballing effects and a declining level of economic activity in one area may speed to other areas if not stopped in time. Unemployment and underemployment in one area not only reduce demand for goods and services from other areas but may also affect the state of confidence in other areas and thereby affect the level of economic activities in different regions. The costs to rehabilitate a depressed area would be more than made up by the decreasing expenditures for unemployment insurance relief and by an increased tax base resulting from improved economic conditions.

A comprehensive program to aid chronically depressed and low-income areas will also mean much to the people—the men and women and children—of these areas. The statistics showing decreases in savings deposits, bank deposits, and increases in unemployment compensation, public assistance, and county aid are distressing to the taxpayers who must pay them, but they mean far more to the men and women who have no jobs or whose skills are being squandered by underemployment and who are reduced to accepting unemployment compensation and public assistance. And to the children of these communities, these figures mean, as the mayor of Walsenburg suggested, a future with little or no hope, with increased juvenile delinquency and waste of the next generation.

These depressed conditions, continued over a long period, mean the gradual disintegration of the community and all its physical resources built up over the years—schools, stores, hospitals, banks, office buildings, public facilities, and homes. As the community deteriorates and declines, these facilities also become underused and eventually idle. All too often when the people of the area move away in search of jobs elsewhere, duplicate facilities must be built. And these duplicate facilities may have to be built with the help of Federal subsidies.

FLEXIBLE AND COMPREHENSIVE REDEVELOPMENT PROGRAM NEEDED

A program to aid depressed areas should be flexible and adaptable to the diverse needs of the many communities, both industrial and rural, that suffer from chronic unemployment or underemployment. S. 3683 provides such a program.

A sound national program must make provision both for industrial areas which have been subject to chronic unemployment and for low-income rural communities whose major economic ailments are due to underemployment. The responsibility of the Federal Government to help improve economic conditions is equally manifest in both cases.

A realistic and comprehensive Federal program must also encompass a variety of activities to fit the diversity of needs of the different communities. Testimony at the hearings on S. 3683 has indicated that communities on the downgrade frequently cannot afford to carry out a program of economic reconstruction, no matter how strong their will to do so.

In the 1957 Economic Report of the President, the need of chronically depressed communities for outside assistance was stated concisely:

"In some cases the forces responsible for persistent unemployment are so strong and so varied that they will yield only to comprehensive measures taken jointly by private groups, State and local governments, and the Federal Government."

The establishment of a constructive program to help a community is usually only a start toward economic revival. One of the basic problems of distressed areas is to secure credit sufficient to activate the plans for economic redevelopment. In such communities local capital is normally limited and less venturesome than in places where greater prosperity prevails. Credit on favorable terms is needed in such communities both to develop their public facilities so as to make them more attractive to new industry and to establish new enterprises to create new jobs in the communities. The Federal Government can be most helpful in assisting such communities, with the cooperation of private lending institutions and State and local governments, to raise the funds necessary to expand the economic base.

Many of the people in surplus labor areas do not have the necessary skills which new industry there might need. A rounded program should therefore provide that the Federal Government, in partnership with State and local agencies, establish the necessary training facilities that new industry would require in the communities undertaking a program of redevelopment. Persons undergoing training must also be provided with a minimum of subsistence. It would be unrealistic to expect that persons who have been unemployed or underemployed for a long period could afford to devote full time to training for new jobs unless they were furnished some means of livelihood during the training course.

AREAS SUFFERING FROM CHRONIC UNEMPLOYMENT AND UNDEREMPLOYMENT

S. 3683 aims to assist industrial and rural areas where chronic unemployment and underemployment prevail. The program proposed to aid these areas under S. 3683 while closely related to the overall economic measures needed to combat the serious recession which has engulfed the Nation during the winter of 1957–58, should be considered independently.

The present recession is temporary in nature, and any program designed to combat it will be temporary. Measures to end the recession will not, however, resolve the deeper economic problems of economically depressed areas. Special measures, as outlined above, are necessary to aid these areas.

The program proposed in S. 3683 will apply in many parts of the country. According to the best estimates it is expected that about 70 industrial areas spread over about 20 States will be eligible for aid and assistance under S. 3683. About 4.8 million workers, or 7.2 percent of the total national labor force, is located in these areas.

In addition, the program proposed under S. 3683 would make it possible to extend Federal help to the 300 lowest income rural counties in the Nation, located in 16 States. Almost 7 million persons, or over 4 percent of the United States population, reside in these 300 counties.

THE NEED FOR INCLUDING INDIAN TRIBES IN THE REDEVELOPMENT BILL

The living standards of Indians living on reservations have been shockingly low for many years and their economic opportunities have been extremely limited. The Commissioner of Indian Affairs described the situation in these words:

"As you all know, the great majority of these reservation areas are located west of the Mississippi River in regions where rainfall is low, and they include some of the most desperately and chronically poverty-stricken areas in the entire Nation.

"For years large numbers of Indian people living on these reservations have been scratching out the barest kind of subsistence on their inadequate reservation lands, working intermittently and infrequently on nearby farms or ranches, and subsisting in large part on welfare payments. Almost traditionally, they have been one of the most acutely depressed and disadvantaged groups in the whole American population."

THE SUPREME COURT

Mr. MANSFIELD. Mr. President, one of the great constitutional lawyers of this body is the distinguished Senator from Wyoming [Mr. O'MAHONEY].

David Lawrence, in today's issue of the Washington Star, has an article relative to the Supreme Court situation as it is being considered at the present time in the Committee on the Judiciary. In the article Mr. Lawrence links in a way our outstanding colleague, the Senator from Wyoming with one of the outstanding judges of the United States Circuit Court of Appeals, Judge Learned Hand.

I ask unanimous consent, Mr. President, that the article by David Lawrence be printed in the RECORD at this point.

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

CURBING SUPREME COURT POWERS—ISSUE HELD REACTION TO JUSTICES' VIEW OF FUNCTION, NOT INSTITUTION ITSELF

(By David Lawrence)

Will the Supreme Court of the United States be required to return to its original role—to serve solely as a judicial institution? Will a majority of the present justices give up their evident determination to change the Court into a third legislative chamber?

The fight in Congress at the moment centers on a move to enact legislation which would spell out in detail the limits of the Supreme Court's authority to pass upon certain kinds of cases.

Congress, under the Constitution, may by law specify to a certain extent what type of cases the Supreme Court may consider for decision. Many observers think none of the pending bills will be adopted at this session. But the fight is only beginning. Many groups of citizens throughout the Nation are taking up the issue because it is felt that public opinion has not yet been alerted to the usurpation practiced by the present Court.

An effort is being made by critics of the pending legislation to imply that the Court as an institution is under fire. On the contrary, it is the activity of those who have perverted the Court's original purposes and judicial functions which has brought on the controversy of today.

When as eminent a man in Congress as the veteran from Wyoming, Democratic Senator O'MAHONEY, asks that every judge be required to swear specifically in his oath that he will not participate in any decisions that "knowingly alter the Constitution"—

a procedure which a Senate subcommittee now requires before confirming new judges—it indicates a belief that something is wrong with the attitude of the present Justices toward the Constitution. Their decisions apparently reflect a feeling that they may sit on the bench for life and legislate without regard to constitutional precepts of the past.

Senator O'MAHONEY, it will be recalled, was one of the leaders in the crusade against the late President Franklin D. Roosevelt's effort to influence the decisions of the Supreme Court by appointing six extra Justices who, it was assumed, would decide cases as he wanted them decided. The Wyoming Senator was in the forefront of that movement against usurpation, and he is logically concerned with the usurpation of power by the Court itself today.

Unfortunately too many people have been misled into believing that the sole criticism of the Court now is due to the fact that it disregarded law and precedent in deciding the "desegregation" cases on "psychological" rather than on legal grounds. Putting aside these cases, however, there are many other decisions of a far-reaching nature which, if unreversed either by Congress or the people, will make the Supreme Court a "third legislative chamber." This, by the way, is the phrase used by Judge Learned Hand, the distinguished judge, now in retirement, who formerly sat on the United States circuit court of appeals in New York and won a nationwide reputation for the soundness of his judicial decisions. In a series of lectures at the Harvard Law School, he recently exposed the erratic trend in the Supreme Court decisions of today.

The present Supreme Court has ignored the Constitution in many cases. Though the Constitution, for instance, says that Congress and the judiciary are coordinate and independent institutions, the Supreme Court has undertaken to tell Congressional committees what subjects they may investigate and what questions are pertinent to an inquiry—as if there were any limit on the right of Congress to get information on which to base laws or new amendments to the Constitution.

The Supreme Court has also told the States they cannot decide who shall or shall not be admitted to practice law or how to set up tests of qualifications of experience and character before issuing a license to an applicant.

The Supreme Court has undertaken, moreover, to hamper police officers in interrogating persons accused of crime and to interfere with prompt efforts at finding the guilty persons. Confessed rapists and murderers have recently been released by order of the Supreme Court because the police didn't formally arraign a suspect within a short time after he was picked up. Police officers claim they need time to sift the innocent from the guilty.

The Supreme Court has given professed Communists a break by declaring that Congress has no right to say by law that persons joining organizations which advocate the overthrow of our Government may be punished. The Court says, in effect, it must be proved that the individual Communist has engaged in specific action aimed at the immediate overthrow of Government. He can preach treason but can be prosecuted only if treason is successful in its effect on other persons.

These are but a few of the aberrations of the present Court. The country has not yet waked up to the dangers of the Court's unprecedented rulings. The pending bills designed to limit or restrict the jurisdiction of the Court constitute the beginning of a prolonged battle to stop the usurpation of legislative power by the present Supreme Court. It may take years to win the fight, but the struggle will increase in intensity as the public learns what's at stake.

It is not the Court as an institution, but the mistaken attitude of a majority of the Justices as to what the Court has a right to do, which is the basis for the growing demand that the powers of the present Court be curbed. It's not the proper use, but the abuse, of the judicial function which is at issue.

Mr. MANSFIELD. Mr. President, I say again that I am delighted Mr. Lawrence has seen fit to give such recognition to the veteran Democratic Senator, the great constitutionalist, the Senator from Wyoming [Mr. O'MAHONEY].

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, April 28, 1958, he presented to the President of the United States the enrolled bill (S. 1031) to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 28 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, April 29, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 28, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Ephesians 6: 10: *Finally, my brethren, be strong in the Lord, and in the power of His might.*

O God of all might and majesty, Thou art always exhorting us to pray that we may know the secret of a strong and happy life.

Thou art of all teachers the wisest; of all friends the nearest. No one else sees so much in us; no one cares so much for us; no one expects so much of us.

Emancipate us from everything that undermines our character and holds us back from a complete surrender to the way, the truth, and the life of our blessed Lord.

Help us to believe that our minds and hearts must be ruled by His spirit and lofty ideals if we are to have freedom from fear and frustration and victory over crisis and confusion.

Hear us in His name. Amen.

The Journal of the proceedings of Thursday, April 24, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

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.

REGULATION OF PLEASURE BOATS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.)

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, I wish to call the attention of the House to the bill H. R. 11078 which was inadvertently placed on the Consent Calendar; it has been my intention and I have asked for a rule under which to consider this bill.

In summary, this is essential safety legislation. It is simple, yet effective. It is not burdensome to the boating public, and in the opinion of many, perhaps does not go far enough. Our committee felt, however, that it would be unwise to attempt any greater degree of regulation until experience with this legislation might indicate the need for it.

Insofar as the Federal Government may be concerned, it assures the most efficient and economic operation. It does not forfeit Federal control where it is needed, but distributes the burden of responsibility among the States and the Federal Government.

It clarifies the right of the States and their subdivisions to meet the needs of their particular situations where question has been raised in the past, but it in no sense compels or requires any State to yield any of its historical jurisdiction or prerogatives.

Mr. Speaker, the intent of this bill is to get some uniform system of governing the operation of small boats, such as that which now governs the operation of automobiles in our various States and to give reciprocity between the States in the governing of this great American outdoor sport and pleasure.

I include as part of my remarks the following editorial from the magazine Popular Boating of the May issue:

FROM THE EDITOR

(By William Taylor McKeon)

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 has been introduced and is now being considered by Congress. It is numbered H. R. 11078, is a revision of the earlier H. R. 8474, and like its predecessor was introduced by Representative HERBERT BONNER, Democrat, of North Carolina, and is being referred to as the Bonner bill.

The bill is the result of 2 years of hearings held all over the country by the House Committee on Merchant Marine and Fisheries, of which Congressman BONNER is the chairman. The provisions of the bill reflect the testimony, including that of this magazine, given in these hearings, testimony, in turn, was based on the opinions of hundreds of