of the advisory committee for the Republican Business Women's Club, both of New York City. Columbia University in 1954 invited her to participate in the American Assembly.

She is also a member of various professional, social and civic organizations.

Mrs. LEONOR K. SULLIVAN, of Missouri, is the first woman to serve in Congress from that State. She is now in her third term, and represents the district served by her late husband for nearly four terms. A high-ranking member of the Committee on Merchant Marine and Fisheries, she is chairman of its Subcommittee on the Panama Canal. She is also a member of the Banking and Currency Committee and its Subcommittee on Housing Legislation.

Among her special legislative interests has been: Advocacy of better housing legislation; improvement of the Federal Food, Drug and Cosmetic Act; a food-stamp plan for distribution of surplus agricultural commodities to needy families; compulsory Federal inspection of poultry; encouragement of teacher-training programs for handicapped children and public welfare.

Prior to her marriage in 1941, she was a business-machine company training executive. She had been educated in St. Louis public and private schools and had attended Washington University at night, taking special training in vocational psychology. She taught and later served as a director of a St. Louis business school. She directed staff activities in her husband's office until his death, and then served briefly as assistant to Representative Irving, of Missouri.

SENATE

TUESDAY, MAY 13, 1958

(Legislative day of Monday, May 12, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. J. P. Allen, pastor, First Baptist Church, Alexandria, Va., offered the following prayer:

Eternal Lord, grant that all who enter this Chamber today may be conscious that it is a sacred place. Here the rights and destinies of people are determined; and where men preside over the rights of people, there, O Lord, God, Thou hast ever been.

We pray for these servants of God and of the people who are entrusted with high honor and heavy responsibility. May the man be bigger than the power in his hand; his compassions larger than the narrow circle of self interest; his vision wider than the formidable wall of the immediate.

We stand always in accountability to Thee, everlasting God. Forbid that we should be rebels in Thy universe. Sanctify our judgments. Make sensitive our sense of honor and honesty. Temper our speech. Indwell our minds.

Bless this Nation, O Lord. We pray for our President. Protect the life of the Vice President in his journeys in our behalf this day. Make America a fit vessel to give to the world the glory and good Thou wouldst show to Thy creation. In Thy holy name we pray. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 12, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 7300. An act to amend section 15 of the District of Columbia Alcoholic Beverage Control Act; and

H. R. 11470. An act 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.

TRANSACTION OF ROUTINE BUSINESS

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

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

COMMISSION ON CIVIL RIGHTS—NOMINATION OF GORDON MACLEAN TIFFANY

Mr. JOHNSON of Texas. Mr. President, I should like to announce that the hearings have been printed in connection with the President's nomination of Mr. Gordon MacLean Tiffany to be staff director of the Commission on Civil Rights; and the nomination has been reported by the Judiciary Committee.

As I announced in the Senate yesterday, we expect to have the Senate proceed to the consideration of that nomination on the Executive Calendar on Wednesday, following the morning hour. I should like to have all Senators on notice, in order that those who may care to address themselves to the nomination may do so. I anticipate that final action on the nomination will be taken at an early date.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the nomination in the Department of the Navy.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar, beginning with the nomination in the Department of the Navy, will be stated.

DEPARTMENT OF THE NAVY

The Chief Clerk read the nomination of Rear Adm. James W. Boundy, Supply Corps, United States Navy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

TAX COURT OF THE UNITED STATES

The Chief Clerk proceeded to read sundry nominations in the Tax Court of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

ASSAYER OF THE UNITED STATES ASSAY OFFICE

The Chief Clerk read the nomination of Howard F. Johnson, of New York, to be Assayer of the United States Assay Office at New York, N. Y.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE REGULAR ARMY, THE REGULAR AIR FORCE, THE NAVY, AND THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Regular Army, the Regular Air Force, the Navy, and the Marine Corps, which, by order of the Senate previously had been placed on the Vice President's desk.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The PRESIDENT pro tempore. Without objection, all these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified forthwith of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, it is anticipated that today the Senate will complete action on Calendar 1519, Senate bill 3683, the area redevelopment bill, in which event on tomorrow I expect that that measure will be followed by the consideration of Senate bill 3500, the automobile pricing bill; and Senate bill 3502, the Federal Airport Act of 1958. I ask the attachés of the Senate to see that copies of the hearings and reports on those bills are available today to all Members who may desire to have them.

We expect to have the consideration of those bills followed by the consideration of Calendar 1489, Senate bill 1356, the meatpackers bill. That bill was previously before the Senate; and it will be recalled that the bill was referred to the Committee on Agriculture and Forestry, for further consideration.

We also plan to have the Senate consider Calendar 1498, House bill 6908, a bill to authorize modification and extension of the program of grants-in-aid to the Philippines for the hospitalization of certain veterans; also Calendar 1549, Senate bill 3468, which provides for the construction and improvement of certain roads on the Navaho and Hopi Reservations.

MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is now in order.

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I present a series of resolutions adopted by organizations in the State of New York, relating to alcoholic beverage advertising in interstate commerce, and compensation for members of the legal profession serving with the Armed Forces in a legal capacity. I ask unanimous consent that the resolutions be printed in the RECORD, and appropriately referred.

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

To the Committee on Interstate and Foreign Commerce:

RESOLUTION OF CASTLE CREEK CIVIC ASSOCIATION, CASTLE CREEK, N. Y.

Whereas in view of the increasing difficulty experienced by parents in educating their children on the problems of alcohol because of the competition from the glamorous alcohol beverage advertising appealing to young people and even children, especially over the radio and television: Be it

Resolved, That we call upon our Representatives in both Houses of Congress seriously to consider whether it is for the good of the Nation to permit this competition which ignores the basic fact that alcohol is potentially dangerous both physically and socially, and ask them to aid the efforts of the home, the school, and the church by passing the Langer (S. 582) and Siler (H. R. 4835) bills now before them for consideration.

The Castle Creek Civic Association, representing 24 citizens respectfully ask your support of the above bills.

FRANK JAMIESON,
President.

RESOLUTION OF THE COLVIN WOMAN'S CHRISTIAN TEMPERANCE UNION, ROCHESTER, N. Y.

Whereas in view of the increasing difficulty experienced by parents in educating their children on the problems of alcohol because of the competition from the glamorous alcohol beverage advertising appealing to young people and even to children, especially over the radio and television:

Resolved, That we call upon our Representatives in both Houses of Congress seriously to consider whether it is for the good of the Nation to permit this competition which ignores the basic fact that alcohol is potentially dangerous both physically and socially, and ask them to aid the efforts of the home, the school, and the church by passing the Langer (S. 582) and the Siler (H. R. 4835) bills now before them for consideration.

The above resolution was passed by the unanimous vote of the members of the Colvin Woman's Christian Temperance Union at its regular monthly meeting, May 7, 1958, and respectfully asks your support of the Langer bill, S. 582.

ALICE I. BRICE,
President.
VEDA E. MILLER,
Secretary.

To the Committee on Armed Services:

RESOLUTION OF THE NEW YORK COUNTY LAWYERS' ASSOCIATION

Whereas there have been introduced in the Congress of the United States, Senate Bill 1165 and House Bills 4786, 6025, and 6378, which provide for appropriate pay, promotion, and professional status for members of the legal profession serving with the Armed Forces in a legal capacity, bringing the pay and promotion status of military lawyers to a level commensurate with the special professional pay and promotion schedule now in effect for members of the medical and other learned professions serving with the military; and

Whereas the Armed Services are experiencing great difficulty in procuring and retaining their minimum requirements of military lawyers, rendering it extremely difficult to administer properly the Uniform Code of Military Justice, enacted by Congress, the basis of military justice, and the Armed Services need additional lawyers to effectuate military justice under said Code; and

Whereas it is the sense of this association that lawyers should receive such commensurate compensation and rank for their professional training and skill and that lawyers are as valuable to the Armed Forces as members of the other learned professions; and

Whereas these bills, if enacted into law, would be of great help in the administration of military justice and be an incentive to lawyers to join and remain in the services; and

Whereas the New York County Lawyers' Association is keenly interested in the operation of the Armed Services and the true administration of military justice therein: It is unanimously

Resolved, That the New York County Lawyers' Association endorses Senate Bill 1165 and House Bills 4786, 6025, and 6378, and urges upon the Congress of the United States their passage, and the President and Secretary of the association be and they are directed to send copies of this resolution to the Members of the House of Representatives and the United States Senate from this State, and the American Bar Association, the Judge Advocates Association, and the Judge Advocates of the respective Armed Services.

REPEAL OF EXCISE TAX ON FURS—PETITIONS

Mr. JAVITS. Mr. President, I submit herewith for appropriate reference petitions signed by many hundreds of my constituents urging repeal of the 20-percent excise tax imposed on the retail sale of fur as one of the quickest and most effective means of stimulating the sale of consumer goods and halting the recession.

Reduction in the excise taxes imposed during the war years, and since continued from year to year, of which the levy on fur garments is one, must receive attention at the current session of the Congress, due to the contemplated effort to renew such taxes at the end of the current fiscal year when they expire. Due weight must be given as to the effect upon consumer buying of this and the many other excise taxes, such as those on automobiles, and transportation, which constitute a significant segment of the final sale price. I feel that these excise taxes should have at least equal consideration.

I ask unanimous consent that only the text of the petitions be printed in the RECORD, and that the petitions be appropriately referred.

There being no objection, the petitions were referred to the Committee on Finance, and one of which was ordered to be printed in the RECORD, as follows:

The undersigned firm, engaged in business as a wholesaler of fur garments, believes that one of the most effective ways of encouraging the sale of consumer goods and halting the present economic recession, is for Congress to repeal the unfair and discriminatory excise tax on the sale at retail of fur articles, which tax was originally imposed as a so-called war measure, and the undersigned does hereby petition the Congress to enact such repeal as promptly as possible.

REPORTS OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE—ADDITIONAL COSPONSORS OF BILLS

Mr. MONRONEY. Mr. President, by direction of the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the bill (S.

3500) to require the full and fair disclosure of certain information in connection with the distribution of new automobiles in commerce, and for other purposes, and I submit a report (No. 1555) thereon. I ask unanimous consent that the names of the Senator from Maine [Mr. PAYNE], and the Senator from Connecticut [Mr. PURTELL] may be added as additional cosponsors of the bill.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the names of the additional cosponsors will be added, as requested.

Mr. MONRONEY. Also, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the bill (S. 3502) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, and I submit a report (No. 1556) thereon. I ask unanimous consent that the names of the Senator from Rhode Island [Mr. PASTORE], the Senator from Nevada [Mr. BIBLE], and the Senator from Massachusetts [Mr. KENNEDY] may be added as additional cosponsors of the bill.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the names of the additional cosponsors of the bill will be added, as requested.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. KENNEDY:

S. 3789. A bill for the relief of Donald J. Marion; and

S. 3790. A bill for the relief of Marie Silk; to the Committee on the Judiciary.

By Mr. BEALL:

S. 3791. A bill to authorize assistance under the Small Business Act of 1953 to certain small-business concerns displaced as a result of urban renewal activities under the Housing Act of 1949; to the Committee on Banking and Currency.

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

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 3792. A bill to authorize the modification of the existing project for improvement of Miami Harbor, Fla.; to the Committee on Public Works.

By Mr. JAVITS:

S. 3793. A bill for the relief of Martin Pysz; to the Committee on the Judiciary.

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

S. 3794. 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 for resale certain arms 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. MAGNUSON (for himself and Mr. JACKSON):

S. 3795. A bill for the relief of the town of Bridgeport, Wash.; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 3796. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the United States Tax Court, and for other purposes;

S. 3797. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the United States Labor Court, and for other purposes; and

S. 3798. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the United States Trade Court, and for other purposes; to the Committee on the Judiciary.

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

By Mr. HUMPHREY:

S. 3799. A bill to repeal the manufacturers' excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers' excise tax on trucks and buses to 5 percent; and

S. 3800. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Minnesota State Fair and Centennial Exposition to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under separate headings.)

By Mr. CARROLL:

S. 3801. A bill for the relief of Klara Leitner; to the Committee on the Judiciary.

By Mr. ELLENDER (for himself and Mr. AIKEN):

S. J. Res. 173. Joint resolution designating the week of November 21-27, 1958, as National Farm-City Week; to the Committee on the Judiciary.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "CIVIL RIGHTS—1957"

Mr. HENNINGS submitted the following concurrent resolution (S. Con. Res. 87); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on the Judiciary 2,000 additional copies of the hearings of its Subcommittee on Constitutional Rights entitled "Civil Rights—1957", held during the 85th Congress, 1st session.

ASSISTANCE TO CERTAIN SMALL-BUSINESS RENTERS

Mr. BEALL. Mr. President, I introduce, for appropriate reference, a bill to authorize assistance under the Small Business Act of 1953 to certain small-business concerns displaced as a result of urban renewal activities under the Housing Act of 1949.

My bill, Mr. President, is designed to relieve the victims of an inequity under existing legislation. Urban renewal activities under the Housing Act of 1949 include the condemning and tearing down of buildings which house small businesses. Provision has been made for the owner of any such condemned building to be compensated for his loss, but there is no provision to make compensation for the economic injury suffered by the small-business renter of the premises. My bill would make it possible for the displaced small-business renter of a condemned building under the Housing Act of 1949 to borrow money at 3 percent, under the Small Business Act of 1953, to assist him in relocating his business.

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

The bill (S. 3791) to authorize assistance under the Small Business Act of 1953 to certain small-business concerns displaced as a result of urban renewal activities under the Housing Act of 1949, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954, RELATING TO EXCLUSION FROM IMPORTATION OF CERTAIN ARMS

Mr. KENNEDY. Mr. President, on behalf of myself and the Senator from Connecticut [Mr. PURTELL], 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 for resale certain arms manufactured for the armed forces of a foreign country.

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

The bill (S. 3794) to amend section 414 of the Mutual Security Act of 1954 so as to exclude from importation or reimportation into the United States for resale certain arms originally manufactured for military purposes, introduced by Mr. KENNEDY (for himself and Mr. PURTELL), was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. KENNEDY. Mr. President, I introduced a somewhat similar bill a few weeks ago. This bill clarifies some of the provisions of that earlier bill, S. 3714, in order that there be no doubt concerning its effect upon curios and antiques. Such firearms are exempted, and this bill will have no effect upon the importation of these arms. In addition, this bill will permit the continuation of the importation of ammunition. I find that many sportsmen have purchased surplus military rifles, and this exemption will enable them to continue to buy ammunition where the correct size is not manufactured in the United States.

I believe this bill will protect the purchasers of firearms against defective manufacturing and will be in the best interests of both the retailers and manufacturers of firearms including at least five arms manufacturers in Massachusetts.

AMENDMENT OF UNITED STATES CODE RELATING TO ESTABLISHMENT OF A SEPARATE TAX COURT, LABOR COURT, AND TRADE COURT

Mr. HENNINGS. Mr. President, I introduce, for appropriate reference, three bills. They would, if enacted, establish a separate tax court, a labor court, and a trade court.

I wish to state I have not studied these bills thoroughly and I am introducing them in order that they might be considered with other bills on the same general subject. I was recently appointed chairman of a special subcommittee of the Judiciary Committee to deal with matters of administrative law. I expect these three bills will be referred to this subcommittee for hearings.

The bills which I am introducing were originally prepared by the Celler committee and were approved by the American Bar Association at its midwinter meeting in Atlanta. At that time, the association said that, in its view, the Tax Court should be transferred from the executive branch to the judicial branch, that a trade court be established to exercise the full functions of the Federal Trade Commission, that a labor court be established to exercise the judicial functions of the National Labor Relations Board, and that all of these courts be subject to review by the United States Circuit and Supreme Courts.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

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

S. 3796. A bill to amend title 28 of the United States Code, Judiciary and Judicial Procedure, and incorporate therein provisions relating to the United States Tax Court, and for other purposes;

S. 3797. A bill to amend title 28 of the United States Code, Judiciary and Judicial Procedure, and incorporate therein provisions relating to the United States Labor Court, and for other purposes; and

S. 3798. A bill to amend title 28 of the United States Code, Judiciary and Judicial Procedure, and incorporate therein provisions relating to the United States Trade Court, and for other purposes.

REPEAL OF EXCISE TAXES ON AUTOMOBILES AND ACCESSORIES

Mr. HUMPHREY. Mr. President, throughout this session many of us have addressed our attention to the recession in which the Nation finds itself today. We have thought in terms of public-works programs and more equitable tax relief for certain elements of our economy. More recently, because of mounting unemployment and business failures, we have discussed relief more in terms of tax reductions for individuals and small-business men.

Of all the proposed bills, I am convinced that none would have a more salutary effect on our economic well-being than a stimulus to automotive sales.

For the sale and distribution of automobiles is one of the Nation's largest and most important industries. And as such provides, either directly or indirectly, employment for more than 10 million employees in the motor transportation field. It is the greatest single user of steel, accounting in a typical year for over 17 percent of steel production. Percentagewise it means even more to other industries; in a normal year it buys 80 percent of all rubber; 69 percent of all plateglass; 65 percent of all upholstery leather; and 35 percent of all lead. The industry also takes 9 percent of all tin and 10 percent of all cotton sold in the United States. These figures alone indicate the tremendous impact that this industry has upon our economy. At the sales level there are approximately 40,000 dealers in this country employing some 700,000 people.

It is unquestioned that the automobile industry is essential to our economic growth and well-being. It is our Nation's number one employer. In terms of employee compensation, motor vehicle production and sales alone account for a payroll of nearly $7 billion annually. The influence of this industry has been graphically portrayed by Dr. Edwin G. Nourse, former Chairman of the President's Council of Economic Advisors, who has said:

> As goes the automobile industry, so goes the Nation. This is an automobile age, and what the automobile maker and dealer do or fail to do is a very important prime factor in determining whether business, in general will be running down, or running wild, or running sweetly in a middle area between those two extremes. They do not simply ride on the wave of prosperity that is created by forces outside their own control.

The Joint Committee on the Economic Report has emphasized the role played by this industry during a recent recession of much less seriousness than the one in which we find ourselves today. In a report issued in 1955 the Committee stated that the resurgence of economic activity following the latter part of 1954 was sparked by increased automobile production. The Committee said:

> Cutbacks in automobile production ordinarily carry with them cutbacks in supplying industries such as steel, glass, and textiles. Inasmuch as about 15 to 20 percent of the steel production is for use in the automobile industry, the widespread extent of the possible repercussion carries serious implications for the economy as a whole.

The multiplier effect of this industry cannot be overexaggerated, for slumps in automobile production are followed closely by a drop in the production of steel which in turn causes a falling-off in the market for coal. The chain reaction is felt throughout the country. Succinctly, the automobile industry is one of the most pivotal for the country and the success and furtherance of it is of necessity of deep concern to us all. One readily can see that as long as the automobile industry continues to limp, other key sectors of the economy will follow its lead.

This is an age of technological developments in which the automobile plays a major part. This great industry has put into motion illimitable commercial activities and has taken its place as a leader among our economic forces. It has fathered the oil and rubber industries and has caused to be built the greatest network of roads and highways the world has ever known. Indeed, it is said there is no business in the United States which does not contribute goods or services, either directly or indirectly, toward the manufacture of automobiles.

But, today, this industry, which is so very vital to our Nation's well-being, is in the doldrums. Sales are down and inventories are up. At a time of recession, when it can be afforded least, there are production cutbacks and laborers laid off.

During this period of reluctance among prospective buyers there exists a real deterrent to immediate sales—the excise tax. This 10-percent tax will automatically fall to 7 percent on July 1 and normally would-be buyers have deferred purchasing cars with not only this saving in view, but also the possibility of a repeal of the tax in its entirety. Mr. President, what I propose today is that this excise tax on automobiles—enacted during a period of emergency—be repealed, in its entirety, to combat yet another emergency. I further propose that the tax on trucks be lowered to 5 percent and that these provisions be retroactive to May 1. This last provision, I feel, is especially important in view of the buyer strike which has debilitated this industry. It is my feeling that a repeal of the excise tax is not enough. We must assure prospective buyers now that they will not be penalized by making immediate purchases. It should be firmly established that it is the intent of this body that the repeal of the excise tax on automobiles will provide for a rebate to car buyers from May 1 and for a rebate to dealers to cover all floor stock on hand.

It is my belief that the enactment of such a measure will provide a stimulus to the automotive industry which, in turn, will provide a stimulus to the Nation's entire economic body.

Now, what is entailed, should the excise tax on automobiles be repealed? It is true that there would be a loss of revenue to the Federal Government of some $200 million. But this is a mere pittance when one considers what is at stake—the economic well-being of not only the employees engaged in automobile manufacturing and ancillary industries—but the small-business man, the independent dealers and their employees, and, for that matter, the entire free world. We cannot afford to continue the administration's head-in-the-sand attitude toward the recession. We must hope for the best and prepare for the worst. The billions we spend on defense will be of little solace should we suffer economic collapse. And let there be no misunderstanding about this—a greater depression in this country will dissipate the economic viability of the entire free world.

I believe that repeal of the excise tax on automobiles would produce a wonderfully beneficial impact on our economy. By reducing the price of cars at an average of $200 each, sales should increase. This, in turn, should ease the plight of dealers who find themselves overstocked with new cars because of buyer resistance. A concomitant of increased sales should be increased production which will set into motion a multiplier effect which our economy sorely needs.

This seemingly small act—the repeal of the excise tax on automobiles—I believe to be one of the keystones to the economic rejuvenation we are searching

for. This measures deserves very early attention.

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

The bill (S. 3799) to repeal the manufacturers' excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers' excise tax on trucks and buses to 5 percent, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

IMPORTATION OF CERTAIN ARTICLES WITHOUT PAYMENT OF TARIFF

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to permit articles imported from foreign countries for the purpose of exhibition at the Minnesota State Fair and Centennial Exposition to be held at St. Paul, Minn., to be admitted without payment of tariff.

This bill is a companion to H. R. 11889, introduced by Congressman McCARTHY on April 14, 1958, and presently pending in the House Committee on Ways and Means. I am introducing this bill today in the hope of expediting action by the Congress so that those in charge of the Minnesota State Fair and Centennial Exposition may have adequate time to adjust their plans accordingly.

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

The bill (S. 3800) to permit articles imported from foreign countries for the purpose of exhibition at the Minnesota State Fair and Centennial Exposition to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred ot the Committee on Finance.

CHANGE OF REFERENCE

On motion of Mr. BYRD, the Committee on Finance was discharged from the further consideration of the bill (S. 3710) to extend, until such time as compulsory military service under the laws of the United States is terminated, the provisions of title IV of the Veterans' Readjustment Assistance Act of 1952 to veterans who entered active service in the Armed Forces after January 31, 1955, and it was referred to the Committee on Labor and Public Welfare.

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. FREAR:

Address entitled "Truth and the Democratic Tradition," delivered by Senator SYMINGTON at the annual Jefferson-Jackson Day dinner at Wilmington, Del., on May 8, 1958.

By Mr. SPARKMAN:

Address entitled "TVA—Engine For Democracy," delivered by Senator HILL, in commemorating the 25th anniversary of TVA, before the American Public Power Association, on May 7, 1958.

NOTICE OF HEARING ON H. R. 13, H. R. 106, AND H. R. 982, PROPOSING AMENDMENTS TO THE BANKRUPTCY ACT

Mr. CARROLL. Mr. President, on behalf of a special subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, May 21, 1958, at 10 a. m. in room 424, Senate Office Building, on H. R. 13, H. R. 106, and H. R. 982, proposals to amend the Bankruptcy Act.

Any person desiring to be heard, or to submit a statement of views pertinent to the subject matter under consideration should, prior to May 19, 1958, contact the subcommittee counsel in order that necessary arrangements may be made.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Illinois [Mr. DIRKSEN], and myself, chairman.

SOUND UNITED STATES FOREIGN POLICY HAS AIDED ANTI-MOSCOW SATELLITE GOVERNMENTS AND IS SHAKING THE RED WORLD

Mr. WILEY. Mr. President, news dispatches from abroad indicate that apparently a bitter behind-the-scenes battle is being waged over who shall have power at the helm of the Soviet Union, and of the Communist world in general.

It has been reported that Nikita Khrushchev has been engaged in a struggle to continue as undisputed chief—as Premier of the U. S. S. R., and as First Secretary of the Communist Party. The situation apparently arises out of the explosive chain reaction which commenced from the so-called Communist heresy of Marshal Tito, of Yugoslavia.

Without attempting to review the long zigzag record of Moscow-Belgrade relations, it is sufficient to say at the moment that the struggle between Titoism and Stalinism is coming to a crisis, not only in Moscow and Belgrade, but in other Red capitals, as well. One has to read very closely the reports from Moscow, Belgrade, Peking, and Warsaw, to discover what is really going on.

So far as we Americans are concerned, it is clear that we must be alert and on our toes for future developments.

But, likewise, so far as we are concerned, the important fact to note is that the foreign policy of the administration, in dealing with Yugoslavia, has once again been proven to have been fundamentally sound.

The Eisenhower-Dulles foreign policy was based upon wise recognition of the fact that, although we do not like Yugoslavian communism any more than we like Russian communism, we are interested in having any country and any people secure even the smallest measure of independence from Moscow's iron grip.

Acting on that sound policy, we have extended aid to Yugoslavia, and we have offered assistance to Poland.

Critics in America have scoffed at such aid. They have said that we were foolish to give so much as a nickel to a Communist country controlled by Tito, Gomulka, or any other Communist.

These critics used to assert that we should not be misled by Titoist factionalism. They asserted that Tito was really just a puppet of Moscow, and that the Tito-Moscow split was really a fake, a charade, put on for western benefit.

Now we see that this was no put-on show for our benefit—no charade, no makebelieve. Instead, it was, and is, a deadly serious struggle for and against monolithic power.

Yes, the weakness of the arguments against the administration's foreign policy is shown in the headlines which today are emerging from inside the Communist world.

We Americans may not be very much impressed by the so-called Communist "heresies," because we despise all versions of communism, either orthodox or heretic.

But the fact of the matter is that in the cruel world of iron Communist dictatorship, an internal heresy fostered by someone like Tito and Gomulka can prove as damaging and weakening to the Red monolith as can the pressure put on by the free world.

Moreover, from dispatches from New Delhi and elsewhere, we can see that the neutralist capitals are very antagonistic to Moscow's efforts to ride roughshod over Titoism.

No one can now foresee the result of the Kremlin's struggle for power.

No one can now foresee the future course of Belgrade, Peking, or Warsaw, in relation to Moscow.

But this we do know: In extending aid to the so-called heretics, we took a calculated risk; and the risk may pay off now, or later, very significantly.

Mr. President, since 1945, the world has been saved from a third world war; and that has been due to the fact that the foreign policy of our Government, which has understood the situation, has been applied at the appropriate times; and thus the things that should have been done have been done.

AMENDMENT OF THE NATIONAL LABOR RELATIONS ACT

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that at this time I may proceed for not more than 4 or 5 minutes.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered; and the Senator from Kansas may proceed.

Mr. SCHOEPPEL. Mr. President, at the time S. 2888, the Douglas bill, was before the Senate for consideration, I received the following telegram from William Crebs, registration chairman of the

Committee on Political Education, CIO, from Wichita, Kans.:

Senator ANDREW F. SCHOEPPEL,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: Urgently request you give support to Douglas Bill, S. 2888, without, repeat, without, damaging Knowland amendment; also request that you vote to send Knowland bill back to committee for further study.

WM. CREBS,
Registration Chairman, Committee on Political Education.

Mr. President, after receiving that telegram I wrote Mr. Crebs, and I desire to state what my views were as expressed to him, for the benefit of others who might be interested in them. My letter, dated May 1, 1958, to Mr. William Crebs, was as follows:

MAY 1, 1958.

Mr. WILLIAM CREBS,
Registration Chairman, Committee on Political Education, Wichita, Kans.:

Have your wire in which you state: "Urgently request you give support to Douglas bill, S. 2888, without, repeat, without damaging Knowland amendment." Frankly, I'm at a loss to understand why you suggest such action. Not a single amendment offered by Senator KNOWLAND could in the slightest degree be labeled as a "damaging" amendment insofar as dues-paying union members are concerned. Every amendment seeks to protect the rights of the laboring man against abuses in labor relations exposed by the McClellan committee.

I cannot believe that you are opposed to legislation which provides that no person shall be eligible to serve as an officer unless elected by a popular vote of the membership at an election in which all members of such organization shall have been entitled to vote and at which the voting shall have been by secret ballot. Are you opposed to giving every member of a labor organization the right to vote? Are you opposed to the use of secret ballots properly supervised where every member may vote without fear of reprisal?

Why should any workingman be opposed to legislation which provides that the filing of a petition by 15 percent of the membership would be sufficient to require an election at which the workers again would be entitled to vote by secret ballot on the question of recalling any elected officer? Many union constitutions provide for the removal of officers found untrustworthy or derelict in the performance of their duties. There are others that do not. Why do you label an amendment "damaging" which would grant the workers the right to recall any officer without fear of reprisal is beyond me. What is antiunion about such a proposal?

If my memory serves me correctly, approximately 30 years ago the coal miners in southeast Kansas lost their right to elect their district officials. To this day, the miners in this area are required to pay dues but are given no voice in the selection of such officers. Recent hearings held by the McClellan committee pointed out time and again how certain union leaders through the establishment of trusteeships and supervisorships controlled activities and funds of local unions. What is damaging with legislation which provides that no national or international organization shall have the power to remove officers of local unions for the purpose of establishing a trusteeship unless such provision is authorized by and is in accordance with the provision of its constitution or its bylaws—and then only for 1 year. What is so damaging with legislation which provides that the funds of the local union are to be used exclusively in connection with the affairs of the local union when a trusteeship has been established? Am I to understand that you feel that such protection for the membership of any local union against unjustifiable action of some national organization is not in the best interest of the union members?

The McClellan committee found instances where the leadership of labor unions had established a system of class membership whereby only those in a certain class could vote and participate in union affairs, yet all members were required to pay dues.

All Senator KNOWLAND's amendment attempted to do was to provide that no labor organization shall be a representative of any employee for the purpose of collective bargaining, unless, such organization agrees to admit all of the employees it seeks to represent, to membership in the union on the terms and conditions and with the same rights and privileges accorded to all other members of the union. Frankly I do not believe that such legislation is antiunion and I feel in my heart you must feel the same way. I honestly believe that any reputable and competent union man who wants to join a union should be permitted to do so and such membership should carry with it the right to participate in union activities. For the life of me I cannot see why you consider any proviso, that grants every workingman equal rights within the labor organization, a "damaging" amendment, or against the best interest of the laborer whom I'm sure you want to represent.

With respect to the calling of a strike, the Knowland amendment provides that no strike shall be called or sanctioned by a labor organization unless, at least 30 days, prior to the commencement of such strike, such labor organization shall give notice to the board and the employer of its intention. If the board then receives a petition signed by 15 percent of the employees requesting an election, the board must hold an election to determine whether a strike should or should not be called. If the majority of the members oppose the strike, no strike shall be called for 90 days. All this proviso provides for is, that if a strike is called it must be sanctioned by the majority of the members and not by a minority group or some national organization. What is so damaging in granting to the workers the right to determine whether a strike should or should not be called. After all it is the workingman, his wife and his children who must make the sacrifices that are required when a strike is called and not the salaried officials of the organization, State or National.

Why do you label as a "damaging" amendment a proposal that gives to every union member the right to petition the NLRB when such member feels that his right to vote has been denied in violation of the union constitution, charter or bylaws? All the Knowland amendment attempts to do is provide safeguards to protect every member's right to vote. When does protecting a union member's voting rights become antilabor in nature?

Under the NLRB it is illegal for an employer to pay or promise to pay a representative of the workers or for a representative of the worker to receive gifts from the employer. The McClellan committee exposed a number of these so-called sweetheart arrangements where representatives of management and union representatives engaged in collusive arrangements which resulted in benefits to management and to the union officials—but detrimental to the best interests of the union members. All that Senator KNOWLAND'S amendment proposed to do was to close this loophole and yet you label such legislation as a "damaging" amendment. "Damaging" to whom, the honest union members or to the corrupt officials and companies who enter into these agreements?

I supported all of the Knowland amendments. So long as I am in the Senate, I shall continue to support legislation in the field of labor-management relations which I think is in the best interest of the rank and file worker and my country. During my last campaign for the Senate the committee on political education attempted to brand me as antilabor. I have no doubt but that they will again brand my support of the Knowland amendments as antilabor.

In utter candor, I say to you that I have faith in the sound judgment of the rank and file laborer. I do not believe that the great mass of honest union laborers will ever condemn any effort on my part or any other public official's part to enact legislation that is aimed at protecting their rights and their liberties against corrupt practices whether it comes from within the leadership of labor organization or management. I fully realize that the vast majority of union officials and union organizations are honest. But corruption and rank discrimination must be eliminated wherever and whenever found.

If supporting legislation which protects the rights and liberties of the rank and file laboring man against corrupt practices is "damaging" and antilabor in the eyes of the committee on political education, then I shall have to depend upon the laboring men to judge my actions.

I appreciate getting your wire but you are entitled to know my feelings with respect to these amendments.

Regards,

ANDREW F. SCHOEPPEL,
United States Senate.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. SCHOEPPEL. I am glad to yield.

Mr. IVES. I would very much like to know if the Senator received a reply to that letter. It would be interesting to know what the reply was.

Mr. SCHOEPPEL. I will say to the Senator from New York I have not yet received a reply. If I do, I shall read it into the RECORD.

Mr. IVES. I certainly hope the Senator will. I thank him.

PROSPECT FOR DISARMAMENT IV: PROBLEMS RELATING TO THE ARAB WORLD, ISRAEL, AND THE WESTERN NATIONS

Mr. FLANDERS. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont.

Mr. FLANDERS. Is the Chair about to declare the end of the morning hour?

The PRESIDING OFFICER. Is there further morning business?

Mr. FLANDERS. Mr. President, I seek the privilege of the floor.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. FLANDERS. Mr. President, this is the fourth of my series of brief talks on the prospects for disarmament and the subject of problems relating to the Arab world, Israel, and the western nations.

No review of the situation in the Middle East would be realistic which ignored the problems which have been raised by the establishment of Israel, the turmoil which has developed among the Arab nations of north Africa and France, and the troubles which the British are meeting in maintaining their hold on Cyprus and Malta.

It would be unfair to our State Department to leave this discussion of the Middle East without comment on the very great difficulties which our diplomacy faces there, and our general success to date in holding our ground in the face of these particular political difficulties.

The relations between Israel and the Arab world remain in a state of tension. So will they remain indefinitely until and unless Israel and the Arabs each make necessary concessions to the facts of the situation. Israel must recognize in some effective way the rights of the displaced Arabs to compensation for the lands taken from them, at the values which were current when the dispossessions took place. Israel must also obviously discard any territorial expansionist elements in its program.

In this critical area we can do nothing without the active cooperation of Israel. If that country is to persuade the Arab world that it does not have a policy of indefinite expansion, it must cease recruiting Jews from those parts of the world where they are not living in fear and oppression. This expansionist recruiting they are presently doing in South America. To fill up the narrow confines of their present territory with new hundreds of thousands of immigrants who are not refugees from terror cannot fail to be considered as an evidence of imperialistic designs by the Arab nations with which Israel is surrounded.

The Arabs, on the other hand, must recognize the existence of Israel as a fact, reconcile themselves to it, and learn from the remarkable results achieved by Israel in making the maximum use of its resources. As I said on the floor nearly a year ago:

> Israel has a great constructive function in the Mideast. She is showing that great region what can be done with its natural resources. These are meager as measured by our abundance. But hard work, intelligence, and capital have fulfilled the prophecy of Isaiah when he said: "The wilderness and the solitary place shall be glad for them; and the desert shall rejoice and blossom as the rose."
>
> Israel is indeed the great experiment station of the Middle East. What she can do with land and water, rock and soil, plants and flocks, is applicable to hundreds of thousands of square miles of undeveloped areas of the Arab world.

On the whole, our State Department in recent years has held the balances even, in the weight of influences in this critical area. This patience, persistence, and wisdom may yet win through to a solution of this particular problem.

The second critical consideration is of course that of France and north Africa. The English have developed a remarkably successful technique of accepting the inevitable, bowing to it gracefully, and reclaiming many of the rewards of victory from what is, on its face, a defeat. For all their national reputation for logic, this lesson the French Government has never learned. Refusal to learn this lesson is leading that Government toward disaster.

Our State Department has done remarkably well in avoiding action which would have plunged the north African situation into a crisis of French or Arab nationalism, so extreme as to endanger the well-being of the whole Western World. May it not be time for our Government, after due discussion with the French Government, whatever it may be, and our other western allies, to propose laying the whole matter before the United Nations in an endeavor to find a solution fair to the Arabs, honorable to the French, and with constructive results for the Western World?

There are so many desirable—nay, necessary—things that hinge on the future development of United Nations machinery for maintaining peace that there is only time to touch on them now. There are, for instance, the undeveloped resources of the earth, such as those which have been uncovered in the new oil reserves of north Africa. The world has an interest in these. The nations and the engineers which develop them from an idle underground deposit, through the resources of modern technology, to a source of usefulness and revenue have a claim on their developed value. The peoples in whose lands they are found have their claim. These conflicting claims are one of the great forces swelling the tides of international conflict. No single country should decide the principles of development. It is a problem for all nations.

Then there is the mastery of the narrow seas. The question of mastery does not exist in the passages from the North Sea to the Baltic, because in that area there is established peace. The passage at Gibraltar, the entrance to the Red Sea at Aden, the Suez Canal itself, the Bosporus, and the Dardanelles are vital concerns of all the nations of the earth. Why should not freedom of passage be the responsibility of the United Nations, organized to carry out their duty and provided with the sanctions of an effective police force? Were that possible, Great Britain could disembarrass itself from some of its most troublesome responsibilities. France could set its course on a new growth of prosperity and strength. The nations of the world would find themselves relieved of a burden of military expenditure which is vast in comparison with minor contributions only to the expenses of United Nations administration, and there would still be left ample resources for the support of the proposed new Marshall plan not only for the Arab world, but for the other countries of Asia and South America where the need is great.

That is our opportunity. But to achieve it we must reckon with our third factor. The problem of persuading the Soviet Government is one of great difficulty. I believe it not to be impossible. The means of accomplishment I propose to take up in the last of this series of talks.

ROCKET EXPERIMENTATION ACTIVITIES OF THE NATION'S YOUTH

Mr. THYE. Mr. President, for some time I have been vitally interested in the development of a program of supervision over the activities of the youth of our Nation in the field of experimental rocketry. I have urged the recognition of the need for safety supervision over the rocket experimentation activities of our youth.

On Thursday, April 10 of this year, Capt. Bertrand R. Brinley addressed the Hempstead Rotary Club of New York on the subject of Teen-Age Rocketry. Captain Brinley's comments are worthy of the attention of my colleagues, and I ask unanimous consent, Mr. President, that his speech be printed in the RECORD at this point in my remarks.

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

TEEN-AGE ROCKETRY: HAZARD FOR THE PRESENT OR HOPE FOR THE FUTURE?

First of all I wish to thank Dr. Mould, your program chairman, for inviting me here and giving me this opportunity to speak to you about teen-age rocketry. This subject is not in itself the most important problem facing America today, but it is so symptomatic, so representative, of the current national dilemma, that I believe it deserves the best attention of all of us.

First I want to make it abundantly clear that I am not here today in my capacity as an information officer for the First United States Army. I am not here to make official statements. I am here as an individual. I am here to present to you my own findings on teen-age rocketry, and my own opinions as to what should be done. The proposals which I present to you I have already presented to my own command. They are under serious consideration there.

If I use the word "we" in what follows, please understand that I am not referring to the Army, but only to myself and to the three members of my staff who have thus far assisted me in this work.

There is little need to develop for you a picture of teen-age rocket activity today; nor of the hazards inherent in it. The extent of this activity, and the accidents resulting from it have been widely publicized in the press.

There is need, however, to clarify that picture, to correct certain distorted impressions that have become current, to show you what type of person a teen-age rocketeer really is, and to bring this activity into proper focus in order to illustrate its highly significant relationship to the progress of technological development in this country and to the current national dilemma over the problem of education.

To begin with I would like to dispel the notion, once and for all, that teen-age rocketry is a fad. It is not a fad. It is a serious business to thousands of young people from 11 to 18 years of age who want to become scientists. A convenient assumption has been made by a great many well-intentioned people (who have not bothered to look into the matter) that teen-age rocketry is a juvenile craze touched off by the psychological impact of Sputnik I. This assumption provides one more striking illustration of how fast asleep we have been.

Sputnik had nothing to do with it, except to accelerate interest in an activity that was already 5 or 6 years old. All that sputnik did was to make the American press aware that rockets were front-page news. When the press started to look around for rocket news of American origin it didn't have to look very long or very far. It found teenagers by the thousands setting off rockets all over the country and it started to publicize their activities. That is why you get the impression that amateur rocketry is something new. We Americans are prone to date everything from the time it first appears in the newspapers.

To the young people with whom I have been in contact, rocketry represents a means of studying the basic sciences and the tech-

nology of space exploration. They have devoted time and money to this study in amounts that would stagger you. It is their one abiding interest in life. They are not likely to give it up simply because most of adult America dismisses it as a fad, or because a few highly vocal alarmists have branded it as dangerous and a menace to public safety.

When a young man 14 years old invests $500 and thousands of hours of his time in the design and construction of a rocket 9½ feet long, complete with instrumentation, that may rise to a height of 20 miles, so that he can study the effects of altitude and acceleration on the tissues of a mouse, he is not doing so because he wants to set off fireworks or learn how to kill people. He is doing so because he intends to devote his life to the study of space medicine.

When a group of six young men averaging 16½ years of age and 4½ years of experience—one of whom wants to be a chemist (I shouldn't say "wants to be"; he is a chemist), one an electronics engineer, one a doctor, one a physicist, one a designer of space vehicles, and one a meteorologist—have banded together to design and construct a research rocket 17 feet long which should rise to a height of 100 miles and exceed a velocity of 2,000 miles an hour, they are not likely to be flattered by the description "rocket-crazy kids" or "pyromaniacs," both of which they have been called on occasion. Neither are they likely to be deterred or dissuaded by adults who cannot differentiate between juvenile delinquency and juvenile precocity—adults who are living and thinking in an era 30 years behind them.

I have no time to give you further examples. I believe the two I have mentioned will suffice to get the point across. One of these rockets could be launched within 30 days. The other will be ready by June.

The burning question is: Will this Nation be ready in June to provide these young men with the launching site they need?

Or must we ask them to wait another 5 years until they are old enough to play with matches?

Or, even worse, must we ask them to give up their thoughts of being scientists for the time being, and then watch them turn to Madison Avenue or Hollywood for employment, simply because it is safer and cheaper to train for those occupations?

Now why do we have teen-age rocketeers at this time? I have already stated that Sputnik had little to do with it. Teen-age rocketry is just one phase of a much larger and more widespread phenomenon—a phenomenon that I don't believe has been noticed and, so far as I know, has not yet been named. Until somebody more qualified than I comes up with a good name for it, I choose to call it juvenile precocity.

Juvenile precocity, in a sense, might be called the alter ego of juvenile delinquency. They both get their impetus from the same thing; namely, the terrific and continuing impact of mass-communication mediums, which since the end of World War II have literally bombarded the impressionable youthful mind with a host of exciting and stimulating ideas and suggestions, what the psychologists call stimuli. Some of these stimuli are good and some are bad. And a highly imaginative young man exposed to them becomes either precocious or delinquent, depending somewhat on his environment, and somewhat on his personal reading and listening habits.

I don't have time to develop this theme further, but there is a definite correlation between the two. Juvenile precocity has remained unnoticed in the background and in the shadow of the publicity spotlight cast upon delinquency. Until the teen-age rocketeer came along and made a little noise, and created a threat to the public safety, nobody had time to notice the fact that since World War II, we have spawned the most precocious young generation of scientists and technicians that this country has ever produced.

These young people are the product of the scientific and technological breakthroughs growing out of World War II; specifically: nuclear fission, jet propulsion, the development of missiles, and the enormous expansion in the electronics field. The exciting developments in these fields are the daily reading fare of thousands upon thousands of these youngsters. By the time they reach high school they know far more about these things than their teachers do, and they have incidentally acquired a knowledge of basic principles of the physical sciences that exceeds what they would normally learn in high school.

What is more important, they have felt, more strongly than you and I, the tremendous adventure of mankind's greatest experience—the first step into space. They are fascinated by the vehicles that will make that first step possible. They sense the drama and the historic importance of this first attempt to break the chains that have bound mankind to the surface of the earth.

To them this is something real and immediate, and they yearn to be a part of it.

To you and me it is just something that we read in the newspapers. The full impact of it has not yet hit the adult mind, but it has captured the imagination of youth.

This is why we have rockets being launched from backyards and public parks. This is why we have teen-age rocketeers by the thousands.

They are not interested in simply creating explosions or in seeing something blast off into the air. They could accomplish these things, if they chose, by far easier means than constructing a complicated thing like a rocket.

Neither are they interested in rockets as weapons of war. In fact, you never hear them mention the word "war." I have not received a single letter, nor a single phone call, asking me about the warhead or the destructive potential of a military missile. I am asked a thousand other questions about them, but not a single question about their employment as weapons of war.

I think this is a hopeful sign. I think that if this coming generation remains oriented to space, as it appears to be now, then the problems of the world will seem small to them. And the differences among us that create problems will seem small. And, ultimately, the whole world will seem small, as indeed it is.

I get the impression when I talk to these young people, that they are far too busy figuring out the problems of space to worry about the problems of earth, what is going on in Indonesia, or north Africa, or Cuba. They are concerned with far bigger things. They are, indeed, children of the universe; the first generation of the space age.

So much for what the teen-age rocketeer is, how he works, how he thinks, and what he wants to do. Let us consider now what we are going to do about him. How are we going to meet the challenge he presents. How can we preserve his enthusiasm, capitalize on the enormous potential he represents, find a way for him to continue his work; and still ensure the public safety. Stated simply, the problem is to keep his interest alive, and keep him alive, too.

Let me state definitely and unequivocably, here and now, that there is only one way to do this: that is to make it possible for him to build and fire progressively larger and more powerful rockets. Nothing short of this will be adequate. No substitute will be equivalent. No magic will achieve the same result. I am absolutely convinced of this.

I have listened to dozens of proposals offering substitutes for the real thing.

There are those who advocate weaning these young people away from rockets to some more peaceful and less dangerous interest. These people simply fail to understand the reasons why young people experiment with rockets and misunderstand the entire psychology of the thing. The plain, blunt fact is, they have never bothered to talk to any of them.

There are those who advocate enforcing the strict letter of the law and stamping out this activity altogether. These are people whose only concern is safety. They have no appreciation at all for the much more important problem of how to develop scientific and technical skills in America at a faster rate.

There are those who advocate developing safe propellents and safe rockets for these children to play with. To begin with, these people think they are dealing with children, not young scientists. Again, they haven't bothered to go out and talk to any of them. I have seen some of the proposed safe rockets. You have seen them in magazines. They are not 9½ feet long, or 17 feet long. They are 12 inches or 18 inches long. They will not go up 102 miles. They will rise a few hundred feet, or a few thousand at the most. They have no instrumentation of any sort. There is nothing complicated about them at all. They are absolutely useless for studying anything except how to make a loud noise. They are candlesticks, and the most deadly thing about them is that they are all alike, they are identical.

This, to me, is the most ridiculous proposal of all. If every young man in the United States is going to be told what to build, and if he has to build to a standard plan and end up with a standard product; then I say we might just as well take out a contract to do piecework for the Russians and forget all about the race to space.

Furthermore, I believe that once a young man has tasted wine you cannot wean him back to apple cider. No young man in his right mind is going to turn his back on a 6-foot gleaming monster in his basement to work under supervision on an 18-inch candlestick.

The point of all this is that any program of assistance to teen-age rocketeers has got to offer them more than they have in their own basements. Otherwise they will return to their basements and bedrooms and we will have achieved nothing, except to attract more young people into the field and thus create a bigger problem than we have already.

Now, the task that faces us is partly one of education and partly one of logistics. The problems inherent in that task are manifold and complex. I could not possibly detail them for you now. Let me simply say that I am fully confident that each of them can be solved—providing we take the right approach, providing our concept of the word education is broad enough, providing that we have the courage to strike out in a new direction and seize this opportunity to conduct an exciting experiment, using the teen-age rocketeer as the guinea pig.

Now I do not think that the educational needs of these rocketeers can be taken care of by the schools, as has been suggested by so many people. The educational system of this country is the subject of enough controversy, already. It is overburdened with responsibilities and undermined with criticism and niggardly financing. The relationship of the schools to this problem of teen-age rocketry is a subject on which I could discourse all afternoon. Suffice it to say that it is self-evident that they have neither the physical plant nor the qualified faculty to be of any help to a young rocketeer. (I am told, incidentally, that there are fewer than 100 persons in the entire United States who are fully qualified to give the answers to all the questions that these young people ask. After talking to approximately 150 rocketeers, I fully believe that statement).

Who, then, is to assume the burden of giving the technical guidance and the physical support that is necessary to provide a safe

and productive program of assistance to rocketeers? Personally, I think that the burden can be shared by a great variety of agencies. The program I recommend contemplates combining the resources of many agencies into one cooperative effort. But the bulk of the burden must fall upon two who can be considered to have the greatest stake in the development of manpower in the technical fields. These are industry and the armed services. And of the two, the one with the greater technical resources is industry.

Now, why should industry assume such a burden. Well, for one reason, it already has assumed such a burden in a variety of similar instances. Secondly, industry stands to benefit most, and most immediately, from any program designed to produce greater numbers of technically skilled personnel.

Let me draw a parallel for you that, to my mind, illustrates the concept very well.

We have in this country a great institution known as baseball. I have been a baseball fan all my life, and I have learned a great many things from the game. But there are at least two things we can learn from baseball that do not stem from the game itself; they stem from the organization that baseball management was built up in order to perpetuate the game as a national classic and to provide the best quality baseball possible. One of these things is known as the farm system—a system for developing baseball talent.

Baseball long ago realized that its own survival depended primarily on a steady and continuing influx of good player talent. To achieve this, baseball management knew that a system of player education and training was necessary. Now, did baseball sit back and yap at the school system and complain because the high schools and colleges were unable to provide them with better ballplayers? No. They did something about it.

First of all, they recognized the fact that it was not the primary duty of the schools to furnish ballplayers for the major leagues. (I am not so sure that it is the primary duty of the schools to provide scientists and technicians for industry in the numbers needed, either. They could only do so at the complete sacrifice of equally important things.) Secondly, baseball management devised a system for taking promising young ballplayers under its wing at the tender age of 15, 16, and 17; and bringing them patiently up through the ranks of organized baseball. They sent out scouts and coaches to pluck young men off the sandlots. They set up a system of minor league clubs mostly for the purpose of holding young men under contract while they could give them the necessary training and experience. It is not uncommon, today, for a major league team to invest 8 to 10 years' time and over a $100,000 in the development of one young ballplayer—all before the young man ever sets foot on the late lamented Polo Grounds. This is organization, for the purpose of developing talent. This is the farm system. And baseball has found that it pays off.

Now I propose, very simply that industry set up such a farm system; for teen-age rocketeers initially, because they represent a present danger and also because they represent the greatest potential source for technical manpower. Later, this same farm system can be extended to include young people engaged in a variety of other scientific pursuits. Such a farm system will bring to industry a young man at age 21 who already has 6 or 7 years of know-how and practical experience under his belt. He will be the equivalent of an engineer or technician 30 years of age.

We can, by this means, effect a technological jump in this country within the next few years that will help to reduce the present lag between technology and education. The significant thing is that we have failed to realize that a young man of 12 or 13 years of age can begin to learn things that we don't bother teaching him until he is 19 or 20. This has been our major failure. The Russians recognized this fact a generation ago, and they have capitalized on it spectacularly.

I think that we can set up such a system here in this area that will prove a model for the rest of the country. We can set it up if we make use of all the resources that are available to us from industry, advanced technical institutions and the armed services.

I propose that we establish a central clearing house, or secretariat, here in New York City, whose function would be to do the scheduling of speakers, films, demonstrations, exhibits, model contests, etc., for rocketeers. It would register all rocket groups, encourage organization and supervision at the local level, and maintain a continuing inventory of the technical talent, films, printed matter, and other material available from industry, the armed services, and other sources. It is my hope that the Army would operate this clearing house, but it could be operated by any one of several organizations.

Civic organizations (such as Rotary), schools, or municipal agencies would be asked to provide the leadership at the local level, establish meeting places and regular meeting times for all rocket groups in their area, so that programs of instruction could be presented to them. These local organizers would also be responsible for establishing working facilities for each group, and for seeing that each of them had an adult supervisor.

Industry would be asked to give the maximum support that it could to rocket groups within its own geographical area (to include instruction, advice, machine shop facilities, materials at cost, etc.) and to provide speakers, printed material, and such support as it could to groups in other localities through the central clearing house in New York City. Certain industries who either have them or are capable of constructing them, would be asked to provide static facilities for the testing of rocket engines.

The armed services would be asked to provide launching sites, supervisory personnel for the sites, and whatever technical assistance they are able to provide through the central clearing house. If the armed services are unable to provide such sites, they can conceivably be provided by other means, but it will most likely cost money.

With such an organization of the resources available to us we can accomplish the task of spreading the relatively small number of technically qualified advisers over the greatest number of rocketeers. We can do an even better job in this respect by establishing regular weekly TV and radio programs emanating from New York City on which guest experts would be presented to answer the questions of rocketeers. Local organizations could use these programs as the keystone for their meetings. They could probably be broadcast most conveniently on Saturday mornings.

Under this program, no rocket groups would be permitted to mix or experiment with fuels. Such experimentation is not entirely necessary and it represents the major hazard in rocketry. Teen-agers are presently forced into such experimentation by the lack of suitable commercially prepared fuels. One of the greatest things this program could accomplish would be to establish certain fuel formulas and arrange for their preparation by commercial laboratories who are in the business. The teen-ager would never have to touch the fuel until it was delivered to him at the launching site or static test site. He would pay for it, just as he is now paying for the separate ingredients. His rocket would have been designed with this specific fuel in mind. He would know in advance the specific thrust and burning time of the fuel; and he and his advisers would know in advance the theoretical performance data of his rocket. He would have to know this before he was scheduled onto a launching site.

I cannot go further into the details of this program at this time. These are its main features. I will be happy to answer any questions that you have if you wish to explore it further.

In closing, I would like to leave but one thought with you. It has to do with the need for action as opposed to the tendency toward caution that I find facing me at every turn. Everyone is afraid to commit himself definitely—afraid of accidents—afraid of liability.

To those who are the advocates of caution—to those who advocate suppressing this activity—to those who advocate substituting safe toys for the real thing—to all of these—I would quote the poet Robert Frost, who, on a recent TV interview, said:

"This is not a time for caution
It is a time for boldness
Our freedom was not won by being cautious.
It was won by being bold.
And it sometimes requires boldness to preserve it."

ORDER OF BUSINESS

Mr. NEUBERGER. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may proceed for not more than 5 minutes, and, if I receive such consent, I should like to defer to the distinguished Senator from Montana [Mr. MURRAY] so that he may proceed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the Senator from Oregon will be recognized for 5 minutes at the conclusion of the remarks of the Senator from Montana.

FIFTIETH ANNIVERSARY OF THE FIRST GOVERNORS' CONFERENCE ON CONSERVATION

Mr. MURRAY. Mr. President, today is May 13, 1958, a date which should not be allowed to slip past unhonored and unmarked. To many people in this country—in fact to most—it is a date which may mean little or nothing. Yet it is the 50th anniversary of an event which has affected the life of every living American, whether he is aware of it or not. Even more than that, it is probably safe to say it was an event which will to some degree influence the life and welfare of nearly every human being born anywhere on this earth in the limitless future, because the doctrines it promulgated have spread throughout the world. For 50 years ago today the conservation movement was born as an effective force in world history, when President Theodore Roosevelt called to order the first governors' conference. The subject of that conference was the conservation of natural resources.

I do not wish to take the time of the Senate today with any extended discussion of that historic event. But I do think it only fitting that we should pause briefly in our headlong flight through history to honor the men who met in the east room of the White House a half-century ago today, and especially the men who were responsible for that

meeting being called—Theodore Roosevelt, whom I have called the godfather of conservation; Gifford Pinchot, T. R.'s famous forester, who was the true father of the conservation movement; Dr. W. J. Magee, one of the great intellectual forces of the early conservation group, who wrote drafts of most of the speeches delivered at the conference by men like Andrew Carnegie, James J. Hill, and John H. Mitchell; F. H. Newell, first man to head the Reclamation Service; and Senator Francis G. Newlands, author of the Reclamation Act.

Because I believe the conference on conservation was such a dynamic event in world history, I have asked my staff to prepare a brief memoradum on the subject. This memorandum is worthy of particular note in this, Theodore Roosevelt's centennial year, because it includes Gifford Pinchot's evaluation of this great conference in the light of 39 years of hindsight, excerpts from the address of President Roosevelt opening the conference, and the greater part of the declaration of principles which was unanimously approved by the assembled governors before they adjourned on May 15, 1908. In order that these statements may be made widely available throughout the country as a fitting remembrance of this great event, I ask that this memorandum be included in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, the memorandum will be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. MURRAY. I think there is today too little appreciation of the significance to mankind of this conference and the movement it launched. This may be because we are still so very wealthy in the resources we have at our disposal. But the time may well come, as our descendants feel the pinch of booming population on one side and declining resources on the other, when the 1947 prediction of Gifford Pinchot will come true and the governors' conference on conservation will be regarded by future historians as a turning point in human history. For as Pinchot tells us in his autobiography:

> It spread far and wide the new proposition that the purpose of conservation is the greatest good of the greatest number for the longest time.

Mr. President, I hope that my brief remarks and this memorandum will help just a little to increase the Nation's awareness of and faithfulness to the timeless principles of conservation. As T. R. said in his opening address 50 years ago today:

> Let us remember that the conservation of our natural resources is but part of another and greater problem to which this Nation must awake in time—the patriotic duty of insuring the safety and continuance of the Nation.

And as the governors responded unanimously in their declaration of principles:

> We declare our firm conviction that this conservation of our natural resources is a subject of transcendent importance, which should engage unremittingly the attention of the Nation, the States and the people in earnest cooperation.

Let us conserve the foundations of our prosperity.

EXHIBIT 1

MEMORANDUM

MAY 13, 1958.

To: Senator JAMES E. MURRAY.

Subject: The first governors' conference on conservation.

On October 4, 1907, speaking in Memphis, President Theodore Roosevelt announced his intention to call a conference on the conservation of natural resources in the following words:

"As I have said elsewhere, the conservation of natural resources is the fundamental problem. Unless we solve that problem it will avail us little to solve all others. To solve it, the whole Nation must undertake the task through their organizations and associations, through the men whom they have made especially responsible for the welfare of the several States, and finally through Congress and the executive. As a preliminary step, the Inland Waterways Commission has asked me to call a conference on the conservation of natural resources, including, of course, the streams, to meet in Washington during the coming winter. I shall accordingly call such a conference. It ought to be among the most important gatherings in our history, for none have had a more vital question to consider."

Referring to this conference in 1947 Gifford Pinchot wrote in his autobiography:

"The governors' conference on conservation was the first of its kind—the first not only in America, but in the world. It may well be regarded by future historians as a turning point in human history. Because it introduced to mankind the newly formulated policy of the conservation of natural resources, it exerted and continues to exert a vital influence on the United States, on the other nations of the Americas, and on the peoples of the whole earth.

"The conference set forth in impressive fashion, and it was the first national meeting in any country to set forth, the idea that the protection, preservation, and wise use of the natural resources, is not a series of separate and independent tasks, but one single problem.

"It spread far and wide the new proposition that the purpose of conservation is the greatest good of the greatest number for the longest time.

"It asserted that the conservation of natural resources is the one most fundamentally important material problem of all, and it drove home the basic truth that the planned and orderly development of the earth and all it contains is indispensable to the permanent prosperity of the human race. That great truth was never so true as now.

"The governors' conference put conservation in a firm place in the knowledge and thinking of the people. From that moment it became an inseparable part of the national policy of the United States."

But Pinchot, whom Teddy Roosevelt described as "the man to whom the Nation owes most for what has been accomplished as regards the preservation of the natural resources of our country," went on to add, hardly a decade ago:

"That is, conservation was universally accepted until it began to be applied. From the principle of conservation there has never been, because there could not be, any serious open dissent. Even when applied in practice to the other fellow, it was unattackable. But when it began to interfere with the profits of powerful men and great special interests, the reign of peace came to a sudden end.

"From that day to this, men and interests who had a money reason for doing so have fought conservation with bitterness, and in many cases with success. That war is raging still, and it is yet very far from being won."

THEODORE ROOSEVELT'S OPENING ADDRESS

On Wednesday morning, May 13, 1908, President Roosevelt opened the conference in the east room of the White House. Addressing the 44 governors and SRO crowd of 500 assorted invited dignitaries, he set the tone of the conference with his opening 50-minute speech, and continued to dominate the meeting throughout its 3-day stand. As we honor both this conference and its convocator we can thrill to the majestic phrases and the keen insight expressed in the following excerpts from the address with which Teddy Roosevelt opened the White House conference on that historic May morning exactly 50 years ago today:

"The occasion for this meeting lies in the fact that the natural resources of the country are in danger of exhaustion if we permit the old wasteful methods of exploiting them longer to continue. * * *

"The growth of this Nation by leaps and bounds makes one of the most striking and important chapters in the history of the world. Its growth has been due to the rapid development, and, alas that it should be said, to the rapid destruction of our natural resources. Nature has supplied to us in the United States, and still supplies to us, more kinds of resources in more lavish degree than has ever been the case at any other time or with any other people. * * *

"The wise use of all of our natural resources, which are our national resources as well, is the great material question of today. * * *

"Disregarding for the moment the question of moral purpose, it is safe to say that the prosperity of our people depends directly on the energy and intelligence with which our natural resources are used. It is equally clear that these resources are the final basis of national power and perpetuity. Finally, it is ominously evident that these resources are in the course of rapid exhaustion. * * *

"These questions do not relate only to the next century or to the next generation. It is time for us now as a Nation to exercise the same reasonable foresight in dealing with our great natural resources that would be shown by a prudent man in conserving and wisely using the property which contains the assurance of well-being for himself and his children.

"The natural resources I have enumerated can be divided into two sharply distinguished classes accordingly as they are or are not capable of renewal. Mines if used must necessarily be exhausted. The minerals do not and cannot renew themselves. Therefore, in dealing with the coal, the oil, the gas, the iron, the metals generally, all that we can do is to try to see that they are wisely used. The exhaustion is certain to come in time.

"The second class of resources consists of those which cannot only be used in such manner as to leave them undiminished for our children, but can actually be improved by wise use. The soil, the forests, the waterways come in this category. In dealing with mineral resources man is able to improve on nature only by putting the resources to a beneficial use, which in the end exhausts them; but in dealing with the soil and its products man can improve on nature by compelling the resources to renew and even reconstruct themselves in such manner as to serve increasingly beneficial uses—while the living waters can be so controlled as to multiply their benefits. * * *

"We can enormously increase our transportation facilities by the canalization of our rivers so as to complete a great system of waterways on the Pacific, Atlantic, and gulf coasts and in the Mississippi Valley, from the Great Plains to the Alleghanies, and from the northern lakes to the mouth of the mighty Father of Waters. But all these various uses of our natural resources are so closely connected that they should be coordinated, and should be treated as part of one

coherent plan, and not in haphazard and piecemeal fashion. * * *

"We are coming to recognize as never before the right of the Nation to guard its own future in the essential matter of natural resources. In the past we have admitted the right of the individual to injure the future of the Republic for his own present profit. The time has come for a change. As a people we have the right and the duty, second to none other but the right and duty of obeying the moral law, of requiring and doing justice, to protect ourselves and our children against the wasteful development of our natural resources, whether that waste is caused by the actual destruction of such resources or by making them impossible of development hereafter. * * *

"Any enactment that provides for the wise utilization of the forests, whether in public or private ownership, and for the conservation of the water resources of the country, must necessarily be legislation that will promote both private and public welfare; for flood prevention, water-power development, preservation of the soil, and improvement of navigable rivers are all promoted by such a policy of forest conservation.

"Finally, let us remember that the conservation of our natural resources, though the gravest problem of today, is yet but part of another and greater problem to which this Nation is not yet awake, but to which it must awake in time, and with which it must hereafter grapple if it is to live—the problem of national efficiency, the patriotic duty of insuring the safety and continuance of the Nation."

As Gifford Pinchot expressed it in 1947, "T. R.'s epochal declaration fits like a glove the situation in which we and all other nations find ourselves today. In this atomic age it is even truer than it was when he made it, nearly 40 years ago." And how T. R. would have applauded the Hells Canyon fight "to protect ourselves and our children against the wasteful development of our natural resources * * * by making them impossible of development hereafter."

THE GOVERNORS' DECLARATION OF PRINCIPLES

On the final day of the conference, the assembled conferees unanimously adopted a Declaration of Principles which Governor Pinchot described as "so simple, sound, and fine that the President himself, and not a few of the rest of us, believed it should be posted in every schoolhouse in the United States." Certainly, many people who feel that the Nation still has much to do in living up to its conservation heritage and these principles would like to see posted in America's schoolrooms today this declaration, which, except for one section of five paragraphs relevant primarily to the conditions of 1908, is included here:

"We, the governors of the States and Territories of the United States of America, in conference assembled, do hereby declare the conviction that the great prosperity of our country rests upon the abundant resources of the land chosen by our forefathers for their homes, and where they laid the foundation of this great Nation. We look upon those resources as a heritage to be made use of in establishing and promoting the comfort, prosperity, and happiness of the American people, but not to be wasted, deteriorated, or needlessly destroyed.

"We agree that our country's future is involved in this; that the great natural resources supply the material basis upon which our civilization must continue to depend, and upon which the perpetuity of the Nation itself rests.

"We agree that this material basis is threatened with exhaustion. We recognize as a high duty the adoption of measures for the conservation of the natural wealth of the country.

"We declare our firm conviction that this conservation of our natural resources is a subject of transcendent importance, which should engage unremittingly the attention of the Nation, the States and the people in earnest cooperation. These natural resources include the land on which we live, and which yields our food; the living waters which fertilize the soil, supply power and form great avenues of commerce; the forests which yield the materials for our homes, prevent erosion of the soil and conserve the navigation and other uses of our streams, and the minerals which form the bases of our industrial life, and supply us with heat, light and power.

"We agree that the land should be so used that erosion and soil wash should cease, that there should be reclamation of arid and semi-arid regions by means of irrigation, and of swamp and overflowed regions by means of drainage; that the waters should be so conserved and used as to promote navigation, and to develop power in the interests of the people; that the forests, which regulate our rivers, support our industries and promote the fertility and productiveness of the soil, should be preserved and perpetuated; that the minerals found so abundantly beneath the surface should be so used as to prolong their utility; that the beauty, healthfulness, and habitability of our country should be preserved and increased; that the sources of national wealth exist for the benefit of all the people, and that monopoly thereof should not be tolerated.

* * * * *

"We urge the continuation and extension of forest policies adopted to secure the husbanding and renewal of our diminishing timber supply, the prevention of soil erosion, the protection of headwaters, and the maintenance of the purity and navigability of the streams. We recognize that the private ownership of forest lands entails responsibilities in the interests of all the people, and we favor the enactment of laws looking to the protection and replacement of privately owned forests.

"We recognize in our waters a most valuable asset of the people of the United States, and we recommend the enactment of laws looking to the conservation of water resources for irrigation, water supply, power and navigation, to the end that navigable and course streams may be brought under complete control and fully utlized for every purpose. We specially urge on the Federal Congress the immediate adoption of a wise, active and thorough waterway policy, providing for the prompt improvement of our streams and conservation of their watersheds required for the uses of commerce and the protection of the interests of our people.

"We recommend the enactment of laws looking to the prevention of waste in the mining and extraction of coal, oil, gas and other minerals, with a view to their wise conservation for the use of the people, and to the protection of human life in the mines.

"Let us conserve the foundations of our prosperity."

On the 50th anniversary of this historic conference which actually launched the conservation movement in the minds and hearts of the people of the United States and of the whole world, we could do far worse than study these principles and ask ourselves the two vital questions: "Where have we failed in the past to honor them?" and "How can we serve them better in the future?"

MONSIGNOR JAMES F. MURPHY

Mr. PURTELL. Mr. President, I shall ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, the following newspaper clipping and editorials from the Bridgeport (Conn.) Post of May 3, and The Catholic Transcript (Hartford, Conn.) of May 8—articles in tribute to one of Connecticut's most outstanding citizens, the Rt. Rev. Msgr. James F. Murphy of Bridgeport, Conn., who died a week ago.

It was not my privilege to know Monsignor Murphy as well as I would have liked, but I know of the high esteem and warm affection in which he was held by all. His funeral, attended by more than 300 priests, a score of monsignors, two bishops and a church overflowing with grief stricken relatives, friends, and parishioners, was evidence to that fact.

To quote from the Bridgeport (Conn.) Herald of May 4:

> Many tributes are being heard to the priest who died suddenly Friday. But probably none is more truthful than the words spoken by a reporter:—"He was simple and he was loved." Democratic, an eminent hero in his own town, his friendships here are without limit. With the press he was especially popular. He addressed them by their first names, of course. He used to visit the Herald editorial rooms amid warmth and friendly laughter.

He was but 49 years of age, and while his body was racked in almost constant pain for over 20 years, and while his nights were spent in a semi-reclining bed, he bore his suffering with patient resignation, a broad smile, a helping hand and a cheery word for everyone. In the eulogy delivered by Rev. Thomas F. Glynn of Hartford, Monsignor Murphy was described as "a shepherd who loved his flock; a soul who suffered with Christ; a priest with the Savior's love, particularly for the poor and those in pain—a man of suffering, a man of joy, a man with a taste of work."

Monsignor Murphy was prominently identified with innumerable religious, civic, labor and social service ventures. In the fall of 1956 he spearheaded Catholic charity efforts in Bridgeport in the resettlement of hundreds of Hungarian refugees in the area. Under former Mayor Jaspar McLevy, he served on a Labor Mediation Board and Mayor Samuel J. Tedesco had recently named Monsignor Murphy to the city's new Commission on Human Rights.

Yes, the diocese of Bridgeport, his home community in particular, and the State of Connecticut have sustained a great loss in the passing of Monsignor Murphy, more widely known as Father Jim.

I ask unanimous consent to have printed in the RECORD at this point the editorials to which I have referred.

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

[From the Catholic Transcript of May 8, 1958]

MONSIGNOR MURPHY

Msgr. James F. Murphy, who died suddenly last Friday at 49, was one of the most extraordinary priests in the history of the church in Connecticut. We have had priests more original or more scintillant, more versatile or more farseeing, with more striking monuments in the way of founding or building, and so forth. Monsignor Murphy's distinction consisted, first of all, in a limpid childlikeness, a personality redolent of the fragrance of the gospel. Again, there was his unquenchable spirit of faith and fortitude. In addition, he was characterized by

total dedication to his work, tender concern for others, refusal to recognize—much less be stopped by—obstacles, and heroic capacity for taking pains and bearing pain.

His special charge during most of his priesthood was Catholic charities. He earned a doctorate in social work, mastered the latest techniques in that field as they emerged, and conducted an agency remarkable for its efficiency. But all this professional expertise was livened and warmed by the fire of a heart sacramentally consecrated, kindled by the heart of Christ, and echoing its compassionate beat.

To Monsignor Murphy people were not cases but holy likenesses of God, and in people, however deranged or even disgusting their lives, he discerned, through the grime, traces of the divinity which quickened dust with immortality. For the sake of that, he labored to bring order where there was disorder, peace where there was strife, goodness where there was corruption.

He had to deal with much of the seamy side of life, but it neither tainted him nor made him cynical. There was in him a pristine wholesomeness which was proof against contamination or souring, and which was fed and deepened by habitual prayer. The deadly pressure of the fallen world and the blight of disillusionment concerning human nature made no mark on him. This was probably because suffering was his constant condition.

He was ill from the very morrow of his ordination, racked and twisted by arthritis, and later subject to periodic heart attacks. Severe chronic illness and the hovering prospect of death did not halt or harden him. Rather, since he took them in the perfect Christian way, they refined him, enhancing his simplicity and purity of soul, tempering his strength of will, making him even more patient, more sympathetic, more considerate.

His last few years brought him the official recognition of which he was eminently deserving. He became rector of St. Augustine's Cathedral and a domestic prelate. His rectorship crowned a career of unparalleled service in and to Bridgeport. He knew that community as few others ever have or will; and he was more widely, favorably, and affectionately known in it than almost anyone else. In charge of the diocese's principal church, he displayed at its maturity the singular pastoral genius which had long been apparent. It must have been a joy to him, as it was a blessing to thousands, that this gift had the chance to come to ripeness.

So much that is unique and irrecoverable has gone down to the grave with Monsignor Murphy: his vast acquaintance with people and problems, his practical wisdom and balanced judgment, his influence for good in many places—some of them quite unlikely, all his wealth of experience. But the point is that he gave of himself unstintingly as long as he could, right down to his last hour on earth. In countless lives there is something of his special, radiant integrity living on and working for God's glory and man's welfare.

[From the Bridgeport (Conn.) Post of May 3, 1958]

MONSIGNOR MURPHY

There is indeed cause for sadness in Bridgeport. The city has lost a distinguished citizen who contributed much to its welfare; the church, a true shepherd of his flock; and charity, one of its most gracious exponents.

Death is always a shock. But it is always more poignant, when it comes to a person beloved by the entire community. Such a man was Monsignor James F. Murphy, rector of St. Augustine's Cathedral and diocesan director of Catholic charities. As an executive in this field he was closely associated with the Community Chest and the United Fund, where his constructive thinking and intimate knowledge of Bridgeport and its needs will be sorely missed.

Although Monsignor Murphy had suffered for many years from arthritis, it is hard to realize now that death has overtaken him, at 49. Despite his physical suffering, about which he never complained, he radiated a happiness that belied his constant distress. He was one of those unusual persons who had so much to do for others, that he bore his own pain with enduring Christian fortitude. In recent years, when he might have lessened his daily tasks, he eagerly assumed added duties as first rector of the cathedral, and extending his charities activities throughout the diocese.

We cannot measure here, or even attempt to do so, his many personal charitable works as well as those performed as director of Catholic charities. Thousands of individuals to whom he had ministered as a priest and social worker know in their hearts what he did and their remembrance of his kindness and beneficence will be told over and over again in their prayers during these days of mourning and loss.

Father Murphy, as he was always affectionately called, even after his elevation as a prelate, was not only a humble, spiritual man dedicated to relieving the sufferings of his fellow men, but was a scholar whose long years of study were rewarded by his doctorate and the high esteem of his clerical and lay colleagues.

He had a staunch loyalty to his native city, a devotion shown not by words but by a multitude of deeds. Laboring to enrich the lives of others, he contributed to the general welfare and progress of the community. His pastoral and civic endeavors in a life rich in spiritual goodness will be his permanent memorial.

Everybody loved "Father Jim" Murphy.

[From the Bridgeport (Conn.) Post of May 3, 1958]

BISHOP IN TRIBUTE TO MSGR. MURPHY

Bishop Shehan and Mayor Tedesco last night offered expressions of tribute to the Rt. Rev. James F. Murphy who died yesterday.

"In the death of Monsignor Murphy," Bishop Shehan said, "the diocese of Bridgeport has suffered a loss beyond measure."

The mayor said the community as a whole, had been deprived of one of its outstanding citizens.

The statement of Bishop Shehan is as follows:

LOSS BEYOND MEASURE

"In the death of Monsignor Murphy the diocese of Bridgeport has suffered a loss beyond measure.

"First rector of St. Augustine's Cathedral, director of Catholic charities, and executive director of St. Michael's Cemetery, he carried heavy responsibilities which he fulfilled with the utmost fidelity and with admirable efficiency.

"With his passing, Bridgeport has lost one of its greatest citizens. Supremely loyal to this city of his birth and of his rearing, he loved its people wholeheartedly. He was solicitous for its every need. He was part of every phase of its life. With his abounding energy and his gift of leadership, he made a contribution to our civic life that was second to none.

"Meanwhile, for 2 decades he bore severe physical afflictions with cheerfulness and with true Christian resignation.

"Uppermost in my own heart is a deep sense of personal loss at the departure of a very dear friend. This, I am sure, is the sentiment of thousands of people of Bridgeport."

MAYOR SAMUEL J. TEDESCO

Mayor Tedesco, in words of regret upon hearing of Monsignor Murphy's death, said, "This is not only a serious loss to me personally, since I considered him one of my close friends, but it is also a deep loss to the community at large."

He noted that Monsignor Murphy "not only served the church well, but also the community."

Only a few weeks ago the mayor had appointed Monsignor Murphy as one of the members of the city's new Commission on Human Rights.

At the commission's organizational meeting in April, the Monsignor spoke ambitiously of the work which could be carried out by that group.

REGULATIONS GOVERNING SIGNBOARDS ALONG INTERSTATE HIGHWAY SYSTEM

Mr. NEUBERGER. Mr. President, since the enactment of the Federal-Aid Highway Act of 1958 by President Eisenhower's signature on April 16, which included in section 12 the new program for aiding States to control signboards along the National System of Interstate Highways, I have received many inquiries from State legislators and other interested persons about the next steps in carrying out this program and making it effective.

Under this new signboard-control law, the first step is the preparation and promulgation by the Secretary of Commerce of national standards for the regulation of signs along the interstate highways. These regulatory standards may then be accepted, rejected, or, of course, even exceeded by the several State governments as part of their highway programs. If they are accepted, in an agreement between the State and the Secretary of Commerce, the State qualifies for a 90½-percent, instead of 90-percent, Federal share of the costs of the Interstate System projects covered by the standards and the agreement.

DIFFICULT PROBLEMS IN DRAFTING SIGN STANDARDS

It is my understanding that the Bureau of Public Roads is now working actively on the difficult task of preparing the national standards in conformity with the provisions of the law. I realize that this is a difficult task because, as the first sponsor of this legislation and as a member of the Subcommittee on Roads which wrestled with it for 2 years, I know the compromises which are inherent in the law itself, and also the decisions which we left to the Secretary of Commerce to make in the regulations. One can sympathize with the remarks which were included in President Eisenhower's statement, in signing the highway bill, when he said:

> In another part of the bill, the Congress has constructively endeavored to encourage the States to regulate advertising along the Interstate System. This provision of the bill should be clarified and strengthened so as to provide a clearer basis for administrative standards. Certain exceptions which might permit advertising to go unchecked in some areas should be removed. Moreover, the act provides that incentive payments to encourage the States to regulate advertising shall be furnished from general tax revenues rather than from highway user tax revenues which constitute the highway trust fund. This is inappropriate and should be corrected by subsequent legislation.

I have seen an early version of the proposed regulations and standards. I shall not describe them in my remarks today, because I believe they constituted only a basis for further discussion and drafting. Certainly, this version did not come very close to meeting the practical problems that are posed by the statutory provisions, as they were finally enacted. Actually, far from employing the special competence and the imagination of its experts to prepare an affirmative plan to carry out the policies of the law, this early draft proceeds largely by elaborating on the provisions of the law itself—by setting out an inflexible system of restrictions which on the one hand leaves out some of the outstanding qualitative questions of signboard size, design, and appearance, and which on the other hand cannot be adapted to the permissible types of informational functions in the wide range of different conditions to be found throughout this continent.

What are some of the practical problems posed by these different conditions?

The main policy decision underlying the bill which is now law was to limit roadside signs to those offering the traveler information that he would need or want specifically as a traveler. To keep the number of roadside signs to a minimum, brand-name advertising of merchandise on the customary billboards was to be eliminated along the interstate highways. On the other hand, information about specific tourist and travel facilities, such as hotels and motels, resort areas, and automotive repair shops accessible from the highway exits was permitted to be given in sign form—particularly on signs within 12 miles of the location of the activity in question. These latter, permissible types of signs are to be regulated by the national standards being prepared by the Commerce Department.

Thus, there are not to be billboards urging drivers to buy a Chevrolet, or Goodyear tires, or Standard gasoline—but the States may permit some kind of sign, consistent with the national standards, stating that all-night automobile services, or food and lodging, are available at identified places located at some specified distance and accessible from a given exit from the interstate highway.

TWO OBVIOUS ALTERNATIVES DO NOT MEET ALL PROBLEMS

The law itself does not specify whether each of the qualifying facilities and activities within 12 miles should put its sales pitch to the traveler on its own standard billboard, or whether, on the other hand, the State highway department should simply erect informational signs before each exit describing the location of the available facilities in general, without identifying them individually by name. This the law leaves to the Secretary's regulatory standards and ultimately to the individual State authorities.

Certainly the second of these two methods would be permissible, although it would probably meet strong objection from operators of off-highway facilities who deem themselves entitled to individual advertising signs. On the other hand, this alternative of one full-scale, normal billboard per individual advertiser seems physically impossible within the policy of the act.

In the more populated areas, particularly in the East, exists from the limited-access interstate highways are likely to occur within quite short distances from each other—typically, perhaps, 6 or 8 miles. For obvious reasons the last mile or two before each exit must be reserved solely for official traffic direction signs. At 60 miles an hour, a motorist has only 1 or 2 minutes to read and absorb such traffic information in approaching a highway interchange. He should not be distracted at that point by additional information about off-highway facilities—let alone try to decide at that late moment whether or not to turn off to avail himself of these advertised facilities.

This process of information, selection and decision must take place earlier, further from the actual point of exit. Yet with only 6 or 8 miles between interchanges, how can each advertiser possibly have one full-sized sign and still preserve billboard control and roadside protection? Or if only two or three signboards are to be permitted, spaced over short stretches several miles apart, who is to allocate them among qualifying advertisers? Like the frequency of exits, the number of qualifying off-highway facilities and activities is a function of population density—the less space between exits, the more demand, presumably, for the few available billboard sites.

I do not think that any State highway department would voluntarily involve itself in such a dilemma between the demand and supply of permissible billboard sites. That inevitable dilemma has been illustrated in the invariable experience in other fields where a limited number of commercial opportunities must be allocated among a much larger number of qualifying applicants—to name but two examples, in the fields of liquor licensing, and radio and television broadcast frequencies. Charges of favoritism and corruption are sure to result, and there may even be occasional instances when these are not wholly baseless. I could well understand that State highway officials, before placing themselves in the position of having to make such allocations, would rather cut the Gordian knot by choosing the alternative of making all informational signs official and allowing no individual advertising signs at all—as is, of course, their perfect right so far as Federal law is concerned.

AFFIRMATIVE PLAN, NOT MERELY RESTRICTIVE RULES, NEEDED

It must be evident, I think, that this law cannot be administered on the premise of one permissible advertiser, one standard billboard. The Commerce Department's national standards cannot intelligently proceed by the simple method of restricting the areas along the Interstate Highways where signs may be posted, defining minimum distances between such signs and other such physical restrictions, and then letting landowners, signbuilders, and advertisers fight it out over the few billboard sites that would remain possible under these rigid and mechanical definitions and restrictions. Rather, a more affirmative plan should be prepared, reflecting a functional analysis by the traffic experts and engineers of this whole problem of getting useful information to highway motorists in a manner that goes to make the highway into a continuous tickertape of signboards.

Mr. President, it has been suggested that perhaps the information function contemplated for signs under the new law could best be coordinated with the safety rest areas which will be built along the Interstate highways under legislative authorization dating back to 1950. If this could be done, it would overcome the crux of the highway billboard problem, which as much as any other single factor has led to the need for billboard control. That crux is the enormous, landscape-destroying size which is the essential characteristic of any signboard designed to sell something to a motorist approaching and passing it at the rate of a mile a minute.

Actually, I can think of no more wasteful form of communication than to place some monstrously oversized picture and a 6-word message on a 15- by 30-foot board planted in some place to interrupt a traveler's normal view from the highway. This necessary size and crudity has itself become one of the main causes of objections to highway billboards, even among people who see little fault, or even occasional artistic merit, in smaller urban posters such as theater advertisements, travel posters, and the like. Yet these characteristics are forced upon roadside billboards by their underlying premise of having to capture for a fleeting moment the attention of a potential customer who is at the same time driving an automobile at 60 miles an hour.

Surely there must be a better way to offer this motorist the pertinent and useful information which the Congress agrees should be available to him—a way which would avoid the unsatisfactory extremes of the two methods I mentioned earlier. Might not the safety rest areas provide an opportunity to present such pertinent information to the interested traveler while he is stationary long enough to study it, consider it, and make his decisions accordingly?

I think anyone who has ever traveled long distances cross country by automobile—perhaps with children—or who has ever wrestled with a highway map in an automobile while trying to determine his proper course, will recognize that as long as automobiles are operated on these highways by and for human beings, there must be fairly frequent places where one can pull off the main-traveled roadway—and stop, get out, and make ready to travel on.

Are those not the logical times and places for providing, in the words of the statute, "information in the specific interest of the traveling public"—on signs that are built to human scale rather than automotive scale? Would this not obviate the need for the usual, enormous billboards altogether, in fulfilling the statutory terms and policies with respect

to the protected areas along the interstate highways?

OREGON INITIATED ROADSIDE AUTHORIZATION

These safety rest areas are authorized under section 11 of the Federal-Aid Highway Act of 1940. I understand that this section was added to the law on the initiative of the highway officials of my own State of Oregon. It is obvious that there must be some such areas, spaced at frequent intervals along a high-speed, limited-access, cross-country highway, to permit motorists to make necessary stops without interfering with the flow of highway traffic. These paved, off-highway stopping areas may include such essentials as water, restrooms, garbage disposal, perhaps public telephone booths. If a State highway department were to erect also a long, informational signboard, perhaps including a map of the immediate area, it could make available within limited compass space for perhaps 30 or 40 times as many qualifying advertising messages concerning local tourist facilities, etc., as could be placed on billboards along the highway itself—and with room for each message to offer the traveler far more detailed information than any billboard could. And the design, location and appearance of such signs could be wholly under the control of the State highway departments, under national standards promulgated by the Secretary along with the existing standards for the safety rest areas themselves. The availability of such information at the safety rest area could be announced on a single, official sign erected several hundred feet ahead of the turnoff to the rest area itself.

In some instances, the safety rest areas may be combined with scenic viewpoints, historic sites, or other roadside attractions of this sort—although I understand that they are not to be developed into roadside parks or picnic grounds. In these instances, of course, the erection of any kind of posters and advertising signs would be wholly inappropriate and in contradiction to the national policy; but this will not be true of the great majority of safety rest areas that must be provided at distances from 10 to 20 miles apart along the entire 41,000-mile interstate network.

Mr. President, I am sure that the experts of the Bureau of Public Roads, in collaboration with the American Association of State Highway Officials, are doing their best to solve the many problems inherent in planning and building our vast new highway network. I am sure that Federal Highway Administrator Bertram D. Tallamy will try to keep the new interstate highways as attractive as his own New York Thruway. The authority and responsibility is theirs; I only wished to offer a few comments with respect to the problems of the billboard-control measure which I originated, and about which I have repeatedly been asked since its enactment.

In conclusion, I would like to make available a number of pertinent documents on this subject. One is a memorandum prepared by my legislative assistant, Mr. Hans A. Linde, for a roundtable discussion on Civilizing the American Roadscape in which he participated on May 1 at the School of Architecture and Design of Yale University—which I think is entitled to much credit for its interest in this important subject. The proposal I have mentioned was discussed on that occasion. Then, I have received from the Bureau of Public Roads a copy of the Bureau's extensive memorandum setting forth the policies and standards to be followed by the States with respect to safety rest areas, of which I would like to include several pertinent excerpts following the text of section 11 of the 1940 act, authorizing these. I ask unanimous consent to have these materials appear in the RECORD, followed by an editorial from the Salem (Oreg.) Statesman of April 5, 1958, entitled "State Action Needed To Ban Billboards," and an informative article from the Reader's Digest for May 1958, entitled "Let's Keep Billboards Off Our New Highways."

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

IMPACT OF NEW FEDERAL LAW ON CONTROL OF ROADSIDE SIGNBOARDS—MEMORANDUM FOR ROUND-TABLE DISCUSSION ON "CIVILIZING THE AMERICAN ROADSCAPE," AT YALE UNIVERSITY, MAY 1, 1958

(By Hans A. Linde, legislative assistant to Senator RICHARD L. NEUBERGER)

BRIEF DESCRIPTION OF THE FEDERAL LAW

The Federal-Aid Highway Act of 1956 authorized the new National System of Interstate and Defense Highways—a 41,000-mile network of divided, limited-access superhighways across the country of which the Federal Government would contribute 90 percent of the cost, as against the 50 percent Federal share in the conventional-highway program. The interstate highways are designed to become the main arteries of long-distance, cross-country motor traffic in the United States.

Section 12 of the Federal-Aid Highway Act of 1958 adds to this 1956 act a new section 122, which offers additional Federal financial aid to States which control roadside billboards and similar devices in accordance with a national policy stated in the law. Basic provisions essential to an understanding of this new Federal law include the following:

Nature of Federal assistance

1. States are authorized to include, in their interstate highway costs for which they receive 90 percent reimbursement from the Federal highway fund, such additional costs as they may incur in acquiring control of adjacent advertising rights—up to a limit of 5 percent of right-of-way acquisition costs for the interstate highway project in question.

2. Any State which enters into an agreement with the Secretary of Commerce to apply national billboard-control standards, to be promulgated by him, to specified parts of the interstate highways within its borders may receive a one-half of 1 percent increase—from 90 percent to 90½—in Federal funds toward the cost of the interstate highway segments covered under the agreement.

National standards, agreements, coverage and exclusions

3. The Federal law directs the Secretary of Commerce to prepare and promulgate national standards for the regulation of permissible signs, which apart from official traffic signs and signs advertising land for sale or lease include only the following:

"(3) Signs erected or maintained pursuant to authorization or permitted under State law, and not inconsistent with the national policy and standards of this section, advertising activities being conducted at a location within 12 miles of the point at which such signs are located.

"(4) Signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public."

The Secretary's standards are guided only by a Congressional declaration of a public interest "to control the use of and to improve areas adjacent to the Interstate System," so as to "promote the safety, convenience and enjoyment of public travel and the free flow of interstate commerce and to protect the public investment" in the system. He is therefore given wide latitude, and corresponding responsibility, for developing standards for State regulations governing the permissible classes of signs which will be effective and also acceptable to the States.

The States may accept the regulatory standards, and the one-half percent increase in Federal aid, in agreements with the Secretary of Commerce.

4. The agreements must apply to all portions of the Interstate System built within a State on rights-of-way wholly acquired after July 1, 1956, with two exceptions: At the request of the State, and in the discretion of the Secretary, they may exclude portions of interstate highways within incorporated municipalities with home rule, and within areas where land use is clearly established by State law as industrial or commercial.

State regulation of roadside signs in accordance with the national standards must extend over adjacent land 660 feet from the edge of the right-of-way and visible from the traveled road. Apart from sign regulation, the agreements may incorporate provisions for landscaping, erosion control, scenic viewpoints, and other affirmative roadside development. The law makes the national standards directly applicable to federally held lands.

The separate right to 90 percent Federal reimbursement of costs of acquiring advertising control is not contingent on entering an agreement and is not limited to wholly new rights-of-way.

PROBABILITY OF EFFECTIVENESS OF FEDERAL LAW

At every stage of its legislative history, doubts have been expressed both by proponents and by opponents of Federal roadside control legislation concerning the workability of the approach now incorporated in the 1958 law. Leading proponents of Federal legislation, such as Mr. Robert Moses and representatives of some of the interested citizens' groups, favored direct Federal prohibition of signs and similar structures along the Interstate System. Opponents challenged the proposed standards as being too vague, and discriminatory and prejudicial to roadside landowners and businesses; and they stated that unpredictable sums of Federal tax funds might be wasted on ineffective control measures. In signing the highway bill, President Eisenhower stated:

"In another part of the bill, the Congress has constructively endeavored to encourage the States to regulate advertising along the Interstate System. This provision of the bill should be clarified and strengthened so as to provide a clearer basis for administrative standards. Certain exceptions which might permit advertising to go unchecked in some areas should be removed. Moreover, the act provides that incentive payments to encourage the States to regulate advertising shall be furnished from general tax revenues rather than from highway user tax revenues which constitute the Highway Trust Fund. This is inappropriate and should be corrected by subsequent legislation."

The main problems of effectiveness arise from the coverage provisions, the promulgation of standards and the likelihood of State acceptance.

Procedural sequence

The first step to be taken under the act is the preparation and promulgation by the Secretary of Commerce of national standards for the permissible classes of signs. These are presumably in process now, perhaps in consultation between the Bureau of Public Roads and representatives of the American Association of State Highway Officials. Other interested groups, as well as students of this subject from the academic world, should certainly have—and take advantage of—an opportunity to submit suggestions for the Secretary's standards and regulations.

The second necessary step will be action by State governments to make possible State participation in the Federal incentive program. This should take place in many States during the 1959 sessions of State legislatures. In some States, no further legislation may be needed to authorize acquisition of advertising control rights for which 90 percent Federal reimbursement has now been made available. But probably most States now lack legislation adequate to permit their State highway commissions to enter into and enforce the agreements with the Secretary of Commerce so as to qualify for the one-half percent Federal payment. The law sets a deadline of July 1, 1961, but to be able to act while rights-of-way are being acquired (when effective action would be easiest and cheapest) State legislation should be completed in 1959.

The third step will be negotiation of the specific agreements between the Secretary and individual States. These must specify the Interstate highway mileage which is to be covered and that which is to be excluded, as well as the manner in which State billboard regulations will conform for the national standards. The terms of the agreements may differ to take into account different conditions in the several States. The Federal law provides for supplementary agreements that may apply to future Interstate highway projects, or which might otherwise modify the original agreements.

Problems of effectiveness

1. Coverage: The greatest handicap to effective coverage under the language of the Federal law results from the so-called Cotton amendment (after its sponsor, Senator NORRIS COTTON of New Hampshire), which inserted the words "any part of the right-of-way, the entire width of which is acquired subsequent to July 1, 1956" into the declaration of the national policy in favor of signboard regulation. In the populated eastern States in particular, it is nearly impossible that many continuous miles of interstate highway will be laid down wholly across virgin territory, without overlapping here and there on some preexisting right-of-way. (Rough estimates indicate that perhaps one-third of the 41,000 miles of the Interstate System would touch on preexisting rights-of-way. It is important, therefore, to recognize that the Federal law in no way limits the application of the control standards by States to the wholly new rights-of-way. Even where existing roads are being widened to interstate standards, present billboards will in fact have to be removed. Even though the Federal law does not require it and does not offer the one-half percent bonus, it does offer 90 percent Federal reimbursement with respect to advertising-control acquisition costs with respect to such mileage, and the States should apply control also to it, so as to avoid a senseless checkerboard pattern.

No really difficult problems of coverage should arise from the provision for discretionary exclusion of municipal and industrial areas.

2. Standards for permissible signs: Unquestionably the greatest continuing controversy, apart from the whole principle of Federal action itself, centered around defining the permissible classes of signs. The general policy premises were to exclude brand-name advertising on the one hand, and on the other, to make available to interstate highway travelers in sign form some information about off-highway facilities and activities in adjacent communities of particular interest to them, particularly sleeping and eating accommodations, tourist resorts and automotive repair services.

The ultimate legislative definition of these permissible classes has been quoted earlier in this memorandum, but its translation into specific regulatory standards is the greatest challenge confronting the Secretary of Commerce in the administration of this law.

The standards will have to deal with such matters as the size, shape, location, appearance, frequency, lighting and other characteristics of permissible signs. The standards could be unimaginative and cut-and-dried, simply describing the physical characteristic of some average advertising billboard now being used by the outdoor advertising industry, and including certain obvious safety standards as to location and frequency. Alternatively, the standards could be based on an original analysis of the function which justifies the special exclusion of some signs from the stated national policy against such signs.

That function is to make available certain information to the traveler, of interest to him specifically as a traveler, in recognition of the fact that the limited-access nature of the highways otherwise separates him entirely from the communities and facilities past which he is traveling.

An initial, fundamental question might be: Must we assume that he should get this information from signs as he drives by at highway speeds? It is this assumption, accurate in the case of usual commercial advertising along other highways, which has logically led to the larger and larger roadside billboards of the outdoor advertising industry. On this assumption, the size, shape, location, and nature of permissible signs along the high-speed interstate highways would have to be a function of the speed of travel, the distance of normal vision, and the length of time that the information is to be available to the traveler. Obviously, the customary large signs would be required, and even they would only be able to transmit the typical, brief impact messages in huge letters, such as the name of a resort or motel or garage accessible from the next highway exit.

Nothing in the law precludes the Secretary of Commerce, if he can win the concurrence of State highway officials, from reexamining this whole, fundamental assumption. Might highway travelers perhaps be better served—in greater safety as well as with less roadside clutter—if they could study informational signs of the permitted classes while standing still?

One possible solution might be to provide service roadways, within a few miles before each exit, where automobiles could pull off the main, traveled roadway to stop and examine a series of smaller signs that would make possible giving travelers far more detailed information about all the facilities of communities accessible from the coming exit. In such off-highway roadways, State highway departments could also make available—protected against weather—large-scale maps of the area, restrooms, drinking water, telephone booths and other conveniences. Attention to these conveniences and to the information available in the service roadway could then be drawn by a single, large, official highway sign notifying the traveler a mile or two before he reaches the pulling-off place, and it might be predicted that the additional conveniences would attract more motorists to the location of the informational signs than would otherwise effectively get the information while rushing by the customary billboards. Also, in this manner, many signs could be concentrated in some single area with the least interference with the long-distance outlook from the highways that this law is intended to protect. (While this plan would involve some intermixing of decelerating and accelerating traffic with the through, highway traffic, the safety advantages of reading informational signs while standing instead of while traveling at highway speeds surely outweigh this problem.)

Whether or not the premise of the stationary motorist, instead of the 70-mile-an-hour reader of signs, is adopted in drafting the Secretary's standards of permissible signs, it is also important to recognize that the law does not require the Secretary and the States to permit these to be commercially designed, erected, and maintained signs. While the tendency may very likely be to proceed by this approach, other alternatives should be at least open to State highway departments. For instance, a State highway department might contract directly to have the sign structures erected in forms and at locations of its own choosing, and then make the space available to qualified advertisers for informational signs meeting conditions specified by departmental regulations. It might even go beyond this, and have the actual content of the signs controlled and administered by local community units, rather than turning them over directly to the advertisers themselves.

These ideas do not represent concrete proposals. They reflect merely anticipation of the problems which will inevitably arise where more advertisers claim to have "information in the specific interest of the traveling public" than could be given individual billboard space consistent with the national policy.

If the Secretary of Commerce drafts standards on the premise that each such advertiser must be accorded at least one standard billboard along the Interstate Highway approaching his point of access, ineffective roadside regulation must inevitably result. To find effective alternatives to this premise is the responsibility now confronting the Secretary. But it is also essential to keep in mind that, under the Federal law, these permissible signs are only those which are also, independently, authorized (or permitted) under State law. Throughout the Federal law, it remains clear that States may go beyond the Federal minimum, both in covered mileage and in standards of regulation. Much of the responsibility for the success of the national roadside policy has been deliberately placed on State governments.

3. State acceptance of national policy: Except with respect to federally controlled land, the new law is wholly dependent on action taken by State governments on their own initiative. During consideration of the Federal legislation, the question was repeatedly raised whether the offered Federal aid would be a sufficient incentive to induce States to control billboards and otherwise protect the Interstate Highway roadsides. The answer is that—contrary to the opponents' cries of "Bribe"—the very modest Federal aid, as such, is neither intended nor expected to bring about roadside regulation in States where such a policy would otherwise find little support and much opposition.

In fact, however, billboard control—particularly along newly built highways—has for some time been an active and controversial issue in many State legislatures, reflecting the same claims and counterclaims of public policy that were aired in the Congressional hearings and debates of the past 3 years. The

formulation of standards and the financial aspects of a control program are among the issues in controversy, and it is these to which the Federal law makes a positive contribution.

The main premise, however, is that the same citizens' groups which succeeded in winning Congressional action will continue to be active in seeking State participation in this program. The Federal law will have strengthened their case, and the publicity surrounding the adoption of a national policy will have given them much impetus; so that there is good reason to believe that in every legislature meeting in 1959, measures to accept the Federal standards, agreements, and financial aid will be introduced. There is no reason to doubt that these will be adopted in enough States—particularly those which pride themselves on their scenery—to make the new program effective over a substantial portion of the 41,000 miles of the brandnew Interstate Highway System.

SUBSECTION 1 (C) OF THE FEDERAL-AID HIGHWAY ACT OF 1938 AS AMENDED BY SECTION 11 OF THE FEDERAL HIGHWAY ACT OF 1940

Hereafter the construction of highways by the States with the aid of Federal funds may include such roadside and landscape development, including such sanitary and other facilities as may be deemed reasonably necessary to provide for the suitable accommodation of the public, all within the highway right-of-way and adjacent publicly owned or controlled recreational areas of limited size and for provision for convenient and safe access thereto by pedestrian and vehicular traffic, as may be approved by the Public Roads Administration. Such construction likewise may include the purchase of such adjacent strips of land of limited width and primary importance for the preservation of the natural beauty through which highways are constructed, as may be approved by the Public Roads Administration.

STATEMENT OF POLICY—A POLICY ON SAFETY REST AREAS FOR THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

The policy of the Bureau of Public Roads regarding safety rest areas along the Interstate System is that worked out cooperatively with the committee on planning and design policies of the American Association of State Highway Officials. It was adopted by letter ballot of the States on April 30, 1958. A marked copy of this policy is attached.

Improvement of the Interstate System to meet the approved design standards will result in a system of controlled access highways, and in the interest of safety and convenience to the motoring public, safety rest areas are necessary.

Safety rest areas are off-roadway spaces with provisions for emergency stopping and resting by motorists for short periods, including short-time picnic use in addition to parking of vehicles for short periods.

Safety rest areas as a part of the Interstate System are not to be planned for use as local parks. They are not to be developed for group picnics and recreational activities but such recreational purposes are to be served by providing connections to local, State, and national parks or other recreational areas in the same manner as at any other public crossroad.

As part of a controlled access highway on the Interstate System, safety rest areas should be fenced where necessary to maintain control of access and to prevent commercial encroachment.

The Federal-Aid Highway Act of 1958 covering incentives to the States for control of advertising along the Interstate System was enacted subsequent to the distribution of the attached mimeographed policy to the States for letter ballot.

EXCERPTS FROM A POLICY ON SAFETY REST AREAS FOR THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS OF THE COMMITTEE ON PLANNING AND DESIGN POLICIES, AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS, DECEMBER 1957

STATEMENT OF POLICY

Rest areas are to be provided on interstate highways as a safety measure. Safety rest areas are off-roadway spaces with provisions for emergency stopping and resting by motorists for short periods. They have freeway-type entrance and exit connections, parking areas, benches and tables, and may have toilets and water supply where proper maintenance and supervision are assured. They may be designed for short-time picnic use in addition to parking of vehicles for short periods. They are not to be planned for use as local parks.

Areas for family leisure picnics, active recreation, waterfront activities, or overnight camping are not to be developed as a part of an interstate highway. Connections to local, State, and national parks or other recreational areas near an interstate highway are to be made at interchanges in the same manner as at any other public crossroad.

* * * * *

In general, a sufficient number of sites should be planned along the highway to reasonably accommodate the safety rest needs of interstate highway travelers and, further, to encourage drivers to use them as a safety measure to break long periods of travel. Safety rest areas should be provided so that in combination with other stopping opportunities within or near cities and at service facilities on crossroads with interchange connections, there preferably will be facilities available for short stops about every one-half hour driving time.

Sites are to be located to avoid conflict with divergent traffic movements to and from other access connections and to provide linear space along the highway for adequate advance warning signs.

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Emphasis should be placed on planned development of many small to moderate size safety rest areas rather than a few more expansive areas. The size of a specific site should be governed by the topography and existing natural boundaries and also the likely number of vehicles to be accommodated to serve the estimated traffic volumes for 1975.

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The parking space is to be of adequate size and arrangement to accommodate the anticipated number of vehicles. Parking spaces may be parallel, diagonal, or at right angles to the roadway through the parking area, as the site conditions may suggest, and of suitable dimensions to permit reasonable passenger access. The roadway through the parking area is to be of sufficient width for maneuvering the vehicles in parking and unparking. Separate parking spaces for passenger cars and trucks may be advantageous. They shall be surfaced with a suitable all-weather surfacing.

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The safety rest area is a part of a controlled access highway and should be fenced where necessary to maintain control of access or to prevent commercial encroachment.

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On a heavily traveled route with cities close together, at least one site on each roadway may be desirable between two sizable cities. Distances between sites may vary from 10 or 15 miles on heavily traveled interstate highways in well-developed areas to 20 or 30 miles or more on lightly traveled interstate highways. Through sparsely settled areas, distances between sites may be longer.

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State tourist or information centers, the service of which would be optional to motorists, might well be combined with a safety rest area.

STATE ACTION NEEDED TO BAN BILLBOARDS

[From the Oregon Statesman of April 5, 1958]

Assuming Presidential approval of the highway bill to expand Federal aid for highway construction it will be up to Oregon to decide whether to accept the offered bonus for restriction of billboards on the Interstate System. The bill carries a provision by which States applying such a restriction will have their portion of Federal grants for highways increased in an amount from one-half to 1 percent of the total. This is obviously bait to obtain State action to preserve roadside beauty. This plan was adopted rather than direct Federal action in order to respect States' rights.

Oregon shouldn't hesitate to take steps to eliminate billboards and restrict informational signs on these highways, not merely because of the bonus which is offered but because our roadsides shouldn't be cluttered with billboards, especially those along the major highways which will carry the heaviest volume of travel. The present tolerance on the Baldock freeway for example should be terminated.

This amendment was offered by Senators KUCHEL, of California, and NEUBERGER, of Oregon. They had a hard fight to win over the billboard lobby which blocked such a provision in committee in the previous session. Garden clubs are credited with offsetting the pressures of the billboard interests this year. Now they must concentrate their strength in State legislatures to make the ban effective. They might make a start by asking candidates for the legislature how they stand on this issue.

[From the Reader's Digest of May 1958]

LET'S KEEP BILLBOARDS OFF OUR NEW HIGHWAYS

(By Holman Harvey)

Two years ago the American people ordered for themselves a new $40 billion transcontinental highway system which will traverse all 48 States. Four-lane, six-lane and eight-lane highways are being designed with every safety feature known to modern roadbuilding. Along the network's entire 41,000 miles, no single traffic light or stop sign will impede the motorist. No railroad and few highway grade crossings will endanger the through traffic; the new system will underpass or overpass almost all other roads. Three-fourths of it will run through uncluttered, unspoiled country, opening a wonderland of scenic beauty to traveling Americans. It will truly be an American marvel.

But, section by section, as this system is completed, billboard crews will roll up with hammer and pastepot to erect their signs and ruin the landscape—unless Congress, joined by the States, says, "Leave these roads alone."

As this is written, a bitter behind-the-scenes struggle is taking place in Congress to determine whether these magnificent highways, for which the Federal Government is to pay 90 percent of the cost, are to be defaced by billboard advertising, or whether a Federal law will be passed in time to protect them from disfigurement.

It is not a new problem. Ever since the United States began seriously to build modern highways some 30 years ago, billboard advertising has moved in to blight them. There have been battles over the issue, but the billboardists have largely won them.

Consider first United States Route 1, which runs down the Atlantic seaboard from Maine to Florida. I know of no important section of this once-great highway which is not disfigured today. The approaches to Boston

and to Providence, R. I., have become veritable billboard alleys. Between Washington and Baltimore, a 40-mile stretch, there are 2,500 billboards. (Because of the numerous accidents on this highway Washington newspapers once named it "Old Bloody.") In Florida, from Daytona Beach to Miami, the clutter grows progressively worse.

The billboard scourge is pandemic all over the United States. Running between Saratoga Springs and Lake George, in some of upper New York's most scenic country, is once-lovely Route 9. Today billboards corrupt wonderful vistas on every hand. Even the great State turnpikes may not be immune. The Pennsylvania Roadside Council reports, for instance, that hundreds of billboards are mushrooming up on the presumably protected Pennsylvania Turnpike. Turn south. In the historically romantic Suwannee River country of Florida there are today 60 billboards per mile. In Kentucky, a new bypass on U. S. 27, near Somerset, already bristles with signs to waylay tourists en route to Lake Cumberland and Kentucky's many beauty spots.

Spot roadside surveys of billboard advertising have just been completed by the Wisconsin division of the American Automobile Association. The AAA has been in the forefront of the fight for billboard-control legislation. Here are some figures:

On U. S. 14, between Madison and Oregon—a stretch of 7½ miles—there are now 86 signs northbound and 88 signs southbound. On an 18-mile section of U. S. 12 between Middleton and Sauk City, in the treasured Dells country, there are 144 signs southbound, 162 signs northbound. On another stretch of only 2.7 miles from Lake Delton to Wisconsin Dells, there are 122 signs southbound, 99 northbound.

Moving westward, the blight progresses. In Arizona, on Route 66 between Winslow and Flagstaff, a most wondrous stretch of western country, billboards make it difficult in places to see the landscape. Much the same is true of Routes 60 and 70 between Phoenix and Globe.

In California the story is similar. I quote an editorial from the Pine Cone, of Carmel, Calif., written last November: "The new freeway that will go over the Sierra on Highway 40 has no protection against billboards. The mountain scenery will be despoiled. The highway from Mojave to Las Vegas, once one of the most magnificent desert drives in the West, has become a billboard eyesore. Throughout the State, wherever the taxpayers have built fine highways, the billboard companies have been allowed to cash in on the captive audience that uses them. Shall we allow them to deface for their private profit the great new system of Federal highways?"

The chief target of this question is the powerful Outdoor Advertising Association of America. It represents some 700 billboard companies which sell signs in more than 15,000 cities and towns. They are constantly alert to threatened State or Federal legislation. When hearings on billboard legislation are held before Congressional committees, lawyers, politicians, and many substantial businessmen hasten to Washington, and back home persuasion is brought quietly to bear on Congressmen.

The billboard industry is growing, not declining. Last year it chalked up its 14th consecutive year of increasing profits, selling some $204 million worth of billboard space. Last fall its leaders announced a new program (cost: $300,000) to "tell the truth" to the American people, and to defeat pending Federal legislation. They engaged one of America's largest public-relations firms to augment their own staff.

True, the despoliation of American highways is not entirely due to the OAAA. The association claims to represent 90 percent of the "organized" billboard industry. By this it means that it is organized to sell advertising on a national basis. It says that it controls 350,000 billboards. This means that millions of roadside billboards are non-OAAA. But the effect on the motorist is the same. For the OAAA has led the long legislative battle to block any antibillboard law. Under OAAA leadership all billboards flourish.

Meanwhile, a Trendex News Poll last year showed that 65.9 percent of Americans interviewed favor billboard control on the new Interstate Highway System. So—what is being done about it?

At this writing, three antibillboard bills are pending before the Senate Public Works Committee, and nine are before the counterpart committee in the House of Representatives. The most drastic bill was introduced by Representative ROBERT HALE, of Maine. It provided that unless a State agreed to keep billboards off its section of the Interstate System it would not get any Federal aid. This aroused a storm of opposition from Congressmen sensitive to the preservation of State sovereignty. Pending in the Senate is a proposal penalizing a State by a five percent withholding of Federal funds if it fails to control roadside advertising. This has aroused opposition for the same reason.

To overcome the objection to penalties, other bills provide a financial incentive to States which cooperate. Senator RICHARD NEUBERGER of Oregon would give a State three quarters of one percent additional Federal contribution for cooperation. Connecticut Senators PRESCOTT BUSH and WILLIAM PURTELL and Senator JOSEPH CLARK of Pennsylvania jointly introduced a similar bill. Senator THOMAS KUCHEL, of California would give a State one percent additional. The bills provide variously for control from 600 to 750 feet from the roadside.

Many national organizations are pressing Congress to enact controls at this session. They include the American Automobile Association, the American Planning and Civic Association, the National Council of State Garden Clubs, the Garden Club of America, the General Federation of Women's Clubs, the American Nature Association, and the Audubon Society.

Especially active are the Pennsylvania, New Jersey, and California Roadside Councils, which are conducting letter-writing campaigns to national billboard advertisers, using the slogan, "I favor the firms that favor the scenery." Union Oil Co., Gulf Oil Co., and Buick have responded favorably, as has the Carling Brewing Co. Union Oil's president wrote: "As a company serving the motoring needs of the general public, it did not make good sense to continue to use an advertising method which was becoming offensive to many of our customers."

Bitter fights have been waged in State legislatures, but seasoned fighters for billboard regulation are convinced that the Federal Government must take a hand after 30 years of failure by the States to initiate adequate action. "I believe," said President Eisenhower in a letter to the president of the American Planning and Civic Association early this year, "that Federal legislation on the subject is necessary to assure effective State action."

It is possible that some sort of compromise Federal measure may have been passed by the time you read this—as part of a funds-authorization bill for the new highway program. Whether or not it will provide effective control will have to be watched. Meanwhile, all those who are concerned for the beauty of our roadways should be heard from in the halls of Congress. It is there that the battle against the billboard lobby will be won or lost—a battle of considerable historic importance to America.

NEED FOR ADDITIONAL FEDERAL JUDGES

Mr. JAVITS. Mr. President, there is grave congestion in the Federal courts of New York and other States. It is an old axiom that justice delayed is justice denied. Overcrowded court calendars impair the enjoyment of the individual's rights to fair and impartial justice.

In my home State of New York, the Association of the Bar of the City of New York, through its committee on courts of superior jurisdiction and its committee on Federal legislation, has issued an outstanding report on the need for additional judges, and urges that the bills which are pending before Congress, dealing with this subject, be expeditiously passed.

The report eloquently and in great detail spells out the reason for the great delays, particularly because of the inadequate number of judges, especially in the southern district of New York. I urgently commend the reading of the report to all my colleagues, particularly the members of the Committee on the Judiciary, which is concerned in this matter.

I deeply feel that it requires expeditious and immediate action as a matter of most urgent public necessity.

I ask unanimous consent that the joint report of these two committees of the Association of the Bar of the City of New York be printed in the body of the RECORD, as a part of my remarks.

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

THE ASSOCIATION OF THE BAR OF
THE CITY OF NEW YORK,
New York, N. Y.

JOINT REPORT OF COMMITTEE ON COURTS OF SUPERIOR JURISDICTION AND COMMITTEE ON FEDERAL LEGISLATION ON S. 420, H. R. 3813, S. 2863, S. 2864, AND H. R. 985, 3391, AND 3814, AND S. 1340, H. R. 3369

STATEMENT OF BILLS DISCUSSED

The committees have been asked to report on certain bills dealing with the problem of calendar congestion in our Federal courts. These bills are as follows:

S. 420 and H. R. 3813 provide for additional judgeships for 45 districts and 2 circuit courts of appeal. This report concerns itself only with those sections of the bills providing for judgeships in the southern and eastern districts of New York and the second court of appeals. S. 420 provides for 1 additional circuit judge on the second circuit, increasing the circuit judges from 6 to 7; 4 additional district judges for the southern district of New York, increasing the district judges from 18 to 22; and 2 additional district judges for the eastern district of New York, increasing the district judges from 6 to 8. H. R. 3813 is similar except that it would provide for 2 additional circuit judges on the second circuit, increasing the circuit judges from 6 to 8.

S. 2863 provides for 1 additional judge on the second circuit, 4 additional district judges for the southern district of New York, and 2 additional judges for the eastern district of New York. It is thus similar to S. 420, but relates only to those courts. S. 2864, which passed the Senate on August 30, 1957, relates only to those courts, but provides for the appointment of only 1 additional judge to each of the 3 courts.

H. R. 3391 and 3814 provide that chief judges in circuit and district courts shall cease to serve as such upon reaching the age of 70. H. R. 985 as introduced, had the 70-year limitation. As it passed the House on May 23, 1957, the age had been amended from 70 to 75.

S. 1340, H. R. 3369 provides for an increase in the per diem allowance to visiting judges from $15 to $25.

Recommendation

We support the foregoing bills, and urge the Congress to take affirmative action with respect to them.

With respect to the number of the additional judges to be provided, we recommend the enactment, if possible, of H. R. 3813, which embodies the recommendations of the judicial conference of 2 additional circuit judges for the second circuit, 4 additional district judges for the southern district of New York, and 2 additional district judges for the eastern district of New York.

We express a preference for H. R. 985, as amended, which provides that chief judges in circuit and district court shall cease to serve as such upon reaching the age of 75.

DISCUSSION

1. The crying need for additional judges

The vast number of cases pending in the southern and eastern districts of New York makes impossible the early disposition of cases by trial[1] and argues persuasively for the creation of additional judgeships.[2] The Judicial Conference has continually recommended the creation of 4 additional judgeships in the southern district and 2 additional judges in the eastern district.

It has often been stated that a more effective use of judicial manpower would alone be sufficient to bring the calendars of the Federal courts up to date. We believe that such steps alone are not sufficient.

In the District Court for the Southern District of New York, herculean efforts on the part of the judges in an organized attack upon calendar bottlenecks have resulted in a substantial reduction of cases on the civil calendars.

A new calendar control system was inaugurated on October 3, 1955. The calendar was taken out of the hands of the calendar commission and two judges were assigned to a calendar term of the court. It was the objective in this part to screen every pending case on the five civil calendars and by this means to weed out cases that were destined to be settled, to narrow the areas of conflict between litigants, and to engage in such pretrial activities as time would allow. The results of this experiment have been widely publicized and unanimously approved.

In 9 months, every single one of the total of 7,229 cases on the courts' civil calendars was called. As a result, at the conclusion of the January 1957 term, the total number of cases pending on all of the civil calendars was 806.[3]

The question may be raised as to whether the adoption of this new procedure is the complete answer to calendar congestion—we think not. In addition to the staggering volume of civil cases, the southern district of New York has a substantial criminal calendar which in many instances must have priority over civil cases. There are 18 judges in the southern district of New York. Criminal cases require the time of between 2 to 6 judges in the calendar and trial parts. In addition, 1 judge is assigned to the civil-motion part and another having completed a motion part, is in chambers. The number of judges, therefore, available to try civil cases, is thus reduced. On the other hand, the volume of new cases placed on trial calendars increases. Although the calendar part serves the function of weeding out cases which will not come to trial, it does not deal with the problem of actually trying those cases marked "ready".

Nor is the number of these cases the sole guide to a determination as to whether additional judges are necessary. In the southern district of New York there are many admiralty suits, civil antitrust actions, stockholders' derivative actions, and other commercial cases some of which will require months to try.[4] For each case a judge must be tied up. Tying up a judge in the trial of a long case results in an increase in the backlog of shorter cases to be tried by the remaining judges. It should be noted that the southern district has more complicated and time-consuming litigation than almost any other district in the country.

It has been suggested that a possible solution to the problem of trial delay is the assignment of visiting judges from districts with relatively current calendars, to those districts with congested calendars. We believe this is a helpful practice. In order to maximize the benefits from this practice we believe that there should be an increase in the per diem allowance to visiting judges from $15 to $25, in accordance with S. 1340, H. R. 3369. However we do not believe that the temporary assignment of visiting judges represents a permanent solution.

It also should be noted that the district court in the southern district of New York now draws upon the services of retired judges. The labors of the retired judges have been of considerable help in carrying on the work of the court. It would be unrealistic, however, to assume that these judges will be with the court always. To the extent to which the court has allocated a permanent portion of the work to them, there is a clear indication that full-time judges are necessary to carry that portion of the load. Retired judges, as visiting judges, should only be called upon to relieve the temporary bottlenecks that may develop in the calendars. To depend upon them for more is unfair and at best a temporary expedient.

The calendar situation alone argues the need for additional judges in the southern district of New York. Yet there are perhaps other equally compelling reasons. For example, the pressure of a considerable case load has made it almost impossible for judges to indulge in the luxury of reflection.[5] The demands for more trials and quicker decisions have imposed an arduous work program on the court. Many judges have indicated their dissatisfaction with pressures to decide cases quickly rather than well. Many have complained that there is no leisure to think about their labors and deplore the volume of work which makes impossible adequate research of the many complicated legal questions presented for decision.

Another reason for increasing judicial manpower was pointed up as a result of the installation of the new calendar practice in the southern district of New York. It appeared that on each successive call, cases therefore believed impossible of settlement were, in fact, settled. The calendar call, to the extent to which time permitted pretrial settlement work on the part of the participating judge, developed into an important instrument in the settlement of cases. It has shown clearly the need for an expanded and more leisurely pretrial settlement procedure permitting a judge to bring together both sides for a more thoroughgoing discussion of the issues, and a more complete exploration of settlement possibilities. At the moment, however, there is insufficient manpower to engage in this worthwhile endeavor.

The calendar situation on the eastern district of New York reveals the need for additional judges there too. There are now six judgeships in that district. On June 30, 1957, there were pending 2,510 civil cases.[6]

The need for additional circuit court judges in the second circuit seems to us also to be proven. Two additional circuit

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[1] In the southern district of New York, the median time interval from filing to disposition by trial was 28.8 months in 1957. This time interval was reduced from 39.3 months in 1956 and from 45.9 months in 1955. The interval from issue to trial was 17.4 months in 1957, down from 30.3 months in 1956. In the eastern district the median time to dispose of cases tried increased from 17.3 months in 1948 to an alltime high of 56.7 in 1957. The time interval in 1957 was the longest of any district court. The median interval from issue to trial went from 9.4 months in 1948 to 37.2 in 1957, also the largest interval nationally.

[2] On June 30, 1956, there were 8,205 civil cases pending in the southern district. During the fiscal year 1957, 5,790 civil cases were commenced and 5,426 terminated. Thus on June 30, 1957, there were 8,569 civil cases pending. In addition, on that date there were pending 1,002 criminal cases, an increase of 494 over the total cases of the previous years. In the eastern district there were 2,588 civil cases pending on June 30, 1956. During the calendar year 1957, 1,307 civil cases were commenced and 1,385 terminated, leaving 2,500 cases pending on June 30, 1957. In addition, 500 criminal cases were pending on June 30, 1957.

[3] It should be noted that there is a distinction between "cases pending" and "cases on the civil calendar." For example, on June 30, 1956, there were on the civil calendar in the southern district of New York, 1,800 cases. During the year 1,705 new cases were added and 2,684 cases were removed leaving 821 cases on the civil calendar on June 30, 1957. However, pending cases increased in the period from 8,205 to 8,569 and the 821 cases on the civil calendar had been screened and it must be assumed that a larger percentage of these cases will be tried than was the case with respect to cases on the civil calendar prior to the new calendar control system.

[4] Of the 5,790 civil cases instituted in the fiscal year ending June 30, 1957, 3,871 were private civil cases, for the most part made up of 979 admiralty suits; 1,626 Jones Act (Seaman's) cases; 1,163 diversity personal injury; 202 Federal Employers' Liability Act cases; and 93 patent suits. Of the remaining 1,919 civil cases, 940 were cases where the United States was a party, 574 as plaintiff, and 366 as defendant.

[5] The incoming caseload per judgeship in the southern district of 322 cases in 1957 was 86 cases above average. Pending civil cases per judgeship on June 30, 1957, was 476 whereas the national average was 241. It should be repeated here that there are now 18 judges in the southern district of New York. The creation of 1 additional judgeship would merely decrease the excess of incoming cases per judge over the general average from 86 to 69; it would merely decrease the pending civil cases per judgeship on the aforementioned date to 451, as compared with the national average of 241. The creation of 4 additional judgeships would still not put the southern district on a par with the general average; it would decrease the excess of incoming cases per judge over the general average to 22; it would decrease the pending civil cases per judgeship on June 30, 1957 to 263, as compared with the national average of 241.

[6] This represented a decrease during the fiscal year 1957 from 2,588. This small reduction resulted mainly from the introduction of a calendar call which resulted in many settlements and eliminated considerable deadwood.

judges have been recommended by the Judicial Conference. (Conference Report, September 1957, p. 6.)

Extra sessions have been required and the court has been forced to call upon district court as well as retired circuit court judges in order to keep abreast of its current work.[7] Furthermore, it seems clear that in the event district court judgeships are increased in the southern and eastern districts of New York, a rise in the appellate caseload is inevitable. It would appear to be almost impossible for the second circuit to keep its calendars from falling behind in the event that the caseload is increased, unless additional judges are provided.

CONCLUSION

It is respectfully submitted, therefore, that the proposals for increasing judges in the southern and eastern districts of New York and the second circuit court of appeals by 4, 2, and 2 additional judgeships respectively, to relieve the chief judges of their administrative responsibilities when reaching 75 years of age, and to provide for an increase in the per diem allowance to visiting judges from $15 to $25, should be approved.

Respectfully submitted.

Committee on Federal Legislation, Richard W. Hogue, Jr., Chairman; Newell G. Alford, Jr.; Alan J. B. Aronsohn; Stuart K. Barnes; Alfred Berman; Paul J. Chase; Richard E. Erway; Alan R. Finberg; Edwin L. Gasperini; Daniel H. Greenberg; Claude E. Hamilton, Jr.; Mark F. Hughes; Joseph S. Iseman; Norton I. Katz; Peter L. Keane; David M. Levitan; Eugene H. Nickerson; Herbert Prashker; William I. Riegelman; Jacob J. Rosenblum; L. Harrison Thayer, II; C. Dickerman Williams. Committee on Courts of Superior Jurisdiction: John F. Dooling, Jr., Chairman; Samuel Becker; Emile Zola Berman; Robert P. Beshar; Albert C. Bickford; John Pate Carson; William F. X. Geoghan, Jr.; Jerome Gotkin; E. Laurence Gulyassy; William Eldred Jackson; Florence M. Kelley; Harold H. Levin; Joseph A. Macchia; Walter R. Mansfield; Allen F. Maulsby; William Clarke Morris; Maurice Rosenberg; Edward J. Ross; B. Leo Schwartz; Woodson D. Scott; Whitney North Seymour, Jr.; Samuel J. Silverman.

NEED OF PUBLIC DEFENDERS FOR INDIGENT DEFENDANTS

Mr. JAVITS. Mr. President, one of our basic constitutional guaranties is that in all criminal prosecutions the accused shall have the assistance of counsel in his defense. To supplement the work being done by private organizations and to provide this legal service in cases where there is no private organization undertaking the task, on February 13 I introduced for myself and the senior Senator from Tennessee [Mr. KEFAUVER], S. 3275, to provide for the representation of indigent defendants in criminal cases in the district courts of the United States.

As attorney general of New York State, I had developed a program to provide public defenders, initially for youths under 21, but later to be expanded to everyone requiring the service. Nine other States and several municipalities have public-defender systems. I have felt that this protection should be made available throughout the Nation.

A public defender is a public official, paid from the public treasury, serving as counsel for a defendant financially unable to provide private counsel. He is, in effect, the counterpart of the prosecutor, and, like him, serves the cause of justice in our society.

I have received an interesting and constructive commentary on the proposal written by a gifted young man, Jerrold I. Ehrlich, chairman of the public defender committee of Yale University Law School. I commend Mr. Ehrlich's comments to my colleagues, and I ask unanimous consent that his letter addressed to me be printed in the RECORD.

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

YALE UNIVERSITY LAW SCHOOL,
New Haven, Conn., April 11, 1958.

Hon. JACOB JAVITS,
Senate Office Building,
Washington, D. C.

DEAR HONORABLE JAVITS: Your bill (S. 3275) providing for a public defender to represent indigent accused in the Federal district courts is followed with a great deal of interest here. The need for some type of defender program, private or public, is apparent. An accused is entitled to more than mere representation; he is entitled to adequate representation. It is not always possible to provide adequate representation under the appointed counsel system. Not all lawyers are familiar with criminal law. If appointments are made only from the small group of criminal lawyers an undue burden is placed upon this small group. If appointments are made from the list of all lawyers who practice before the Federal courts, many will be appointed who have no knowledge of criminal law practice and lack the time to learn. In such case the defendant is not truly represented.

A public defender, within a very short time would become expert in the field of criminal law, if he is not that when appointed. His indigent clients would be well represented and the administration of justice would be more efficient. The work of the prosecutor and judges should be lessened by the fact that they are dealing with an experienced attorney whom they respect.

One of the advantages to your bill is that it is flexible enough to utilize and support an adequate voluntary or private defender organization. These organizations meet the same needs as the public defender but are subject to less criticism. Some of these like the New York Legal Aid Society have been doing an excellent job for a number of years and should be encouraged rather than replaced.

A permanent organization, such as a public or private defender, can make effective use of law students within its district. In this county, law students through this organization do much of the investigation and research needed by the New Haven County Public Defender. This is valuable training for the law students participating as it trains them in lawyerly case preparation on both theoretical and practical levels. It enables the public defender to give a quantity and quality of service to indigent accused which would not be possible without student support, considering the salary paid by the State.

This organization has also made itself available to assigned counsel in the local district court through Judge Robert P. Anderson, but in terms of actual service rendered it is sporadic and incomplete. This stems mostly from the difficulty in working with many different attorneys. The attorney without prior experience with our organization is reluctant to rely on our work and we are unsure of exactly how much any given attorney wants us to do. It is possible that over a considerable period of time a more satisfactory working arrangement can be reached with assigned counsel but it could never achieve the efficiency of our work with the public defender.

One item not included in your bill, but of great importance in practice is the need for competent investigatory help for the public defender. A lone attorney is usually severely handicapped by his inability to completely investigate a case while the prosecutor has the services of a highly efficient detective force in the person of the Federal Bureau of Investigation—plus the subpena power. Some of the larger private and public defender offices have detectives on their staffs and this should be provided for the busier judicial districts. A provision for meeting such expenses on a per diem basis should be made for the smaller offices. Representation not grounded upon thorough preparatory investigation will fall short of our ideal of equal justice.

Very truly yours,

JERROLD EHRLICH.

PROPOSED REFUGEE RELIEF LEGISLATION

Mr. JAVITS. Mr. President, I have been a party to a most dramatic set of circumstances, which emphasizes the urgent need for refugee relief legislation. By something that we might have done in Congress we could have supplied other than a grim ending to a very sad story, which I should like to make a part of the RECORD at this time, by relating it to the Senate.

This is the story as told to me by a constituent, Mrs. Elizabeth Wigner, of Interlaken, N. Y. It concerns her niece and her niece's 11-year-old son, refugees from Hungary, who fled to Austria shortly after the 1956 revolution.

In Vienna this Hungarian refugee—whom I shall call Mrs. K, because her name, for reasons which I will explain, cannot be disclosed—had two occupations, working as a seamstress, which she did commendably, and waiting, waiting for the papers which would permit her to come to the United States and to freedom.

Mrs. Wigner writes that her niece "inquired very many times at the consulate about the fate of her request, where she always got the reply that she still will have to wait for a little longer."

Then there was more waiting. Finally, a letter came. In the meantime she and her son left Vienna broken-hearted and were taken back to Hungary. As Mrs. Wigner writes:

They succumbed finally to the persuasions of the Hungarian Legation in Vienna to return to Budapest.

[7] Between 1952 and 1957 the number of cases filed in the second circuit had increased from 350 to 533 and in 1955 reached the high of 581. There were pending on June 30, 1956, 282 cases. Five hundred and thirty-three cases were commenced and 459 terminated, leaving pending 388 on June 30, 1957. This circuit has had for many years the greatest number of cases per judge of any of the courts of appeals. During the fiscal year ending June 30, 1957, the court had 89 cases commenced per judge as compared with a national average of 54. Even if the 2 additional circuit court judgeships provided for by S. 420 and H. R. 3813 are created, the cases commenced per judge would be 66, or 12 above the national average.

Mrs. Wigner continues:

We are very sorry about this turn of their fate because they would have deserved a much better one indeed. They both, but particularly Mrs. K. gave evidence of a real pioneer spirit as they defied every hardship and privation during the past 16 months for the prospect of a free life in the United States of America. Of her son it was the objective opinion that he is showing serious abilities and he had the burning desire to study and work here in America.

The Communists have sent an ambulance for her and have taken them back with great satisfaction and joy.

I don't think I need to tell you, dear Senator, how we feel not only from the humanitarian point of view but also because the Communists are using such cases with good effect to weaken the determination of the people to resist communism.

Mr. President, there are a great many things we can do, which we are not doing. Members of Congress in this body and in the House talk about the anti-Communist struggle, and about how vital it is, but in regard to which we are taking very little action.

We have the further duty of regularizing the status, as United States residents, of some 25,000 Hungarian anti-Communist refugees. This proposed legislation should be expeditiously considered and enacted into law.

Still unresolved is the modernization of our immigration statutes to conform to the present national interest, by writing into them, as recommended by the President and also as recommended in proposed legislation which I and many other Senators are sponsoring, permanent provisions for a minimum number of refugees to be admitted, so that we will not have ad hoc situations which we had with respect to the Hungarian refugees, but, instead, a law, under which we can act and give haven to refugees.

Finally, Mr. President, there is long overdue a thorough overhaul of the unwieldy, unfair, and discriminatory McCarran-Walter Immigration Act, which both our national conscience and our national policy require. The national origins quota system, based on a census 38 years old and on an outmoded concept, requires drastic reappraisal and revision. That system is based on that old census, notwithstanding that three censuses have intervened since then. Certainly the world must consider this only as being in the nature of a punitive measure, not an appropriate exercise of legislative discretion. Together with other colleagues I have joined in trying to get something done about it, particularly with respect to reviewing the whole system in order to bring it up to modern times.

Mr. President, we have a large part to play in answering the challenge of how we can answer the Mrs. K's and the children who reluctantly turn away from our closed door and return downcast to their grim Communist homelands.

Mr. President, this should trouble our national conscience, and it certainly constitutes a grave defect in our national policy in—and I wish I could find even stronger words to describe it—the struggle for life and death and survival which we face in the world today.

TWO GREAT LIBERALS

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Two Great Liberals," written by Raymond Moley and published in Newsweek of May 5, 1958.

In the article Mr. Moley points out the liberal characteristics of two of our great former Presidents, Woodrow Wilson and Herbert Hoover. I subscribe heartily to his description of those Presidents as being among our greatest American liberals.

Those who write about American history have more frequently, perhaps, referred to Woodrow Wilson as a liberal than they have referred to Herbert Hoover as a liberal.

I believe that basically the great contribution of Mr. Moley's article is to establish more firmly in the American mind the basic liberal characteristics of Herbert Hoover's philosophy. I believe that any true student who reads history must arrive at the conclusion that in the genuine sense Herbert Hoover must be listed as one of our all-time great American liberals. Mr. Hoover recognized, before he was President, during his Presidency, and since then, that the antithesis of being liberal in Government is the amalgamation of great power in the hands of politicians, and Mr. Hoover stood fast against the building of political pomp and political power at all times and in all places.

President Hoover recognized and he still recognizes that, evil as is monopoly power and economic monopoly, an even greater evil is political monopoly, because so long as democracy functions in a Republic such as ours, sooner or later the various branches of Government and Congress can take action to curtail and destroy efforts to regulate economic monopoly. But there is no escape from political monopoly, once it has been established, except by surrender or revolution.

I salute Mr. Moley for his perspicacity in calling to the attention of the country that Woodrow Wilson and Herbert Hoover represent two kindred spirits dedicated to the real American concept of liberalism.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MARTIN of Pennsylvania. Has there not been a great change in what is the real conception of a liberal during the past few years?

Mr. MUNDT. I think there has been a change on the part of some Americans in being too willing to accept as liberal those things which basically, normally, and historically should be considered tyrannical; yes.

Mr. MARTIN of Pennsylvania. I am glad that the distinguished Senator from South Dakota has called our attention to this very important editorial and has placed it in the RECORD. I hope Senators will read the editorial and reflect on it.

I believe the Senator from South Dakota will agree with me that too much government is being centralized in Washington. The centralization of government in Washington tends to take from the individual citizens the liberty which should characterize their everyday lives. Is not that a correct statement?

Mr. MUNDT. I deeply appreciate the statement of my friend, the distinguished Senator from Pennsylvania. It is entirely correct. What distresses me is that frequently today we find people parading under the mantle of liberalism, but seeking to destroy liberalism by concentrating too much political power in the Central Government of the United States.

Mr. MARTIN of Pennsylvania. I have always felt that I am a liberal myself, because I believe in individual freedom, the right of an individual to work at a job of his choice, and to do the things which he desires to do so long as he does not interfere with the rights of others. But very few people give me any recognizance as a liberal.

Mr. MUNDT. I am sure that what the Senator from Pennsylvania has said is true. Any student of history who will read the writings of great patriots like Thomas Jefferson and Alexander Hamilton, or the two illustrious former Presidents who have been referred to in the Moley article, Woodrow Wilson and Herbert Hoover, must arrive at the basic conviction that those things are liberal which tend to circumscribe, rather than tend to build up, the political power of the Central Government. The false philosophy of some of our latter-day pretenders to the rank of liberal would actually turn back the clock of human history to the days of economic feudalism and political totalitarianism.

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

TWO GREAT LIBERALS

(By Raymond Moley)

Herbert Hoover's The Ordeal of Woodrow Wilson is a part of a massive labor over the past 14 years, examining and directing the examination of millions of documents relating to famine relief. Out of that labor has come this reappraisal of Mr. Wilson—a work of admiration, respect, affection, and compassion.

Its significance is enhanced by the fact that the author, who by circumstances and tradition was of another political party, shares the same deep ideals of constitutional government, of international interdependence and responsibility, and of profound humanitarian instincts. This reveals how alike then were the deep roots of the two political parties. The two Presidents were liberals in the traditional, hallowed meaning of that word—a word now larcenously appropriated by American collectivists.

Mr. Hoover was incomparably prepared to portray the incredible ordeal through which Mr. Wilson was fated to pass on his way to bitter frustration, defeat, and death. For Herbert Hoover worked abroad many years, knew foreign problems as an expert, and understood them not as a tourist or a diplomat, but as a participant "in their daily life and work." He knew, as Mr. Wilson did not, the racial, national, and economic hatreds and rivalries born of centuries of conquest, injustice, and depression. He realistically appraised how deeply in Europe were imbedded selfishness, cruelty, and materialism—the original sins of mankind.

THE INCREDIBLE BURDEN

He served in a special capacity close to the war President and was able to see those

vicious forces coil about Mr. Wilson's idealistic efforts and paralyze the intentions and objectives of "the only nation since the Crusades to fight other people's battles at her own gigantic loss."

Mr. Wilson's terrible burdens included the tremendous administrative task that inevitably rests upon a President. There were also problems with the 20 nations which had declared their independence and set up governments. Communist Russia, then as now, was a malign force. Millions of starving people had to be fed; and cruel moves by France and Britain to starve Germany finally had to be resolved by the strength of the President alone. There was the agonizing effort to compel England, France, and Italy to accept the League of Nations, despite the cynicism and deceit of Lloyd George, Clemenceau, and Orlando. Finally, there was the effort to mobilize public opinion in the United States against partisan attacks. Any one of these problems would have burdened a man to the utmost. Collectively, they were an ordeal through which perhaps no other statesman has ever passed.

Mr. Wilson had to meet these problems in ignorance of all but 4 of 7 secret treaties made by the major allies. These not only would have nullified many of the "Fourteen Points and the subsequent addresses" of Mr. Wilson which the allies had adopted, but would have carved up Europe, the Middle East, and Asia.

THE LASTING FRUITS

Throughout this account there looms up the fine figure of Mr. Hoover himself—the fighter for humanitarian causes who deeply felt the suffering of a war-torn population, the administrative genius who brought efficiency to relief, the wise adviser and loyal servant of his Chief.

Could this ordeal and frustration have been different, had Mr. Wilson been more compromising, more willing to indulge in political expediency, more tolerant of the opinions of others? Who can tell how much Mr. Wilson could have conceded without losing all?

Mr. Hoover points out that Mr. Wilson's efforts and sacrifice did spread his ideals over the world, where they still ferment in the growth of free institutions. There will always remain in the memory of men the fact that two-score nations threw off their yokes. And the memory of men will cherish the fact that the United States carried on the greatest battle ever conducted, unselfishly, against famine and pestilence. No one has portrayed these lasting fruits of Mr. Wilson's ordeal as has Herbert Hoover in this dedicated book.

RANDALL REPORT ON INTERNATIONAL TRAVEL

Mr. JAVITS. Mr. President, I ask unanimous consent, notwithstanding the 3-minute rule during the morning hour, that I may address the Senate for 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from New York may proceed for 5 minutes.

Mr. JAVITS. Mr. President, pursuant to section 8 (m) of the Mutual Security Act of 1957, which I had the honor to sponsor, there has now been made under the direction of the President by Clarence D. Randall, the President's special assistant, a report on international travel. It is a splendid summation of the work to increase and improve international travel, a work which has been going on most actively since 1953. At that time, as chairman of the Subcommittee on Foreign Economic Policy of the House Foreign Affairs Committee, I conducted hearings on the subject which opened up its critical importance as a most constructive aspect of our foreign economic policy and as an elementary freedom in the Free World.

Mr. Randall has made a most significant contribution on the subject which will be an important incentive to action in and outside Government for a long time. Also, his report has emphasized the great importance of tourist travel from abroad to the United States in which, if anything, the possibilities for growth are even greater than they are for travel by United States tourists abroad.

There is vital work to be done by the Congress in facilitating international travel, both as a stimulant to our own and the Free World's economy and as a powerful influence for peace and free institutions.

Two major resolutions are pending before Senate committees upon which the Randall report confirms actions to be urgently required. I am the sponsor of both resolutions. The first is Senate Concurrent Resolution 44, pending before the Committee on Foreign Relations, which proposes to give Congressional sanction to exchanges in a reciprocal basis of a substantial number of tourists between the United States and the Soviet Union and other Eastern European Communist countries. The resolution emphasizes exchanges of students, trainees, teachers, professors, and other leaders in fields of specialized skills and knowledge. When adopted, the resolution will give a basis for activity in the executive department on a larger scale to implement the agreement made on this subject between Ambassador Lacey of the United States and Ambassador Zaroubin of the Soviet Union on January 27, 1958, and will also establish the basis for seeking the necessary appropriations.

Otherwise, the executive department has no Congressional sanction for the agreement made between Ambassador Lacey and Ambassador Zaroubin. Also, there will be no legislative basis for seeking appropriations, unless this resolution shall be agreed to.

Senate Concurrent Resolution 59, pending before the Judiciary Committee, seeks to establish 1960 as Visit U. S. A. Year. This resolution has widespread approval from the United States travel industry.

The objectives of both these resolutions are specifically endorsed by the findings of the Randall report.

In addition, a whole list of other recommendations requiring Congressional action is included in the report, and I propose to introduce legislative measures shortly carrying out these recommendations.

Briefly stated, these recommendations are as follows:

First. Increasing duty-free allowance to $1,000 every 6 months for United States tourists returning home.

Second. Increasing the duty-free allowance to $200 every 6 months for foreign visitors coming to the United States.

Third. Lowering the out-of-the-country requirement from 48 to 24 hours and extending this relaxation to entry from all countries, including Canada, for Americans to return tourist allowance.

Fourth. Allowing tourists to import trade-marked articles for personal use within the usual allowances without the consent of the owner of the trade mark. This is particularly applicable to countries like France.

Fifth. Permitting United States residents who hire automobiles in the border countries of Canada and Mexico to make incidental crossings into the United States in the rental car without payment of duty or bonding, a very handicapping requirement.

Sixth. Extending the life of United States passports to 3 years, with a 3-year renewal, instead of the present 2 years.

Seventh. Elimination of the statutory requirement that travelers in transit comply with immigration requirements, upon undertakings by carriers for prompt departure satisfactory to the Immigration and Naturalization Service.

Eighth. Regularizing the procedures of the State Department and the Immigration and Naturalization Service relating to the waiver of visa requirements for emergency situations by deleting the word "unforeseen" from the statute.

Ninth. On a reciprocal basis, exempting foreign tourists from having to pay domestic transportation taxes in the United States.

Tenth. Eliminating the requirement that departing nonresident foreign nationals earning no revenue file income-tax returns or obtain clearance certification.

This, again, is a requirement which should be eliminated on a reciprocal basis, and with which tourists like those from the United States and other places are not vexed.

I shall introduce proposed implementing legislation pertaining to every one of these recommendations.

I point out two things. First, the nicest kind of foreign aid is travel. American travelers are spending $2 billion a year.

Aside from all the attributes of good will in people-to-people contacts through the use of tens of thousands of American ambassadors, without payment to them, as we do to our own diplomats, there is the fundamental, rock-bottom proposition that those $2 billion a year, largely spent abroad, are the finest kind of foreign aid.

Second, if we attract visitors to the United States, we are contributing to the growth of the fifth largest industry in the United States, which is the travel industry. Travel ranks fifth among industries in almost every one of the 48 States. It provides $26 billion a year in consumer expenditures in the United States alone.

I point out that even my State of New York, which is supposed to be a rich State, has in tourism one of the mainstays of support for many towns and

villages in the northern area of the State. That is true of one place or another in the State of almost every Senator.

So I shall introduce proposed legislation to this end, and I strongly urge prompt action by Congress to implement the splendid report by Clarence Randall.

PROPOSED LABOR LEGISLATION—EDITORIALS FROM THE ST. LOUIS POST-DISPATCH AND THE BOSTON DAILY GLOBE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD two excellent editorials pertaining to the proposed labor legislation on which hearings are currently being held by the Subcommittee on Labor of the Committee on Labor and Public Welfare. The editorials exhibit the same confidence which I have that during this session the committee will report, and the Senate will probably pass, an effective and fair labor bill.

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

[From the St. Louis Post-Dispatch of May 5, 1958]

IN MAY, NOT NOVEMBER

Labor legislation in this session of Congress appears suspended somewhere between the Members' recognition that reform is desirable and their fear that it is controversial in an election year.

One sound piece of legislation passed the Senate last week, but only because it was not strictly labor legislation, and because Democratic Leader JOHNSON opposed all efforts by Republican conservatives to amend it into a general bill. The measure requires reporting on all major welfare funds. The need for that was demonstrated by the Douglas committee before the McClellan rackets investigators went over the same ground.

But there is a host of labor measures which also ought to be passed. Though labor leaders, like businessmen and everyone else, object to Government interference, they are beginning to show some inclination to cooperate with Congress rather than leave the field wide open to antilabor efforts.

Recently the AFL-CIO gave Senate leaders a 10-point program. It would permit the Labor Department to make public the financial reports of unions. The reports would be checked and falsity or embezzlement could be punished.

Labor's plan at least goes in the same direction as the comprehensive labor program drafted for President Eisenhower by Secretary of Labor Mitchell. This would require exhaustive reports. It would prohibit secret deals between employers and union officers. It would redefine secondary boycotts. In fairness to labor, it would permit strikers to vote along with their replacements on representation issues in a struck plant.

A good deal of the administration program has been incorporated in a milder bill by Senator KENNEDY, of Massachusetts. This also would entail reports, require secret elections in some cases, prohibit secret deals and permit strikers to vote. Ironically, Senator KENNEDY was criticized both by GOP conservatives and by some labor leaders.

Yet, as one Senator told reporters, "How the hell do they expect us to get up and argue that there is something wrong with having elections by secret ballot?" Labor also must know by now that legislation would be more effective than AFL-CIO expulsion in cleaning up such unions as the Teamsters. As for the Old Guard Republicans, their hope of passing antilabor legislation now is nil and they know it.

The Kennedy proposals offer a reasonable alternative to harsh action or to no action at all. If the Senate can agree on that point, timid House Members looking to the November election will have an incentive to act. For the voters will ask why Congressmen were so fearful of labor reforms that the whole country knows are needed.

[From the Boston Daily Globe of May 5, 1958]

KENNEDY AND LABOR BILLS

Senator KENNEDY, as chairman of the Senate Labor Subcommittee, today begins hearings on a harvest of bills that will tax all his statesmanship if adequate legislation is to be drafted and presented for passage to the Senate before June 10. This harvest is the result of the scrutiny of labor legislation now in force that followed the McClellan rackets hearings. To thresh the wheat from these bills and exclude the chaff is the job of Senator KENNEDY and his committee. It is a monumental one.

Our junior Senator is well suited for the task. He has been a consistent and perceptive friend of labor during his years in the Senate, and in signing the report of the McClellan subcommittee he indicated that he was not concerned with merely making a play for labor backing. Labor leaders who were then quick to snap at him have had reason since to realize that his balance in a trying period has won him confidence from both sides. The pessimism expressed by the KNOWLAND forces about the possibility of future legislation this year must be regarded as extremist opinion.

All sides want corrective labor legislation this year. Labor leaders have agreed reforms are needed. If any new laws are to make sense, they cannot be distorted by any faction seeking to destroy unionism or weaken it so it cannot bargain effectively. The Knowland amendments to the bill regulating pension and welfare funds were calculated to do that and were properly thrown out by the Senate, which then voted the fund bill unanimously.

The other two major matters now to be scrutinized by lawmakers are the operation of union treasuries—which are quite separate from the pension and welfare funds—and elective practices within the unions. Forging legislation that will set minimum standards without imposing a disabling rigidity will tax the committee members. Fortunately, labor itself is taking advantage of the opportunity to come forward with recommendations.

Senator KENNEDY has long recognized the issues involved and the delicacy of the matter. He is aware of the opportunities for comprehensive legislation, and he hopes to use the occasion to get rid of a section of the Taft-Hartley law that was little more than a union-busting gimmick. This was the provision that often denied a striking worker his vote in a National Labor Relations Board election while granting a vote to a strikebreaker. The obvious purpose of the clause was to install unions subservient to management.

Labor's proposals were not heard when the Taft-Hartley Act was framed. Senator KENNEDY's committee will hear both management and labor representatives and will provide for them what Senator LYNDON JOHNSON has called "an honorable ground where they can meet."

The AFL-CIO has announced its intention to submit "constructive, maturely considered legislation, directed to meeting specific disclosed abuses which cannot adequately be dealt with without governmental help." The federation, which has done much to clean its own house, opposes punitive legislation. So do Senator KENNEDY, his committee, and the Nation at large. Protective legislation must be written, and it must be written fairly.

UNCLE DUDLEY.

POLAND'S CONSTITUTION DAY

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the anniversary of Poland's Constitution Day, May 3.

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

STATEMENT BY SENATOR CASE OF NEW JERSEY

We Americans abhor totalitarianism in all its forms—in particular, that most virulent of all, communism. But I trust we will never make the mistake of failing to distinguish between a Communist regime imposed upon a conquered country and the unhappy millions subjected to its rule.

The attachment of the Polish people to the principles of freedom goes very deep. Not all the brutality and ruthlessness of the Soviet conquest has succeeded in stamping out their devotion to the ways of freedom and national independence. The Polish people are forced to submit to Communist rule. But the extent to which resistance remains alive was evident in the Poznan revolt and the events of October of 1956.

Certainly, it is in the interest of the United States to give moral support to the people of Poland wherever possible. And in the loan and credit agreements recently negotiated, that moral support takes concrete form in arrangements that will directly benefit the Polish people.

We have no illusions about the character of the Gomulka regime and its basic subservience to Moscow. But by our actions, we announce to the world that, in Vice President NIXON's words: "We are not writing off the Polish people or any of the other millions held in bondage behind the Iron Curtain."

For 167 years, the Polish people have celebrated on May 3, the anniversary of their historic constitution of 1791, a charter inspired by the ideals of the American Declaration of Independence. This year there could again be no public celebration in Poland. It is, therefore, the more fitting that we in this body pause to reaffirm our concern and our friendship for the people of Poland and to express our confidence that the indomitable Polish spirit that has triumphed against all difficulties in the past will yet triumph again.

PROGRAM TO ALLEVIATE CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. MANSFIELD. 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. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CASE of New Jersey. Mr. President, there are impressive reasons why the Senate should pass Senate bill 3683, the Area Redevelopment Act, which I have cosponsored.

The Senator from Illinois [Mr. DOUGLAS] and the Senator from Maine [Mr. PAYNE], both of whom have given much attention to the distressed areas problem, have developed the basic reasons for the passage of this bill.

This is not an antirecession measure, and its proponents have never claimed that it was. Those who oppose the bill on the ground it is not calculated to meet the current recession are attacking a strawman which they have set up for that purpose.

The problems of the chronically depressed areas to which the bill addresses itself were not caused by the recession, and they will continue to plague us long after the recession is forgotten. These areas will not particularly benefit from a general reduction in unemployment levels. A quickening of the business pulse of the Nation would be felt only imperceptibly in the areas of unemployment and stagnant industrial activity to which Senate bill 3683 is directed.

Outside help is required, Mr. President, to bring about recovery in the 64 chronic labor surplus areas which would be aided by the Douglas-Payne bill. Such help has been called for by many groups; committees of the Congress; the Senate itself, in passing a bill 2 years ago, and the Economic Report of the President for 1956, which stated that "the fate of distressed communities is a matter of national as well as local concern."

The same Economic Report, Mr. President, recommended a new area-assistance program for communities with persistent and substantial unemployment. It called for "bolder measures."

Mr. President, Senate bill 3683 provides these "bolder" measures.

In essence, it sets up, within the already existing Housing and Home Finance Agency, an Area Redevelopment Administration, which would lend money, from a $100 million revolving fund, for industrial projects in redevelopment areas. Moreover, it would make loans for industrial projects in rural redevelopment areas out of another $100 million revolving fund.

Another $100 million revolving fund could make public facility loans. These loans would be available to attract new industry to areas currently without sufficient water, sewage facilities and the like.

The Administrator, or Commissioner, of the program could, further, make grants for public facilities in the amount of $75 million a year.

Other major provisions include urban redevelopment programs—expanded to incorporate nonresidential redevelopment, technical assistance and information programs, and vocational training and subsistence payments for trainees under readaptation programs.

Mr. President, New Jersey has three surplus-labor areas which fit the bill's definitions, which permit their inclusion as industrial redevelopment areas. One of these, Atlantic City, is classified as a major area. Long Branch and Bridgeton are so-called smaller distressed areas under the Labor Department's definition.

Why are they eligible, Mr. President? What do these places in New Jersey have in common with chronic problem communities in other areas?

The three labor markets of Atlantic City, Bridgeton, and Long Branch have been classified as labor-surplus areas for more than 3 years. Atlantic City has been classified as chronically distressed since 1952. Bridgeton and Long Branch have been so classified since 1954.

Bridgeton, for example, has about 46 percent of its working population in manufacturing. As the Area Employment Expansion Committee has pointed out, a considerable volume of employment has been lost because of the closing of several garment plants. The reduction in dredging, because of the depletion of mature oysters and the lack of demand, has curtailed the fishing industry in this area. The amount of new employment coming into the area has been insufficient to pick up the slack.

The Bridgeton labor market includes all of Cumberland County; a part of Atlantic County—Buena Borough, Buena Vista Township, in part; a part of Gloucester County—Franklin Township and Newfield Borough; and a part of Salem County—Elmer Borough and Pittsgrove Township. Its 1955 population is estimated at 113,860. Its principal centers are Bridgeton, Millville, Vineland, Penns Grove, Woodstown, and Buena.

The Atlantic City labor market currently has a work force of some 60,000 persons. Atlantic City has been classified as having substantial unemployment and a labor surplus since 1949. The only alleviations were those which occurred during war periods through military withdrawals and war-induced employment expansion in other areas. But, with the end of the war, the labor surpluses have been reestablished.

Unemployment is consistently high in this area except during the 4 or 5 summer months. The reason is quite apparent when it is realized that more than 80 percent of the nonfarm wage and salary workers are engaged in nonmanufacturing enterprises primarily serving the community, which is a health and vacation resort and a convention center. During the winter months, the rate of unemployment rises, as it did in January 1957, to 17 percent, and in January 1958, to 17.1 percent. This is one of the highest in the Nation.

The Long Branch labor market includes Monmouth County, except for Millstone and Upper Freehold Townships and Allentown Borough, and Ocean County, except for a part of Plumstead Township. It has a labor force of some 114,900 persons.

This area, too, is primarily a vacation resort. Less than 17 percent of the area's employment is in manufacturing. The area houses considerable tourist resort business, and employment, therefore, is highly seasonal. The major manufacturing industry is apparel. There is other light manufacturing, in the electrical machinery industry.

Both Atlantic City and Long Branch are greatly in need of diversification of enterprises and industry to provide more alternative employment during the nonsummer months.

Mr. President, these 3 areas meet 1 or more of the alternative tests of eligibility for designation as a redevelopment area under the bill as follows:

First. Twelve percent of unemployment for 1 year preceding application.

Second. Nine percent for 15 of 18 months preceding.

Third. Six percent for 18 of 24 months preceding.

Fourth. Fifteen percent for 6 months preceding—at commissioner's discretion.

Mr. President, there are 4 other major areas and 1 so-called smaller area in my State which are presently classified as substantial labor surplus areas, but which do not, as yet, meet the requirements for inclusion as redevelopment areas under the bill. They are: Newark, with 7.9 percent unemployment as of March 1958; Paterson, with 9.3 percent; Perth Ambody, with 7.8 percent; and Trenton, with 9 percent of its labor force unemployed at that date. A smaller area, Morristown-Dover, with a percentage of 6.5, is New Jersey's other labor surplus district, also presently ineligible under the Douglas-Payne bill. I earnestly hope that none of these areas will reach that chronic stage where only grants and loans of the nature provided by the bill can help them to diversify their industries, obtain the necessary capital and technical information to accomplish that goal, and help to provide the basic economic strength to adapt to a changing economic scene. But this bill would provide resources on which these areas could draw if the unfortunate necessity should arise.

Mr. President, it is wasteful of our resources, both human and material, to permit these chronic economic sores to fester any longer. One of the most impressive portions of the Senate committee's report deals with the cost of depressed areas in terms of lowered purchasing power, lessened contributions to the Nation's productivity and tax revenues, and huge new outlays in unemployment compensation and relief claims.

The distressed communities need help in diagnosing their ills, organizing community leadership and commercial and financial interests to improve facilities, as well as assistance in building new industrial sites.

These purposes can be aided, Mr. President, by the enactment of S. 3683.

In closing, I should like to invite the attention of the Senate to section 20 of the area redevelopment bill. It incorporates an amendment which the Senator from Pennsylvania [Mr. CLARK] and I offered before the full Committee on Banking and Currency to provide for prevailing wage rates and 40-hour week. The amendment, which was adopted by a

substantial majority in committee, is similar to the floor amendment which I proposed to the community facilities bill a few weeks ago and which was approved. It means that all laborers and mechanics employed on projects undertaken by public applicants under the provisions of the bill must be paid wages at rates not less than those prevailing on similar construction in the immediate locality, and must receive time-and-a-half for more than 40 hours' work in a week.

The purpose, of course, adding this provision to the pending bill, to the community facilities bill and to other legislative measures to which it has been proposed, is to prevent the use of the resources of the Federal Government to drive down wage rates and living standards where such resources are offered to the people and to the communities in various areas of the United States.

Mr. President, I yield the floor, 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. FULBRIGHT. 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. FULBRIGHT. Mr. President, there is a great deal of confusion and misunderstanding in the Senate and in many parts of the country concerning this proposed Area Redevelopment Act. I have received several letters urging me to vote for this bill from people living in industrial communities which have unemployment and are depressed. These people are under the impression that the bill would relieve unemployment generally, thus helping to end the recession.

Almost invariably, the letters in support of the bill are from areas that do not meet the mandatory criteria for industrial redevelopment areas established in the bill and, therefore, would not receive any benefits from this proposal. Someone has done a disservice to these people in building up their hopes, only to have them disappointed when the truth becomes known.

Even some of the witnesses appearing at the subcommittee's hearings were under a misconception about the scope of the bill. Those witnesses described local problems of unemployment and underemployment in the belief that the bill would give them relief. Examples of this misunderstanding appear on page 5 of the committee report where the testimony of several witnesses concerning the cost of depressed areas is summarized.

The witness from Minnesota described the situation in two depressed counties of his State, namely, Cass and Beltrami Counties. The table on pages 44 to 46 of the committee report shows that these counties are not included in the list of 315 counties with the lowest living standards, and it is assumed that the 300 counties eligible for rural redevelopment assistance under the bill would be chosen from that list. In my opinion, there are no counties in Minnesota that would receive aid under the bill. In addition, the two labor surplus areas in Minnesota fail to meet the criteria for industrial redevelopment assistance. I am sure that the witness from Minnesota did not realize that none of the areas in his State would receive aid.

The witness from Illinois described the public assistance costs of 31 depressed counties in southern Illinois. Yet, only two of these counties would receive rural redevelopment assistance. Similarly, the witness from Colorado cited the effects of unemployment in Walsenburg in Huerfano County, Colo. Again, this is an area which would not receive either rural or industrial redevelopment aid under the bill. In fact, there are no areas in Colorado which would receive assistance.

These witnesses were presumably experts in their field, and yet, they had misconstrued the effects of the bill. It is no wonder that the general public is confused about this issue.

It is also interesting to note that of the 40 sponsors of the bill, 19—almost half—are from States that contain no areas that would receive aid under the bill at the present time. It would be interesting to hear Senators justify giving aid to select groups of unemployed in other States, but not for the unemployed of their own States.

It is understandable, at a time when we have over 5 million unemployed, that the general public should assume that any Federal relief program would apply across the board and not to just a select group of unemployed workers in certain arbitrarily designated areas.

The basic cause for this discrimination among the unemployed is the arbitrary and artificial criteria established to determine eligibility for assistance. Only those areas that meet the test for classification as industrial redevelopment areas or rural redevelopment areas can obtain help. Both of these classifications are based on illogical standards. First of all, I shall discuss the significance of the industrial redevelopment area criteria.

There are two ways to construe the language of the bill establishing criteria for eligibility of industrial redevelopment areas. These are described on page 29 of the report, and page 5, section 5 (a), of the bill.

First. The Commissioner may, at his discretion, determine that a given area has been subject to substantial and persistent unemployment for an extended period of time, and designate that area as an industrial redevelopment area.

Second. The Commissioner must classify areas as eligible if they meet certain requirements of percentage and duration of unemployment.

Thus, the first is virtually discretionary. The second is mandatory.

The question of what areas actually would be determined eligible is a matter of judgment. In my judgment, the administration, except possibly in election years, would confine its list of eligible areas to those which are mandatory. I base this judgment on the limitations on the amount of money available for industrial loans—$100 million, as well as the administration's reluctance about this whole program. This latter is illustrated by the fact that the administration's own bill would limit the eligible areas to 33, as compared with this bill's 70.

The alternative—that is, that the administration would enlarge the program on the basis of the discretionary test—is worse, in my opinion. The discretion is almost absolute. The temptation, to use it widely for political purposes, or other favoritism, would be irresistible.

The January 1958 estimates of the Bureau of Employment Security of the Department of Labor showed that of the 4,494,000 then unemployed, only 565,000, or 12.6 percent, worked in industrial redevelopment areas covered by the bill. Thus, the bill would aid only 1 out of every 8 persons unemployed last January. It is true that the bill gives the Administrator discretion to include almost any area in this classification, but, as a practical matter, the amount of funds available would restrict the program to areas that clearly meet the criteria of specific percentage and duration of unemployment.

None of the communities in the States of Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Iowa, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Utah, Vermont, Washington, and Wyoming meet the mandatory industrial redevelopment criteria and, therefore, would not receive benefits under this proposal.

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

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I believe I am one of the Senators to whom the Senator from Arkansas has referred as among those who favor the bill—and indeed I am one of its sponsors—and whose States would not benefit directly from the enactment of the bill.

As the Senator knows, I have great respect for his views. However, I should like to state my reason for sponsoring the bill and supporting it. It was not that I expected my State or any area in my State would derive benefit from it. It was that my State, since it is a great financial and business State, had a tremendous stake in the general prosperity of the country. I felt, therefore, that I was endeavoring, by my support of the bill, to make, according to my lights and judgment, a contribution to the general prosperity of the whole country in developing the areas which need such assistance as the bill would provide, and hence a very material contribution to my State, which pays something in the neighborhood of 20 percent of the Federal taxes.

The other point, which may interest the Senator from Arkansas, relates to the question of unemployment. There, too, I did not feel the bill was discriminatory against the 90 percent unemployed as contrasted with the 10 percent, because the bill if enacted into law

would be permanent legislation for areas in a critical condition; whereas we are considering—and I ardently support it and will do my utmost to have it passed—emergency legislation to deal with unemployment during the recession, for the benefit of those whose unemployment payments have expired. That represents an emergency situation.

Therefore I believe we are dealing with a balanced program. While I respect very much the views of the Senator from Arkansas, I feel in all good conscience that I am serving the best interests of my State by supporting the pending bill.

Mr. FULBRIGHT. I was confident, of course, the Senator from New York did believe he was serving the best interests of his State, or he would not have followed the course he did. What I am endeavoring to do is to point out the Senator's misjudgment of the virtues of the bill, and that is the situation with many other Senators who support the bill.

I am as much interested as the Senator from New York in helping to alleviate the unemployment situation we are now experiencing. As the Senator knows, the committee which I head has reported several bills. For instance, we reported the emergency housing bill, which has been passed and enacted into law. That law, incidentally, is taking hold very well, and the reports on its operation are very gratifying. It is an example of the proper way to handle the situation. It is nondiscriminatory. Although the Senator's State has many more demands for housing than my State does; yet at least we all have an equal chance under that law. We are not prevented from participating in the program by any criteria. It happens that conditions in the Senator's State make the demand for housing far greater than in my State. I have no quarrel with that. I was in favor of the bill. Our committee acted on it very quickly.

Then, too, our committee brought out the community facilities bill. It is open and available to everyone. There is no difficulty in its administration in that sense.

The difficulty with the pending bill is that, although the objective is proper, its mechanism is fatally defective. I do not believe it is well designed to do what most people think it is designed to do or will do.

On the other hand, I believe it has some aspects which are very bad. It will create a precedent for dealing with these matters under specialized criteria, which I believe will do a disservice to the country as a whole, and to the Senator's State in particular. As he points out, his constituents will have to pay a great part of the expense involved if the bill is enacted into law. This is not the best way to meet the situation, and I believe the Senator ought to take a second look at it.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I should like to join with many other Senators in publicly expressing my praise for the constructive work done by the Senator from Arkansas on the two bills he has mentioned; namely, the housing and the community facilities bills.

Housing promises now to be a really bright spot in the bailing out process. I join thoroughly in the Senator's point of view on that. The Senator and I have been found on the same side in many other cases.

I should like to refer again to the pending bill. There is an analogy, it seems to me, in Federal aid, for example, with respect to impacted areas in terms of education. Even the Federal aid to education bill proposes to help only those areas which are unable to help themselves.

Also, I see an analogy to our situation in the world. The Senator from Arkansas is a distinguished apostle of peace, and I believe he is the second ranking member of the Committee on Foreign Relations. The Senator from Arkansas has supported foreign aid very often and very eloquently. There, it seems to me, we apply the same principle; namely, we are seeking peace. We help those places where we believe, by giving economic aid, we can do the most for the cause of peace. We do not give economic aid where we think it is not needed. That could be considered discriminatory to those who do not get it, but, nevertheless, we are contributing to our objective, which is the cause of peace and world stability.

I believe here, too, by pursuing the national objective, it does the most good to the largest States. In other words, the largest earners get the most out of it, although they do not get any of the money the bill would make available. That is my only point. I thank the Senator for letting me interrupt him.

Mr. FULBRIGHT. I am glad to have the Senator from New York make his reasons clear. I would only respectfully suggest that the criteria of the bill do not meet the need. As I read the bill, it does not say anything about the need or the ability of a State to meet the problem. It sets forth arbitrary statistical criteria which would apply regardless of whether a State was poor or wealthy. As a matter of fact, in the calculations of the bill, it so happens that Pennsylvania would be one of the principal beneficiaries, although it is not noted for being one of the poorest States in the Union. I merely say that need is not a criterion.

I believe that what the Senator has said about impacted areas is distinguishable here. In that situation the Federal Government moves in for its own purposes and it has created a certain situation in a community. The Federal Government has not done anything in the cases we are now discussing to cause unemployment. Legitimate, ordinary economic forces, which operate under our free enterprise system have brought about the conditions it is sought to relieve. There is no one to blame for it that I know of. It is merely something that develops in the kind of fluid economy we have in our country. The pending bill tends to prevent some mobility and fluidity in the economy.

I invite attention to the table appearing on pages 54 to 57 of the committee report listing all the areas of substantial labor surplus as defined by the Bureau of Employment Security and designating these communities which would qualify for aid as industrial redevelopment areas. This table emphasizes the discriminatory nature of the bill, even among cities of the same State. I ask unanimous consent that the table be printed in the RECORD at this point.

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

Labor force and unemployment in areas of substantial labor surplus

State and area	Areas eligible for assistance under percentage and duration of unemployment criteria of S. 3683	Estimated labor force	Unemployment		Date of information on labor force and unemployment
			Number	Percent of labor force	
Alabama, smaller areas:					
Florence-Sheffield		44,500	3,750	8.4	December 1957.
Gadsden		35,000	3,750	10.7	January 1958.
Jasper	X	15,100	850	5.7	October 1957.
Talladega		23,000	2,925	12.7	November 1957.
Alaska, smaller areas:					
Anchorage		22,600	3,950	17.5	February 1958.
California, smaller areas:					
Eureka		40,600	5,700	14.0	March 1958.
Ukiah		22,000	2,800	12.7	Do.
Connecticut:					
Major areas:					
Bridgeport		146,300	13,600	9.3	January 1958.
New Britain		49,200	4,300	8.7	Do.
Waterbury		81,000	7,500	9.3	Do.
Connecticut—Con.					
Smaller areas:					
Ansonia		21,000	2,000	9.5	Do.
Bristol		21,600	3,600	16.6	Do.
Danbury		31,600	2,600	8.2	Do.
Danielson	X	16,400	1,400	8.5	October 1957.
Meriden		40,500	3,900	9.6	January 1958.
Middletown		28,800	2,300	8.0	Do.
Norwich		22,600	2,400	10.6	Do.
Thompsonville		32,600	2,600	8.0	Do.
Torrington		28,300	3,000	10.6	Do.
Willimantic		15,600	1,500	9.6	Do.
Illinois:					
Major areas:					
Joliet		60,500	4,350	7.2	Do.
Peoria		115,000	8,150	7.1	Do.

Labor force and unemployment in areas of substantial labor surplus—Continued

State and area	Areas eligible for assistance under percentage and duration of unemployment criteria of S. 3683	Estimated labor force	Unemployment		Date of information on labor force and unemployment
			Number	Percent of labor force	
Illinois—Continued					
Smaller areas:					
Canton		14,400	975	6.8	February 1958.
Harrisburg	X	23,650	2,400	10.1	September 1957.
Herrin-Murphysboro-West Frankfort.	X	69,000	15,000	21.7	February 1958.
La Salle		29,300	2,750	9.4	January 1958.
Litchfield		24,600	3,300	13.4	February 1958.
Mount Carmel-Olney	X	20,800	1,400	6.7	December 1957.
Mount Vernon	X	23,100	1,400	6.1	October 1957.
Springfield		62,200	3,600	5.8	December 1957.
Indiana:					
Major areas:					
Evansville	X	86,600	8,700	10.0	January 1958.
Fort Wayne		93,900	7,300	7.8	Do.
Indianapolis		332,000	18,700	5.6	Do.
South Bend		99,200	9,900	10.0	Do.
Terre Haute	X	44,900	4,200	9.4	Do.
Smaller areas:					
Michigan City-LaPorte.	X	35,100	4,000	11.4	Do.
Muncie	X	39,900	5,000	12.5	Do.
Richmond		29,100	2,000	6.9	September 1957.
Vincennes	X	14,800	2,050	13.8	February 1958.
Kansas, smaller areas:					
Coffeeville-Independence-Parsons.	X	29,100	1,800	6.2	November 1957.
Pittsburg	X	23,100	1,950	8.4	September 1957.
Kentucky:					
Major areas: Louisville		304,300	24,700	8.1	January 1958.
Smaller areas:					
Corbin	X	26,900	3,050	11.3	September 1957.
Frankfort	X	20,000	1,700	8.5	Do.
Hazard	X	20,600	2,150	10.4	Do.
Madisonville	X	25,800	2,300	8.9	Do.
Middleboro-Harlan	X	27,700	3,400	12.3	Do.
Moorehead-Grayson	X	19,100	2,200	11.5	Do.
Owensboro	X	28,100	1,700	6.0	October 1957.
Paintsville-Prestonsburg.	X	23,000	2,200	9.6	September 1957.
Pikeville-Williamson	X	22,200	3,000	13.5	October 1957.
Maine:					
Major areas: Portland		62,400	5,900	9.5	January 1958.
Smaller areas:					
Biddeford-Sanford	X	32,300	6,400	19.8	February 1958.
Lewiston		35,000	4,000	11.4	Do.
Maryland:					
Major areas:					
Baltimore		698,500	46,300	6.6	January 1958.
Smaller areas:					
Cumberland	X	40,200	6,000	14.9	Do.
Massachusetts:					
Major areas:					
Brockton		58,300	4,850	8.3	January 1958.
Fall River	X	59,900	7,000	11.7	Do.
Lawrence	X	58,400	6,200	10.6	Do.
Lowell		54,600	6,350	11.6	January 1958.
New Bedford		66,700	7,150	10.7	Do.
Springfield-Holyoke		196,000	15,800	8.1	Do.
Worcester		122,400	9,900	8.1	Do.
Smaller areas:					
Fitchburg		41,700	3,350	8.0	Do.
Greenfield		17,600	1,550	8.8	Do.
Marlboro		18,600	1,625	8.7	December 1957.
Milford		20,300	1,675	8.3	Do.
Newburyport		14,800	1,475	10.0	January 1958.
North Adams		18,200	3,000	16.5	February 1958.
Pittsfield		32,500	2,350	7.2	December 1957.
Southbridge-Webster		22,000	2,200	10.0	Do.
Taunton		27,000	2,700	10.0	January 1958.
Ware		13,900	1,250	9.0	Do.
Michigan:					
Major areas:					
Battle Creek		54,700	4,900	9.0	Do.
Detroit	X	1,525,000	191,000	12.5	Do.
Flint		147,200	7,500	5.1	Do.
Grand Rapids		141,000	15,700	11.1	Do.
Lansing		84,900	5,200	6.1	Do.
Muskegon	X	57,800	6,900	11.9	Do.
Saginaw		69,200	4,000	5.8	Do.
Smaller areas:					
Adrian		28,900	3,700	12.8	February 1958.
Bay City		35,200	3,000	8.5	September 1957.
Benton Harbor		52,000	3,000	5.8	November 1957.
Escanaba		15,200	2,000	13.2	January 1958.
Iomia-Balding-Greenville.		28,800	2,900	10.1	February 1958.
Iron Mountain		15,100	1,800	11.9	January 1958.
Jackson		47,500	4,800	10.1	Do.
Marquette		16,800	1,900	11.3	Do.
Monroe	X	24,000	2,100	8.0	November 1957.
Port Huron	X	33,300	3,600	10.8	January 1958.
Minnesota:					
Major areas:					
Duluth-Superior		68,500	7,400	10.8	Do.
Minneapolis-St. Paul		595,800	45,000	7.6	Do.
Mississippi:					
Smaller area: Greenville		24,600	2,000	10.6	February 1958.
Missouri:					
Major areas:					
Kansas City		423,300	29,600	7.0	January 1958.
St. Louis		854,500	64,900	7.6	Do.
Missouri—Continued					
Smaller areas:					
Flat River-DeSoto-Festus.		44,100	5,350	12.8	Do.
Joplin		37,000	4,100	11.1	Do.
New Jersey:					
Major areas:					
Atlantic City	X	61,300	10,500	17.1	Do.
Newark		924,200	73,100	7.9	Do.
Paterson		500,200	46,500	9.3	Do.
Perth Amboy		139,000	10,800	7.8	Do.
Trenton		165,800	14,900	9.0	Do.
Smaller areas:					
Bridgeton	X	50,800	3,000	5.9	October 1957.
Long Branch	X	115,800	13,500	11.7	January 1958.
Morristown-Dover		90,600	5,850	6.5	Do.
New York:					
Major areas:					
Buffalo		530,000	43,500	8.2	Do.
Syracuse		179,700	13,050	7.3	Do.
Utica-Rome		136,500	15,500	10.6	Do.
Smaller areas:					
Amsterdam		22,200	3,400	15.3	Do.
Batavia		21,000	2,400	11.4	February 1958.
North Carolina:					
Major areas:					
Asheville	X	50,200	4,400	8.8	January 1958.
Durham	X	47,700	4,050	8.5	Do.
Smaller areas:					
Fayetteville	X	35,000	3,500	10.0	September 1957.
Hamlet		16,150	3,975	24.6	March 1958.
Kinston	X	22,700	1,800	7.9	October 1957.
Mount Airy	X	23,000	1,975	8.6	December 1957.
Rocky Mount	X	42,600	1,200	2.8	October 1957.
Rutherfordton-Forest City.		17,000	1,830	10.8	November 1957.
Shelby-Kings Mountain.	X	25,000	3,250	13.0	February 1958.
Waynesville		17,200	1,000	5.8	October 1957.
Ohio:					
Major areas:					
Canton		137,200	12,300	9.0	January 1958.
Lorain-Elyria		65,500	8,100	12.4	Do.
Toledo		199,700	12,800	6.4	Do.
Youngstown		241,000	24,100	10.0	Do.
Smaller areas:					
Cambridge		17,600	2,400	13.6	February 1958.
Defiance		28,200	2,200	7.8	January 1958.
New Philadelphia-Dover.		38,700	3,400	8.8	December 1957.
Portsmouth-Chillicothe.		64,700	6,400	9.9	November 1957.
Springfield		45,400	6,400	14.1	February 1958.
Oklahoma:					
Smaller areas:					
McAlester	X	13,300	1,250	9.4	January 1958.
Oregon:					
Major areas:					
Portland		324,800	33,800	10.4	Do.
Smaller areas:					
Albany		20,700	3,200	15.4	February 1958.
Coos Bay		19,300	2,900	15.0	Do.
Eugene		51,100	6,300	12.3	Do.
Pennsylvania:					
Major areas:					
Altoona	X	53,700	7,200	13.4	January 1958.
Erie	X	98,900	12,100	12.2	Do.
Johnstown	X	99,200	11,200	11.3	Do.
Philadelphia		1,806,800	136,900	7.6	Do.
Pittsburgh		981,900	90,700	9.2	Do.
Reading		118,700	8,900	7.5	Do.
Scranton	X	102,000	15,700	15.4	Do.
Wilkes-Barre-Hazleton.	X	137,400	22,400	16.3	Do.
York		101,000	8,100	8.0	Do.
Smaller areas:					
Berwick-Bloomsburg	X	21,100	2,100	9.9	November 1957.
Butler		34,000	4,300	12.6	March 1958.
Clearfield-DuBois	X	36,300	2,200	6.1	September 1957.
Lewistown	X	22,000	2,000	9.1	November 1957.
Lock Haven	X	15,700	1,675	10.7	Do.
Pottsville	X	78,300	14,200	18.1	January 1958.
Sunbury-Shamokin-Mount Carmel.	X	64,700	3,700	5.7	September 1957.
Uniontown-Connellsville.	X	49,000	11,500	23.4	January 1958.
Puerto Rico:					
Major areas:					
Mayaguez		30,200	4,100	13.6	Do.
Ponce		38,500	5,000	13.0	Do.
San Juan		171,600	15,100	8.8	Do.
Rhode Island:					
Major areas:					
Providence	X	342,100	48,100	14.1	Do.
Smaller areas:					
Newport		16,200	1,100	6.8	September 1957.
Tennessee:					
Major areas:					
Chattanooga		118,400	9,100	7.7	January 1958.
Knoxville	X	147,100	15,500	10.5	Do.
Smaller areas:					
LaFollette-Jellico-Tazewell.	X	15,500	1,400	9.1	October 1957.

Labor force and unemployment in areas of substantial labor surplus—Continued

State and area	Areas eligible for assistance under percentage and duration of unemployment criteria of S. 3683	Estimated labor force	Unemployment		Date of information on labor force and unemployment
			Number	Percent of labor force	
Texas:					
Major areas:					
Beaumont-Port Arthur.		96,300	6,200	6.4	January 1958.
Corpus Christi		74,000	4,900	6.6	Do.
Fort Worth		212,700	15,200	7.1	Do.
Smaller areas:					
Laredo		22,600	2,150	9.5	February 1958.
Texarkana	X	39,300	4,200	10.7	January 1958.
Vermont:					
Smaller areas:					
Burlington		25,100	1,550	6.2	December 1957.
Springfield		14,700	1,000	6.8	November 1957.
Virginia:					
Smaller areas:					
Big Stone Gap-Appalachia.	X	20,800	1,975	9.5	October 1957.
Radford-Pulaski	X	45,500	4,550	10.0	January 1958.
Washington:					
Major areas:					
Spokane		96,600	11,900	11.9	Do.
Smaller areas:					
Aberdeen		27,000	4,025	14.9	February 1958.
Anacortes		19,400	4,450	22.9	Do.
Bellingham		24,800	3,425	13.8	Do.
Everett		41,600	6,700	16.1	Do.
Olympia		39,000	5,250	13.5	Do.
Port Angeles		14,500	2,600	17.9	Do.
West Virginia:					
Major areas:					
Charleston	X	112,800	12,200	10.8	January 1958.
Huntington-Ashland	X	91,000	10,250	11.3	Do.
Wheeling-Steubenville		140,000	16,150	11.5	Do.
Smaller areas:					
Beckley	X	23,200	3,100	13.4	February 1958.
Bluefield		23,900	4,500	18.8	January 1958.
Fairmont	X	25,400	1,750	6.9	October 1957.
Logan	X	21,400	3,075	14.4	February 1958.
Parkersburg		37,700	3,125	8.3	January 1958.
Point Pleasant-Gallipolis.		37,900	4,000	10.6	February 1958.
Ronceverte-White Sulphur Springs.	X	16,200	1,950	12.0	Do.
Welch	X	23,500	3,750	16.0	December 1957.
Wisconsin:					
Major areas:					
Kenosha	X	31,000	2,000	6.5	January 1958.
Racine		54,000	4,100	7.6	Do.
Smaller areas:					
Beaver Dam		21,100	1,575	7.5	Do.
Beloit		17,900	1,300	7.3	Do.
LaCrosse		30,400	3,150	10.4	Do.

Source: Bureau of Employment Security, Department of Labor.

NOTE.—"Major areas" are included in the 149 major labor markets surveyed at bimonthly intervals (January, March, etc.). In general these 149 labor markets include all labor markets containing cities of 50,000 or more. These areas are thereafter classified by the Bureau of Employment Security, on the basis of unemployment rate and other factors, into 1 of 6 classes, ranging from group A (labor shortage areas, with less than 1.5 percent unemployment), to group F (with 12 percent or more unemployed). Groups D (6.0-8.9 percent), E (9.0-11.9 percent), and F are considered as "areas of substantial labor surplus" or "areas of substantial labor unemployment" for the purpose of Defense Manpower Policy No. 4, and Executive Order 10582, implementing the Buy American Act.

"Smaller areas" are those listed by the Bureau of Employment Security as areas of "substantial labor surplus," on the basis of unemployment rates and other factors. In general, these areas include no cities with a population of 50,000 or more, and have a labor force of at least 15,000 and 8,000 nonagricultural employment. These smaller areas are regularly surveyed on a semiannual basis; they are not classified into groups A through F.

Mr. PAYNE. Mr. President, will the Senator yield at that point?

Mr. FULBRIGHT. I am glad to yield to the distinguished Senator from Maine.

Mr. PAYNE. I wish to make this observation in connection with these tables. Actually, if one wishes to say the bill is discriminatory for those areas which have been faced with longstanding unemployment—as against those who have only recently reached that point—and which come under the provisions by meeting certain standards, that is perfectly all right. However, the tables cover all the areas which presently meet the criteria established by the Department of Labor in determining where the labor surplus exists. Areas marked with an X in the column following the name of the community or area determined are areas in which unemployment has existed for a long period of time, a sufficient time to meet the criteria under the formula of the bill.

I wanted to make that point clear, so that it would be known that there is no discrimination. But let us all hope that those communities which do not already have an X after their names will not get an X later, because I would not like to see them all with an X after their names.

Mr. FULBRIGHT. I thank the Senator from Maine for explaining the chart.

The criteria of the bill are based on a specified percentage of unemployment continuing over a specified length of time. Areas are made eligible for redevelopment by virtue of the fact that their economies have deteriorated. They are selected for development assistance because private investors have not considered them as attractive as other areas. Whether or not one considers the private investment judgment correct, it is artificial and paradoxical to use the very fact of deterioration as the basis for a Federal decision that these areas can and should be developed.

No consideration is given to the basic reasons why a community is depressed and has chronic unemployment.

To me, this is the very crux of the matter. This particular point seems to me to be the principal one.

Usually an area becomes depressed as a result of a decision by an industry that it is uneconomic to continue its operation in that area. This business judgment may be based on any number of factors ranging from the exhaustion of natural resources to local taxation and technological advances. Here we have an attempt to substitute the judgment of the Federal Government for the judgment of our free enterprise system, regardless of the economic consequences.

This, to me, as I have already said, is the very crux of the matter. The business people have decided that they are not willing to invest in a particular community for a number of reasons, not only because of the exhaustion of natural resources, as has occurred in some places, but because local government is not conducting its affairs properly. In fact, in some instances, one of the most important considerations for any industry is whether there are good schools, whether the tax rate is reasonable, whether the affairs of the Government are properly administered. I am confident that that has much to do with the choice of a location, or the ability of enterprises to exist. But any of the conditions I have mentioned may have caused deterioration. Now the Federal Government is being asked to step in and to assist a particular community, in spite of whatever the other reasons may have been.

This is clearly distinguishable from the cases cited by the distinguished Senator from New York [Mr. JAVITS], in which the Federal Government, for its own purposes, has moved into a community and imposed thousands of children upon a school district. That is a situation which the community could not avoid and had nothing to say about.

But the bill deals with communities which, operating under our free enterprise system, for one reason or another, or perhaps for a combination of reasons, have deteriorated. The Federal Government is asked to step in, in its wise and beneficent way, and simply recreate prosperity in those particular communities.

Mr. PAYNE. Mr. President, will the Senator yield briefly?

Mr. FULBRIGHT. I yield.

Mr. PAYNE. I am somewhat surprised, in listening to my distinguished colleague, whom I have been happy to follow on so many occasions in connection with proposed legislation before the Committee on Banking and Currency, over which he presides so capably, to hear him speak about discrimination and about the separate areas receiving help and assistance. I wonder if the distinguished Senator from Arkansas recalls Senate bill 1552, which authorizes the Secretary of Agriculture to establish a program of research and experimen-

tation to develop methods for the commercial production of fish on rice acreage, in rotation with rice field crops.

Mr. FULBRIGHT. Yes; I am very familiar with that bill. I do not see how it has the slightest relation to the question now before the Senate. What is the connection?

Mr. PAYNE. Would the Senator want to say that the concern which might be evinced over the development of fish in rice paddies would be greater than taking care of human beings who live in areas where there is no employment for them; where there is no work to enable them to earn a living? Would not the Senator say that that bill was a special case of proposed legislation for a particular, special circumstance, to try to elevate the economy of a particular region?

Mr. FULBRIGHT. I think the Senator from Maine completely misunderstood the purpose of that research bill. As a matter of fact, the rice farmers are not broke; they are not suffering in anyway such as I assume the people of whom the Senator from Maine is speaking are suffering.

The whole purpose of that bill was to create additional wealth, as any other research project would. The reason and the justification for that bill are exactly the same as the justification for research in electronics or in any form of agriculture. The Federal Government has agricultural research stations located in many places throughout the Nation. They are not designed to relieve unemployment among farmers or unemployment among any other groups. Their function is to seek knowledge and to develop methods which will enable the people to improve their standard of living. They will create sufficient wealth, I am convinced, to far more than repay to the Government every cent of their cost.

There are many other analogies. Consider the forest research program. I think it is easy to demonstrate that every dollar invested in research stations will return anywhere from $5 to $100 in income to the Federal Government itself. So I do not quite understand the Senator's reasoning.

If this were to be purely a relief program, for the benefit of people and industries, and if the Senator were appealing to my humanitarianism, I might go along with him. But the bill is presented to us as a businesslike, reasonable method of meeting the problem of unemployment. I say the means adopted have no reasonable relationship to the ends desired. It is a poor, inefficient way to approach the problem. There are many better ways.

In order to increase the knowledge of fish farmers, chemists, or electronic engineers, the Government has provided research stations. The bill to which the Senator referred will not benefit my State alone; it is intended to serve farmers in any State——

Mr. PAYNE. Where rice is grown?

Mr. FULBRIGHT. In any State where rice is grown, or wherever there are ponds or bodies of water where fresh water fish can properly be propagated. That is the primary purpose of S. 1552. But there are many States besides my own which will benefit. My State is not the largest producer of rice.

The bill provides for a research project, and I see nothing at all in common with the bill now under consideration. This is not a research project at all.

Mr. PAYNE. There are phases of research in it. Will the Senator be kind enough to yield one minute further?

Mr. FULBRIGHT. Yes.

Mr. PAYNE. I supported, and supported gladly, that program because it was designed to be of benefit.

Mr. FULBRIGHT. May I interject that the total amount of the appropriation under that bill, for a capital investment, will be about $480,000. That is a research program. The $380 million, which the Senator from Maine is advocating in the pending bill is slightly different from a research project.

Mr. PAYNE. Let me refer to another bill. I do not want to expand the subject, but we are off on a discussion of relative merits. Let me mention S. 2920 which was introduced by my distinguished colleague, to provide for small business disaster loans in areas affected by excessive rainfall. No cost estimate of that can be made.

Here is the quotation from the debate on that bill:

> I know that the Senate will cooperate in making available to our part of the country this very important and desperately needed legislation. I know of nothing which is more important to the welfare of my area.

The bill was introduced on January 8, 1958. It was reported by our committee—and I supported it there—on January 23. It was passed by the Senate on January 27. It was passed by the House of Representatives on February 10. It was signed into law on February 22. Here, again, I point to an area which was hit by rain, and that threw the economy of the area completely out of balance. But that measure pertained to a particular area of the country, not to the country as a whole.

Mr. FULBRIGHT. Mr. President, I think the Senator from Maine is clearly in error. Any part of the country may be, and is, affected by rainfall. A bill which deals with rain damage may apply equally well to Maine or to Arkansas. Not long ago it applied to a much greater extent to Connecticut—as a result of the great floods there—than it did to my State.

It happened that last fall there was a great deal of rain in Arkansas. If I had limited the measure to an area within certain degrees of latitude and certain degrees of longitude, or if I had specifically named Mississippi County in the State of Arkansas, that bill would have been comparable to the pending bill. But I did not do so.

Mr. PAYNE. Mr. President, if the Senator from Arkansas will yield further to me? Let me say that he is making a very telling argument in connection with a problem which confronts the entire domestic economy—the economy of American communities composed of American workers and American families. The Senator from Arkansas says that these Americans are to be denied, in essence, the same benefits and rights and privileges which this country has extended and still is extending to foreign people all over the world. I have heard Members of the Senate stand on the floor of this body and plead for aid and help and assistance to be given to certain specified, selected nations of the world, distant from the shores of this country, in order that those nations might have an opportunity to obtain factories equipped with the latest machinery and to obtain technical assistance. They then can even produce goods which can be sold in the United States, in competition with goods produced in our country.

I say frankly that I cannot understand how anyone can argue against giving such assistance to our own people, so they can have an opportunity to have gainful employment when we send billions of dollars of the American taxpayers' money to other countries of the world, for economic relief—or for whatever one may wish to call it—but certainly for purposes very much in line with those of the pending bill.

Mr. FULBRIGHT. Mr. President, I am amazed that the Senator from Maine would seek to confuse the pending issue by making references to foreign aid, reciprocal trade, and many other matters which have absolutely nothing to do with the bill now before the Senate.

The Senate is not now considering whether we wish to help those who are unemployed; that is not the pending question. I have already voted for several bills, to help those who are unemployed. For instance, the reason for the great speed with which the emergency housing bill was reported to the Senate by our committee—with the help of the Senator from Maine—was the earnest desire to help the unemployment situation.

In the present case, I do not say that we do not wish to have anything done to be of help to a particular community in Maine where there is a textile mill——

Mr. PAYNE. Mr. President, if the Senator from Arkansas will yield further, let me say that I have not been discussing a textile mill in Maine or railroad car shops in Pennsylvania.

Mr. FULBRIGHT. Mr. President, I do not yield at this time. I am talking about those matters now, regardless of whether the Senator from Maine is; and I happen to have the floor.

I said I would be delighted to have help given to the area in Maine where unemployment exists; I refer to the Biddeford-Sanford area.

Mr. PAYNE. That is correct.

Mr. FULBRIGHT. It needs employment opportunities. I am only saying that the pending bill is a poorly devised scheme to meet that situation. The bill carriers within itself very dangerous political possibilities, as I have already pointed out—before the Senator from Maine entered the Chamber, I believe.

To provide anyone with discretionary power, as the bill does, to dole out assistance is dangerous.

Mr. PAYNE. Mr. President——

Mr. FULBRIGHT. Mr. President, I do not yield for the moment. Later, I shall yield. The Senator from Maine has

made a fine speech; and I wish to answer it, at least to some degree.

Under the mandatory provisions of the bill, the criteria are clearly designed to meet a few, well-recognized situations, such as that which exists in the Biddeford-Sanford area in Maine, and that which exists in some coal-mining towns in Pennsylvania and Illinois. I would be perfectly willing to have them share in any other general program. I certainly hope they will share in the housing program and in the small-business capital bank program, if the bill dealing with the latter program is passed. Certainly they will share in the program for relief benefits, if such a bill is enacted into law. I merely say that the pending bill is poorly devised to meet that situation.

One of the crucial points—and it is one of those which amazes me, inasmuch as the suggestion comes from a Republican, as the Senator from Maine is—is that in this case an attempt is made to substitute the judgment of persons in the Federal Government for the judgment of private industries. Under the provisions of the bill, an official of the Federal Government would exercise his judgment as to the possibility of giving help to a particular community in a case in which a private industry has found, at least to its satisfaction, that the community is not a suitable one in which the industry should locate.

Mr. COOPER. Mr. President will the Senator from Arkansas yield to me at this point?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. FULBRIGHT. I yield.

Mr. COOPER. I should like to address myself to the question the Senator from Arkansas has just raised, if he will permit me to make a comment or two on his own time. It will be in the nature of an answer to the argument the Senator from Arkansas has been making.

Let me say that I was very much interested to read, a few days ago in one of the newspapers, a comment by the able Senator from Arkansas that in economic matters the Congress is attempting to substitute Federal Government judgment for the judgment of private industries, in the determination of whether industrial development should go forward in a particular area. The Senator from Arkansas argues that the pending bill, substitutes the judgment of the Federal Government for that of private industry.

Mr. FULBRIGHT. That is correct.

Mr. COOPER. And in the last few minutes the Senator from Arkansas has been making that argument to the Senate.

Mr. FULBRIGHT. That is correct.

Mr. COOPER. The Senator from Arkansas has just stated that he is surprised that some of the Members of the Senate on this side of the aisle—some Republican Members—are supporting the pending bill. I would like to say that I am a sponsor of the bill and that I am glad to support it.

I believe that my colleague, the Senator from Arkansas, is unduly aroused about the substitution of Federal judgment for that of private enterprise. I do not believe that the judgment of private enterprise will be superseded, either under the provisions of the pending bill or of any other bill. For if private enterprise believes it is unprofitable for it to locate in an area, regardless of the amount of unemployment which may exist there, or the loans that would be advanced under the bill, private enterprise will not locate there.

I come from a State in which there are areas of chronic unemployment. I suggest to the Senator from Arkansas that, in these areas, there are situations which have no relationship to the argument the Senator is presently making. The Senator from Arkansas has referred to these areas of persistent unemployment, as if all were areas whose resources have been exhausted or industry outdated, and in which it would be uneconomic for industry to locate. This may be true in some cases, and in my view this bill will not persuade inefficient and uneconomic development. But there are areas in which industries could locate if some prohibitive situation were remedied. Let me mention several examples.

For instance, let us consider a small, rural community which needs water for industry. It may have a stream which cannot qualify for development under the requirements of the Corps of Army Engineers. The pending bill would make it possible to provide funds to assist in the construction of a reservoir which would provide sufficient water to meet the needs of a small factory or plant which would like to locate in the community, but will not because of the lack of water.

Similarly, there are communities which need a sewage system; and industry will not locate in such a community because it lacks that sewage system. In such instances this bill orders no substitution of the judgment of the Federal Government for that of private enterprise. The truth of the matter is that this bill would help correct conditions which prevent private enterprise coming into an area.

Mr. FULBRIGHT. We already have legislation to accomplish the very purposes mentioned by the Senator. A bill the Senate passed last month provides for an expansion of the existing program of aid for water, sewer, and similar facilities. The pending bill is not needed for that type of aid. If the Senator would cite me one instance of aid that only this bill provides, I think we would make progress; but every one of the needs mentioned by the Senator already is provided for by existing legislation. Certainly the community facilities bill itself was specifically designed for that type of aid.

Mr. COOPER. I do not know of any legislation which would enable a community to provide needed water to the extent that would be required by industry in those cases where the requirements of the Corps of Engineers cannot be met.

Mr. FULBRIGHT. If such help cannot be provided under the community facilities bill, I do not see how it could be provided under the pending bill.

Mr. COOPER. I simply wish to say I disagree with the statement that this is an attempt to substitute the judgment of the Federal Government for that of private enterprise. It would eliminate some of the obstructions which prevent private enterprise from entering an area, and of course the bill has other helpful provisions.

Mr. FULBRIGHT. It not only is an attempt to substitute the judgment of the Federal Government for that of private enterprise; but private enterprise has decided, for its own reasons, that such communities are not attractive for investment. That is the reason why private enterprise has not proceeded to locate in such communities.

Mr. COOPER. The Senator has stated that conditions in these areas are uneconomic, that their natural resources have been exhausted, and that they are in such condition that private enterprise ought not to locate there. But I am talking about areas where there are natural resources, where there are conditions under which private enterprise could prosper, except for limitations of water, power, and sewerage, and so forth.

Mr. FULBRIGHT. Under the bill, a Federal agency would look over the country and pick out those towns which private enterprise has neglected more than others, and would say, "This is one we think the Federal Government should revive," no matter what the conditions are.

Mr. COOPER. I disagree strongly with that statement.

Mr. FULBRIGHT. That is really the objective.

Mr. COOPER. The bill would encourage limited expansion of private enterprise in certain areas of persistent unemployment.

Mr. FULBRIGHT. I say once more that I am against the Federal Government's helping on the basis established by the bill. I have tried to emphasize that the criteria specified in this bill are wrong, and are on an unsound basis. The Senator keeps speaking in generalities, and asking, "Do you not want to help the people who need help?" I do. I say this is a very inefficient, unwise way in which to offer help.

The Senator from Kentucky has mentioned specific questions of sewers and water. I was in favor of such aid in the community facilities bill which I sponsored. There is already another law, administered by the Department of Health, Education, and Welfare, which provides for a 30-percent grant for the construction of sewage disposal systems.

There is a great deal involved in the pending bill. Many persons are in favor of the proposed legislation because they have a feeling it is well designed to help unemployment generally. I am trying to point out, as best I can, we are all in favor of reasonable means for reducing unemployment.

I am not opposing the objective of the bill; it is the means of obtaining the objective under the bill, which I think is wrong.

Mr. COOPER. I did not become a cosponsor of the bill on the belief that it will aid in relieving unemployment at this time. The purposes of the bill have been thoroughly developed by the Senator from Maine [Mr. PAYNE] and the Senator from Illinois [Mr. DOUGLAS]. The bill recognizes the existence of areas which have had long, sustained unemployment. The reasons which underlie that unemployment have been stated. The bill makes this very modest and limited means available to help communities overcome their problems and give them some assistance. I want it clear that I did not become a cosponsor of the bill on the basis or with the idea that it is an antirecession bill.

Mr. FULBRIGHT. I think the Senator is mixing the idea of relief with the idea of business judgment. Is this a good way to do business? One of the abuses that grew up under the old RFC, although not of too great an extent, was that aid would be offered to a certain area because there was unemployment there, and perhaps a factory in that area was not producing. That was not the basis established under the law. I objected to the use of funds in that way. It was not the intention of the committee studying the problem that funds be used in that manner. The present proposal reminds me of the RFC law. The Senator is trying to deal with two questions at the same time. He is appealing to those who desire to give relief to unemployment. Yet the method by which the money is to be used is absolutely impractical. The Senator is trying to mix two concepts which do not mix and which are incompatible.

If it is desired to pass a bill to extend unemployment insurance, it ought to be voted for or against on that ground alone. The pending bill should be judged on the efficiency and appropriateness of the method to be used to attain its objectives.

I say it is very dangerous to substitute the judgment of the Federal Government for the judgment of business on the question of whether a particular community ought to be revived on an economic basis. If a large amount of capital is advanced to a community, I suppose any community could be revived. I also suppose that the old time horse and buggy would not have gone out of use if the Federal Government had put a heavy enough tax on automobiles. As a matter of fact, now that I think of it, it may have been a good idea, and I think we would have been a lot happier. However, we did not do it, because it did not make good economic sense to do so.

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

Mr. FULBRIGHT. I yield.

Mr. BUSH. I am very happy that the Senator has mentioned the horse-and-buggy days. At the risk of being declared a reactionary, I frequently think it would be a good idea to go back to them.

I also wish to say I have listened intently to what the Senator from Arkansas has had to say about the bill. I congratulate him on the logic of his statement and of the minority views as to the reasons for his opposition to the bill.

Mr. FULBRIGHT. I thank the Senator.

Nearly every morning, when I get into the traffic jam on Constitution Avenue, and the fumes almost asphyxiate me, I long for a buggy.

The other major classification of rural redevelopment areas is limited to a maximum of 300 counties. This arbitrary limitation is unfair to the vast majority of our 3,000 counties which are outside the scope of the bill. The table on pages 44 to 46 of the committee report shows the 315 counties located in 16 States ranked by the lowest levels of living. Thus, the counties located in 32 States—two-thirds of the total—would have little, if any, hope of assistance, assuming the administration followed this guide and selected these counties.

Furthermore, the need for rural redevelopment is entirely unrelated to the county borderlines. Counties vary in size from State to State, and the problem or redevelopment in any given area usually overlaps county lines. A county unit is a completely inappropriate factor to be considered.

It is apparent that the assistance for rural areas has been added by the proponents of the bill as an afterthought to gain more widespread support. The bill is not tailored to meet the needs of low-income farm families, and it is not at all clear that industrial development is appropriate to solve the problems of all depressed rural areas.

I am sure every Senator knows counties within his State which, because of their location, or their lack of transportation facilities, or lack of proximity to markets, or lack of natural resources, or any number of other reasons, are not susceptible to industrial development. Let us call one of these "county A."

Nearby, or even adjacent to such a county, there may be one which has great potential, and which, perhaps through great local effort, is developing a balanced economic program, and enhancing the standard of living of its people. This county—call it "county B"—may be ineligible under this bill, by virtue of the efforts of its own people. County A may be eligible. County B may well be penalized by the attraction of subsidized industry under this bill into county A. County B may offer a source of income and employment, now or later, to residents of county A, yet it is not eligible, but, in the competition for development is discriminated against by virtue of its own development potential and its own progress.

This example, which can be multiplied many times under this bill, illustrates the folly of dealing with the acute and distressing problems of industrial development on an area basis.

Mr. BUSH. Mr. President, will the Senator yield; and may we have order in the Chamber, please?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Let the Senate be in order. All Senators who desire to confer will retire to the cloakrooms.

Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. FULBRIGHT. I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am glad to observe the Senator is dealing with the rural aspects of the bill. I have felt, in reading the bill, it was completely incongruous to have industrial and rural provisions mixed up in such a bill, because the two situations really are entirely different. I do not see how one administration, even if the law directed it to do so, could make the proper appraisals regarding the rural areas, even though it might attempt to do so in connection with the industrial areas.

There is a question I should like to ask the Senator. Is it true that most of the difficulties of and the unemployment in the rural areas have come from the developments in the art of farming and agriculture through the increased use of machinery, on the one hand, and perhaps because of natural disasters, such as droughts or floods, on the other; and that such things should be dealt with specifically through research in agriculture, perhaps through assistance the Department of Agriculture might give, and also through undertaking public works, flood prevention or flood protection? Is the Senator inclined to agree that those items are not the type to be covered by so-called relief legislation?

Mr. FULBRIGHT. The Senator has stated the case very well. Goodness knows, I am interested in anything which will help agriculture. My State is predominantly agricultural. If I thought that under the bill there would be the slightest prospect of providing real benefit to agriculture, I would hesitate a long time before I would be against the bill.

Once again I applaud the purpose, but I do not think the bill is well designed to achieve the purpose. I think the rural assistance was thrown in as an afterthought, so that those of us from the rural areas would hesitate about opposing the bill.

As the Senator knows, I am very much in favor of bills in the field of agriculture or in the field of control of rivers. For example, one of the things which would help most of all in regard to my State is control of rivers—rivers which have their beginnings in the Rocky Mountains and come all the way down across the Great Plains to dump water all over the farms in my State. Those farmers cannot improve their standard of living under those conditions. That is, at present, their greatest problem. I do not think the bill under consideration reaches that problem at all.

Mr. BUSH. Mr. President, I thank the Senator for his response. I am glad the Senator has brought out in his prepared remarks the fact that the agricultural and rural areas matter has been brought up completely as an afterthought, simply in a bald attempt to attract Senators from rural States to the voting column in favor of the bill.

In my opinion, the bill is a bad bill, anyway, but I think the very weakest part of the bill has to do with the rural area redevelopment, which really has no place in this kind of legislation at all, but which should be taken up in an entirely different manner.

Mr. FULBRIGHT. I thank the Senator for his observation.

Since the criteria for eligibility in both types of areas, urban and rural, gives little or no consideration to economic or business standards, the Administrator may well be forced to choose among the applicants on the basis of favoritism and political expediency. The procedure of processing applications by State or local government departments and by private local committees, if there is no appropriate governmental unit, offers no protection in this regard, and in reality would intensify the competition among applicants. This problem is further aggravated by the fact that there is no limitation on the amount of funds that may be loaned or granted in any one State.

This bill cannot, in any sense of the word, be described as an antirecession measure. The very nature of the program and its limited applicability militate against its providing any assistance in easing the current economic situation. The proposal will be of no immediate help even to the relatively few areas which would qualify for assistance. The bill envisions a time-consuming process which includes the establishing of a new agency, the appointing of local processing committees, the soliciting of new industries to move into an area, the constructing of new industrial buildings, and the retraining of workers. Even if this program was established on a sound basis, it could not possibly begin operation for a long period of time.

In the past several months I have spent a considerable amount of time and effort in support of legislation such as the Emergency Housing Act and the Community Facilities Act, designed to help lift the country out of the recession. My position in support of sound legislation to stimulate the economy is clear. This bill does not measure up to the constructive standards of those proposals and does not deserve the priority of consideration urged by its proponents.

I am in favor of constructive legislation to assist the unemployed, wherever they live. I doubt if those who are a part of a 5-percent unemployed group will feel very kindly toward those of us who say to them that if they wait and become a part of an 8-percent group, or a 15-percent group, they may get some help under this bill. It is no answer to them to say that they cannot get this help, because they do not live in the right area. They are as destitute, as unemployed, as those whose only greater qualification is that they live in the right area, and have more of their neighbors in the same fix.

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

Mr. FULBRIGHT. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. Will the Senator suspend?

The Senate is not in order. All persons who desire to confer will please retire to the cloakrooms.

The Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, first I wish to congratulate my able friend from Arkansas for the exceedingly logical case he is making. Then I should like, if I may, to comment on several of the points to which he has referred.

I have received very strong letters in opposition to the proposed legislation from the League of Municipalities of my State, the State Chamber of Commerce, and other groups of business, industry, and agriculture.

Upon examining the proposed legislation, I found that the complaints were, in my judgment, wholly justified. After listening to the able statement of the distinguished Senator from Arkansas, it seems to me perfectly clear that the plan for selection of areas, which he has mentioned several times as being one of the very objectionable features in the bill, is clearly shown to be unwise. The Senator's statement is amply borne out by the statistics set out in the minority views.

For example, in the State of Connecticut—I am glad to see the able Senator from Connecticut [Mr. BUSH] in the Chamber—I note that only one community is included, the relatively small community of Danielson, within the areas of industrial redevelopment which would qualify. Danielson has a total number of unemployed of 1,400.

I note that Bridgeport, not very far away, shows a total of 13,600 unemployed, as of the date of the report, January 1958. It is not proposed to give any relief to those 13,600 unemployed citizens under the provisions of the bill, whereas relief would be extended to the 1,400 unemployed industrial workers of Danielson.

Mr. PAYNE. Mr. President, will the Senator from Arkansas yield to me?

Mr. HOLLAND. If the Senator will permit me to conclude my very brief statement, I shall be very happy. The Senator from Maine has already been yielded to by the Senator from Arkansas.

It seems to me that not only is that comparison such as to show the unfairness of the proposal, but I am asking Senators how long they think the 13,600 unemployed people in Bridgeport would be satisfied to see millions of dollars invested in a neighboring community with only 1,400 unemployed, without coming down here to demand, as one person, to have the program extended to them.

If the Senator will permit me to go further, I note that in the State of Indiana there are two communities of about the same size; namely, Evansville, with 8,700 unemployed, which would be included within the group of areas entitled to aid under the provisions of the bill, and South Bend, with 9,900 unemployed, which would not be entitled to any help. Surely, it would be very difficult to justify the extension of aid to one of those neighboring industrial communities and withhold it from the other.

In the case of Kentucky—and I note the presence in the Chamber of the distinguished Senator from Kentucky [Mr. COOPER]—let us compare Louisville, with 24,700 unemployed, not affected by the bill, with the industrial town of Frankfort, not far away, with 1,700 unemployed. Frankfort would be brought under the terms of the bill, and would be given relief, while Louisville would not.

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

Mr. HOLLAND. I do not have the floor. If the Senator will allow me to complete my statement, I am sure he can then gain permission from the Senator from Arkansas to contribute further to the debate, to which he has already ably contributed.

The point I am making is twofold—first, that there is certainly a lack of impartiality shown; and, second, there is no question in the world that if a program of this kind, costly as it would be, should prove to be helpful, we would certainly have a drive made upon us by the larger groups of unemployed, and by the communities in which the larger groups of unemployed are found.

If the distinguished Senator will turn to the statistics with relation to Maryland, he will see that 46,300 unemployed in Baltimore would not be affected by the bill, while 6,000 unemployed in Cumberland would come under the provisions of the bill. I wonder if the distinguished Senator feels that the Congress would be left undisturbed by the unemployed in Baltimore if it should prove that the millions of dollars to be released in Cumberland should bring great relief. There would be little delay before the 46,300 unemployed from nearby Baltimore would be pouring into Washington demanding the expenditure of huge sums to bring the same measure of relief to them.

I note that the $380 million already earmarked for use under the bill would provide very small coverage of industrial communities, with a few rural communities added.

Before I conclude, let me say that I think the Senator from Arkansas hit the nail on the head when he commented that the housing legislation which we enacted—including both the amendment of last year and the emergency legislation passed 60 days ago—has helped in all areas. A couple of hours ago I participated in a television program in connection with the presence of the home builders organizations here, in which the president of the Home Builders of Tampa, Fla., stated to his people back home that present statistics showed that in April of this year, FHA applications for the purchase of homes of modest cost in the Tampa area were up 300 percent over the same month last year.

I commend the Senator from Arkansas, first, on his leadership in connection with the housing legislation; and second, for his opposition to the pending bill. It seems to me that the bill is characterized by a lack of logic and practicality. It would be an open invitation for an assault upon Congress the like of which we have never witnessed before, to bring financing, free of cost, into every community which has any substantial group of unemployed.

I thank the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I compliment the Senator from Florida. In his usual brilliant manner he has placed his finger on the defects in the proposed legislation. As he has stated, it is not the objective, but the manner of obtaining the objective which is so objectionable.

Whatever legislation is enacted to help the unemployed ought to be without favoritism, equal in its application to the individual wherever he lives.

It ought not to put the Federal Government in the position of deciding what areas are eligible for development assistance, or, if you please, where industries should be located. It ought to be designed within the framework of our relatively free economic system, on the basis of private judgment as to what the economic potentialities for development are, in the entire area of the United States.

I was pleased that six Republican and Democratic members of our committee joined with me in opposition to this bill. I hope the Members of the Senate will find time to read our minority views as shown in the committee report and, after reviewing the facts, will vote against the bill.

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

Mr. FULBRIGHT. I yield.

Mr. COOPER. I should like to comment upon the statement made by my colleague and friend from Florida [Mr. HOLLAND].

First, at least so far as the Kentucky statistics which he quoted are concerned, the statement does not give a fair picture. I say that flatly. The Senator from Florida tried to compare Louisville with Frankfort, and spoke of other areas of unemployment in Kentucky. I am sure the Senator knows that today, in many large cities, there are an unusual number of people unemployed. In the city of Louisville there is a Ford Motor Co. plant, a General Electric plant, a Reynolds Metals plant, and other plants, which are under great stress, so there is large unemployment there at the time. However, in other areas of Kentucky there has been consistent unemployment, to which the bill is directed.

I wish to make that point clear, because the purpose of the bill is to reach the areas of persistent unemployment, rather than areas which at this time have larger percentages of acute unemployment.

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

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. I certainly grant that my distinguished friend, the Senator from Kentucky, has a greater knowledge of Kentucky situations than I have.

The point to which I wish to call attention, however, is the fact that we were considering Louisville and Frankfort, which are cities that are not very far apart. Louisville has a percentage of unemployment of 8.1, with 24,700 unemployed, as of January 1958. Frankfort has a percentage of unemployment of 8.5—very close to the Louisville percentage—with unemployed numbering 1,700 as of September 1957.

I cannot see any real justification for excluding the Louisville unemployed and the Louisville idle industries, and including Frankfort. I do not see how the Senator from Kentucky can go home with a bill and justify such a differentiation between two of his very fine communities.

However, aside from the question whether he could justify it or not—and I know that the distinguished Senator from Kentucky is a man of great conscience and probably would be able to justify any position he would take, because he will take the position which his conscience approves—the point I make is that he will be assaulted and all of us in Congress will be assaulted by the very much larger number of unemployed and larger number of idle industries in a nearby city which is not given relief under the pending bill. I do not see how we can avoid it if we take the unwise step recommended and set up a program that makes that kind of differentiation.

With all due respect to my distinguished colleague from Kentucky, it seems to me that we should not enter upon such a program.

Mr. COOPER. Mr. President, I do not wish to prolong this personal exchange. I am very grateful to the Senator from Florida for his interest in Kentucky. I may say, also, that I am not worried about being assaulted in my own State. I am not worried about by position on the pending bill. The able Senator from Florida has not made clear in his remarks the distinction between the unusual unemployment at this time, which I do not believe will last—and some areas the persistent unemployment which continues, and for reasons which have nothing at all to do with the capabilities of the people, or the resources of the area.

I know in my own State, there are sections, which, through no fault of resources or capabilities of the people, but through lack of water, lack of communications, of power, or because of a change in the economy in a particular area—such as the closing of a railroad shop—are not financially able to make improvements which could bring in new types of employment. The pending bill would give some relief, in the form of loans, technical assistance to encourage and assist the development of new wealth and industry of these communities, in a long-range program.

The Senator from Florida is a member of the Committee on Agriculture and Forestry. I believe he supports the Rural Development program, as I do, which attempts to do the same kind of thing so far as rural areas are concerned, on a much broader scale. The Secretary of Agriculture and the Committees on Agriculture of both Houses have supported that legislation. I am sure the Senator has. The bill we are discussing is a more limited bill, but it applies to areas economically distressed.

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

Mr. FULBRIGHT. I shall yield in a moment. First I should like to comment on the Senator's statement, and to remind the Senator that I am not familiar with the bill he is referring to. For example, with respect to RFC, loans were not made on any area basis. Anyone was eligible to apply. It was all done on an individual basis. I do not recall anything quite comparable to the pending bill. I now yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, the Senator from Kentucky is correct in his statement that the senior Senator from Florida has supported the bill to which he has referred. The Senator from Kentucky, however, is not correct in feeling that the bills are at all comparable. The rural redevelopment bill does not include the matter of large loans, either with or without interest, or large Federal investments, or anything of that kind. Under that program the Federal Government merely supplies two things. It supplies some leadership and some advisory services to coordinate activities within the counties. We have two of those in our State.

The total Federal investment is so negligible as not to be mentioned in the same breath with what we are dealing with here. The effort is to help people help themselves. Here it is proposed to make available in the first instance a partial program in the amount of $380 million, with differentiation between communities such as I have already discussed.

I do not believe the two programs are at all comparable, and that it would be very unwise for us to go into this suggested program.

Mr. MURRAY. Mr. President, I wish to discuss briefly the area redevelopment measure, S. 3683. In my opinion, the area redevelopment legislation we are considering today is one of the most worthwhile and desirable bills we have considered during the 85th Congress. I was glad to cosponsor the original bill, S. 964, with the able senior Senator from Illinois, Senator DOUGLAS. I testified for the bill when it was receiving its careful committee consideration. I also cosponsored the new bill now under consideration, S. 3683.

One of the best things in this bill is its provision to help Indian reservations, which are chronic areas of underemployment, and rural areas. My good friend, the senior Senator from Illinois, is one of the most able champions of Indian rights in the country, and I want to emphasize the great good that can come to Indians through enactment of this bill.

I would also like to ask a question of the senior Senator from Illinois, in order to clarify in my own mind the benefits that can come to hard-hit rural communities, of which, unfortunately, we have many in Montana.

For some weeks this year Montana had a greater percentage of unemployment in covered industries than any other State, 14.9 percent. However, because the Department of Labor ordinarily surveys surplus labor only in communities of more than 50,000 population, Montana communities were not designated as surplus labor areas until I and other members of the Montana Congressional delegation specifically requested a survey.

I was advised by the Department of Labor last week that Silver Bow County, Mont., which includes the city of Butte with its thousands of unemployed miners, was found to be an area of relatively substantial unemployment, and was classified as a "smaller area of substantial labor surplus, effective April 25.

A similar designation was given Flathead and Lincoln Counties, Mont., where the lumber industry has come upon hard times.

Carbon County and Meagher County, Mont., were found to be areas of relatively substantial unemployment, and unemployment was found to be above normal in Yellowstone County, which includes the cities of Billings and Laurel, and Cascade County, which includes the city of Great Falls.

Unemployment is just as severe in these small cities and towns, and need for area redevelopment is just as great, as in those larger areas where the Department of Labor has regularly made its surveys.

My question is, can my distinguished colleague from Illinois assure me that these severely depressed small areas in Montana, upon which the Department of Labor only recently began to assemble statistics, will benefit from the provisions of this bill?

Mr. DOUGLAS. Mr. President, first I should like to say to my good friend from Montana, who is always sturdy and valiant in good causes, he knows that no legislator can guarantee that any particular area will be granted loans by an administrator. That lies in the judgment of the administrator. As the Senator from Montana has said, until the senior and junior Senators from Montana got busy, the Department of Labor neglected to make an unemployment census in Montana. However, as he has also said, now we have Silver Bow County, Flathead County, and Lincoln County classified as areas of substantial labor surplus. It would seem to me that if the situation continues, they would be among the very first, at least, to be considered by any administrator.

The Senator from Montana did well to emphasize the Indian question, because there are a number of Indian reservations in Montana. The Senator from Montana has fought for the rights of those Indians—the Flathead Indians, the Crow Indians, the Blackfeet Indians, and so on.

In addition, there is the notorious Hill 57 in Great Falls, which is a depressed area, if there ever was one, and which certainly would be eligible for aid of this type.

So while one cannot hold out definite and specific promises on the floor of the Senate, I can say that this is a situation which any sensible administrator would take into account, and which any sensible administrator, consistent with the funds at his disposal, would do something to cure.

Mr. MURRAY. I thank the Senator from Illinois for his very encouraging statement. I hope that what he has suggested will come to pass, because there is no question that there is great need for relief in those counties.

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

Mr. MURRAY. I yield.

Mr. MANSFIELD. I associate myself with my distinguished senior colleague, who has worked so hard in behalf of the bill which would alleviate some of the distress of our Indians, our miners, and our lumbermen.

I am very happy about the answer given by the distinguished Senator from Illinois, because he holds out hope for our people who are living in labor surplus areas, which in turn means that they are living in distressed areas.

Mr. DOUGLAS. I think it might be well at this time to correct a misapprehension which may have grown up in the minds of previous speakers. It is not proposed that in depressed areas such as coal mining areas the miners should mine more coal; or that in textile centers which have lost business the workers should be put to work in textiles; or that in the depressed metalliferous mining areas of Montana the miners should work at the identical jobs which they formerly held. No; the proposal is that new industries may be brought in to afford new lines of employment and to utilize idle labor and the social capital which otherwise would go to waste.

Mr. MURRAY. I thank the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Montana.

Mr. ROBERTSON. Mr. President, at the outset I wish to commend the distinguished Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Committee on Banking and Currency, for the splendid explanation he has made concerning the deficiencies of the bill. In view of the very comprehensive treatment he has given the bill, I shall be very brief. I shall simply say at the outset that if, long ago, Congress had not completely abandoned all constitutional restraint upon spending, the bill would not even be here. Even so, it has come to the Senate by a majority of only one vote. The committee voted to report the bill by a vote of 8 to 7.

If we had really lived up to our oaths to support the Constitution, there would not have been any votes to report the bill, because we have no authority to spend money for the purposes contained in the bill.

Mr. President, before I quote a section from the first article of the Constitution, I may say that it was interesting to me to read a statement by an outstanding Georgia lawyer, who is now presiding over the Senate, the distinguished junior Senator from Georgia [Mr. TALMADGE]. The statement, which was printed in the CONGRESSIONAL RECORD, concerned what is the law of the land and who makes the law of the land. The statement quoted from the proceedings at a mass meeting held in Alexandria, Va., on July 17, 1774, over which George Washington presided. Resolutions known as the Fairfax Resolves were adopted at that time. In one of the resolutions it was said that the people did not propose, as free citizens of Great Britain, to live under laws passed by a foreign minister or by any judge; that the people were determined to have a government under which the laws would be made only by those who were elected by the people to legislate. That was in 1774.

When the delegates to the Constitutional Convention met in Philadelphia in the summer of 1787, what was the first sentence they wrote into the new Constitution? I will read it:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Cooley said that whatever the Constitution meant when it was adopted, the meaning still remains. But not in the opinion of the Supreme Court. In the summer of 1954 the Supreme Court proceeded to legislate in the school issues. Even the distinguished President of the United States, after a United States district court had issued an order to desegregate a school in Little Rock, claimed that that order was the law, and sent troops there to enforce it. The troops are still there. Millions of dollars have been spent for the upkeep of a thousand paratroopers, the finest we have, and for 800 members of the National Guard, simply for the benefit of nine colored children. The President claimed that the District Court order—it was not even an order of the Supreme Court—was the law. But the Constitution says that there shall not be any laws except those passed by the legislature, which is the Senate and House of Representatives. The delegates to the Constitutional Convention said so in the first sentence of article I.

The second proposition is this. The Founding Fathers wrote into the Constitution that Congress should have only the powers which were delegated to it, and the fact that those powers were enumerated should not in any way take from the States any powers which had not been enumerated, on the assumption that they had been overlooked.

But some years ago, Members of Congress, irked by the limitation, and when it looked desirable, or politically expedient, if you please, to be handing out some sugar plums, decided that whatever they could claim was for the general welfare, they had the right to do. That is known as the construction of the general welfare clause.

Of those who framed the Constitution, none had a more important part than James Madison, of Virginia. He said that the welfare clause was a limitation on the power to tax. He said that the Government could tax for the general welfare, but that it could not tax for some minute or minor individual undertaking.

The provision is found in section 8 of article I.

> The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

So some of the leaders of Congress asked the question, "Why not let us call what is proposed providing for the general welfare?" It was the opinion in the horse-and-buggy days that Congress could not spend for whatever it pleased, but the leaders of Congress in a later day interpreted that provision in a different way. They said, "Let us say that whatever we say is for the general welfare, we can do."

Mr. President, I could sit here until past the dinner hour this evening citing authorities which have construed the general welfare clause to mean a limitation upon the power to tax, not as an independent, separate grant of power.

While Congress will not put any restraint upon itself in the matter of spending, it generally does go through the hocus-pocus of saying, "What we are doing is for the general welfare."

Generally there is a preamble, but the bill before the Senate does not even have that. As the distinguished chairman of the committee has pointed out, and as is mentioned in the report, the bill applies to only 7.2 percent of the unemployed in distressed areas, and to only about 10 percent of the 3,000 counties.

Congress does not have the power to spend for something which the Constitution never contemplated. Some persons believe that the Constitution can mean one thing one year and another thing another year. If we are to rely upon the general welfare clause as a grant of authority, the legislation must be for the general welfare, and not for a very limited undertaking. So I say that the bill has no standing whatever in this legislative body.

One of the assumptions of the patrons of the bill is that it would relieve the recession. I think that position has been completely abandoned now. There is nothing in the bill which would relieve the recession. The bill provides for a complicated machinery which would take a long time to establish. It would be necessary to find someone who was willing to and could come into a depressed community. Then it would be necessary to build a factory. Then, if the factory were to be located in a coal-mining area, the distinguished Senator from Illinois has said that it is not proposed to make coal miners mine more coal, but that they would be taught to operate in a knitting mill or a cotton mill, and they would all have to be retrained. So that is a little matter of long-range procedure.

So, Mr. President, I am happy that the Senator from Pennsylvania [Mr. CLARK] and other sponsors of the area redevelopment bill have admitted publicly that it is not an antirecession measure, and that it is not designed to help the unemployed generally. This is one of the main points that I and the other six Republican and Democratic members of the Banking and Currency Committee tried to bring out in the minority views we filed in connection with the committee report. Now that any possible confusion about this point has been cleared up, we can debate the real issues embodied in the bill.

The basic purpose of the bill is to use Federal funds to attract new industries into certain arbitrarily selected areas. These selected areas have chronic unemployment and are depressed because private industry has determined it is uneconomic to operate there. Thus there would be an attempt by the Federal Government to substitute its decision regarding the development of an area for the decision of our free-enterprise system.

Mr. President, only today I was talking to a good friend of mine, who comes from one of the counties in Virginia that is listed in the bill as being covered for an operation of this sort. I asked him, "What is the trouble?"

He replied, "Well, we are a coal-mining community. But now the mechanized mines can turn out the same volume of coal, with 25 percent less workers. So there is chronic unemployment in our community, and our little chamber of commerce has been spending $15,000 a year." And Mr. President, that is a great deal of money to be spent by a chamber of commerce in a small, bankrupt coal-mining county which is trying to get a new industry to locate there, in order to help the unemployment situation. Then he said, "We have been doing that now for 10 years, but we haven't gotten a single industry to locate there, yet."

I asked, "Well, what is the matter?"

He replied, "The trouble is that all the chambers of commerce in Virginia, and almost all the chambers of commerce in the rest of the Nation, it would seem, are competing with each other for the location of new plants or new industries."

Of course, Mr. President, in such a situation the bill would help the areas which could qualify under the provisions of the bill. In such an area, a plant could be built; and it could be equipped with the necessary machinery; and the needed workers could be trained; and the community could receive other advantages which communities not covered by the bill would not be able to receive.

The bill authorizes the expenditure of $380 million as a Federal subsidy to entice industries into these depressed communities. Of course, when an industry was enticed to one community, undoubtedly it would be enticed away from other communities.

The inducements which are proposed to be offered would be extremely attractive. A new factory building, complete with all necessary machinery and equipment, on a choice location, supplied with all necessary public facilities, would be available. Moreover, the workers for the factory would be trained for their new jobs at Government expense.

It is ironic that, through the Federal income-tax system, the more prosperous communities would be forced to subsidize competitive industries in less prosperous communities. There can be no justification for the use of Federal funds to help certain communities attract new industries at the expense of other communities that receive no Federal aid.

Instead of attempting to find a real solution to the complex problems of chronic unemployment and underemployment, the proponents of this proposed legislation have taken the easy course of attempting to find a new channel into which to pour Federal funds. Federal loans and grants may provide temporary relief in a few localities, but a lasting solution of the problem can come only through local leadership and local initiative.

It is obvious that $380 million will not meet the demands of all the industrial and rural areas which would be eligible for assistance. In fact, it is almost impossible to estimate the many billions of dollars that it would be necessary for the Federal Government to spend under this program, in order to make these depressed communities prosperous. We can be assured that if this bill is enacted, future Congresses will be called upon for huge sums of money to carry out the program.

The proposed authorization for $380 million is broken down into several categories. First, $200 million would be authorized for 40-year loans to construct new factory buildings fully equipped with industrial machinery and equipment. One hundred million dollars of these loans would be used in "industrial redevelopment areas"; and the other $100 million, in "rural redevelopment areas." I am sure these loan funds would prove to be a bonanza to the industrial areas, but I am very doubtful that the type of project envisioned would be of any help to low-income farm families in rural areas.

The program also includes $100 million in loans and $75 million in PWA-type grants to build public facilities in redevelopment areas. This new public-facility program ignores the fact that last month the Senate passed Senate bill 3497, to expand the existing public-facility-loan program, in the Community Facilities Administration, to $1 billion. In fact, the program authorized by Senate bill 3497 is more liberal than the program contained in this bill, because Senate bill 3497 would permit loans covering 100 percent of the cost of the project, and for a term up to 50 years, whereas the pending bill would permit loans only for 65 percent of the cost, and for a maximum term of 40 years.

This new public-facility-loan-and-grant program does contain one feature that is not found in Senate bill 3497 or in any previous program of this nature. The pending bill would permit the Federal Government to make loans and grants to private organizations, for the construction of any type of public facility. It certainly seems strange that any private group would be permitted to assume the responsibility for a governmental function. Such an authorization obviously raises constitutional questions on both State and Federal levels.

It should be noted that the total amount involved in the loan and grant programs I have described is $375 million, all of which would be obtained through a pipeline to the Treasury, which would completely bypass the Appropriations Committees of the Congress.

The bill also authorizes the appropriation of $4½ million to provide technical assistance to the redevelopment areas. It is not exactly clear what technical assistance the proponents of this program have in mind, other than studies of the needs of, and potentialities for, economic growth in the depressed areas.

In the case of two other programs which are covered by the bill, no indication is given of the total amount of appropriated funds which would be required. One of these is financial assistance to provide facilities for vocational training and retraining of unemployed persons living in redevelopment areas.

The other program is to give so-called retraining subsistence payments to unemployed persons located in the redevelopment areas. These retraining subsistence payments actually would be a form of supplemental unemployment compensation, because only persons who had exhausted their unemployment benefits or were not insured for such compensation would be eligible to receive such payments. That type of dole could be pyramided into big money.

Mr. President, if this bill is enacted, it will create, in my humble opinion, a dangerous and costly precedent. I hope the bill will be defeated.

Mr. THURMOND. Mr. President, the bill before this body today represents one of the longest strides toward state socialism that the Senate has considered in recent years. It is a step toward a system of Government-controlled industrial production in which efficiency is the least of the objectives. It is an attempt to defy the laws of economics. These are strong statements, and in a few moments I shall elaborate on them.

I congratulate the members of the committee who prepared the minority views. In a few short pages, they have pointed out more defects in the bill than I had thought conceivably could exist in one piece of proposed legislation, yet, if they erred in their remarks, it was on the side of leniency.

As the minority views point out, the bill is plainly discriminatory. It would benefit only those living in certain arbitrarily designated geographic areas. Of the 4,494,000 unemployed in January 1958, according to the Bureau of Employment Security, only about one in eight lived in the areas which would have been covered by the provisions of this bill, had it then been in effect. The bill commits the Federal Government to a program of improving the economic welfare of the residents of these areas at the expense of the residents of other areas.

The bill also poses insurmountable administrative difficulties. The program overlaps existing programs in the Department of Commerce and in the Department of Agriculture. It provides retraining subsistence payments to unemployed persons that are, which payments are, for all practical purposes, supplements to the existing unemployment compensation programs; a supplement which lacks, however, the sound financial approach of existing programs. Efforts of State and local organizations in this field are brushed aside, apparently in the belief that in the spending of the Federal taxpayers' dollar lies the solutions to the problems with which these groups have been struggling.

One of the most unnecessary and abominable features of the bill is the part that undertakes to supplement the Community Facilities Act, so recently passed by this body. To the billion dollars there authorized, the proponents would have us add authorization for additional funds to be administered by a different agency within the same agency.

This is administrative duplication turned back inside of itself, like a snake swallowing its own tail.

We should understand clearly that this is not a temporary program. The committee report sets that fact on the record very plainly. It is a bill for the aid of chronically depressed areas, or, as the committee has said, those that "have suffered from a high level of unemployment and underemployment, year after year, in good times and bad."

There is a corollary to be drawn from this fact. The authorization for the outlay of $380 million asked in this bill is only the beginning. It is highly unlikely that the sum will meet the immediate demand, and a dead certainty that it will not begin to meet the demand that will continue year after year.

The problem of chronically distressed economic areas is not a new one. We have always had areas which have been less prosperous, year in and year out, than other areas. It is a problem which has had the careful attention of many groups, in State and local government and in the business and financial community. Yet, significantly, the location of private industry is an area in which the Federal Government has no backlog of experience on which it can rely.

As for the portion of the program that deals with the revitalization of rural areas, I can only conclude that this portion of the bill was written in the hope that it would attract some support for this legislation in rural areas. It selects for rural redevelopment the 300 counties that appear to be, by the arbitrary criteria written into the bill, those most in need of developing. As it happens, these are primarily agricultural areas, and mainly in the southern part of the country.

In view of the setbacks which agriculture has suffered in recent years, it is important that more industries be located in our rural areas. The task of locating industries in our rural areas, however, should be the job of local communities, their development boards, their chambers of commerce, and private industry. The Federal Government should not be permitted to spend and lend the money of all the people for the purpose of favoring any one area over another with industrial development. This is another case of the right idea with the wrong approach.

All of these objections, and many others, the minority views clearly indicated. There are others which are not enumerated by the minority views.

An outstanding example is the inclusion of the Davis-Bacon wage-fixing provisions in the bill. Surely we are not still unaware that this very provision has upset and damaged more local economies than this bill could possibly remedy, even were it feasible otherwise.

I am of the opinion, then, that the bill is discriminatory, administratively unworkable, and extremely expensive. These alone would be reasons enough for me to oppose it.

However, the main reason for my opposition, as I stated at the outset of these remarks, is that the program envisioned by the bill would encourage a system of state socialism, and the most inefficient form of socialism at that.

Mr. President, I was impressed particularly by two sentences in the committee report, in which the framers of the bill stated the manner in which money would be allocated for the construction of public facilities:

> The organization requesting the grant must contribute to the cost of the project in proportion to its ability to contribute. The grant would be limited to the amount necessary to assure completion of the project.

The same thought was put more succinctly by Karl Marx in 1875 in his famous maxim of communism, "From each according to his abilities, to each according to his needs."

What are the roots of the problem? If an area is economically depressed, if the people there fail to make a decent living, year after year, there must be some reason for it. Chronic hard times do not happen by chance.

One of the principal reasons for chronic economic distress is the loss of industry because of technological changes. For example, at the present time we find distress in some areas where the economy is dependent on the mining of coal. Some communities that have depended solely on the textile industry for their economic base have suffered by the impact of the long-term depression which that industry has suffered—with very little sympathy from the Federal Government—since the end of World War II. Several resort cities are on the list of the chronically afflicted; they do not have the industrial base which makes for a sound economy.

The story is different in every case, but all the stories have one thread in common. The communities that are suffering the most are the ones that have lacked diversification in industry.

The problem suggests its own answer, and it is an answer which the sponsors of the bill have apparently seized without fully weighing the consequences. If a community lacks diversification of its economy, they have reasoned, let the Federal Government help it to diversify.

But why the Federal Government? There is no shortage of investment capital in the United States. Why do not American industrialists, with all of their supposed ingenuity and foresight, build plants in the areas where labor is in surplus? Why will they require the guidance and urging of the Federal Government?

I think we must face the harsh fact that there are areas which are, for one reason or another, unsuitable for further industrial development at this time. They may be too far removed from their natural markets, they may be lacking in raw material, the local tax structure may be unsound, or the local labor market may be priced too high to meet competitive conditions in a particular industry.

There are many reasons why an industrialist may not be anxious to move into a given community. Fortunately, local citizens can do much, by imaginative and concerted effort, to remove some of their handicaps. Industrial development boards are in operation in many communities. Local and State

chambers of commerce play an important part. Local government, too, can encourage the advent of new industry by careful tax planning.

I will not deny that some communities are handicapped by natural factors which cannot be brought under control by human intervention.

Mr. President, the effect of the passage of S. 3683 will be to give these economically ailing communities a transfusion of Federal money with the hope that it will bring about a cure.

The principal fallacy of the bill is that this kind of treatment does not strike at the roots of the malady. It merely eases the symptoms, and encourages the patient to return for further treatment over an indefinitely extended period of time.

The bill encourages industry to move into areas where it is not inclined to go, because, under normal circumstances, industry could not make a profit in those areas. I doubt that the bill, if passed, will be very successful in this endeavor. The inducements offered are not enough to bring a hard-headed businessman into an area in which he will operate under a serious handicap in competition with his competitors.

Indeed, the bill may have an effect of a kind opposite to that which is intended. One of the general problems of industry in the United States is that we are at a point where Federal taxation threatens to dry up the reservoir of capital with which industry expands. The proposal to embark on this new program carries with it the clear implication that it will be supported and expanded through taxation. To the extent that the cost of the program falls on industry, it will inhibit the ability of industry to expand through its own efforts.

Assuming that the bill does achieve its purpose, to some limited degree, it will bring about new problems far worse than the ones it is supposed to solve. It will provide the stricken community with a hand-to-mouth existence, encourage it to borrow beyond its means for public construction, and, in the long run, encourage the development of an economy based on a Federal dole.

The end result of such a Federal policy can only be the senseless one of locating industry in the areas least suitable for its growth. This is no way to foster the economic development of the United States. We will all be better off—those in the chronically depressed areas as well as those in other areas—if we follow, in this country, a policy of locating industries in the places best adapted for industry.

The most effective way to aid areas where the economy is depressed is through measures which will stimulate the whole of our American economy. We need some revisions in our foreign-trade and foreign-aid programs, which have operated to the serious detriment of vital segments of American business. We need to practice strict economy in every department of Government, with the aim of removing some of the heavy burden of taxation with which our economy is saddled. We need to remove some of the heavy burden of Government regulation which requires the businessman to make a multitude of complex and expensive reports to a whole host of Federal agencies.

I am in sympathy with the residents of areas with chronic economic problems, but I am convinced that this legislation does not contain any solution to their dilemma. It could only frustrate the efforts being made to solve the problem on a sensible basis.

I do not favor socialism. Even if I did, I would not favor this bill. It is a socialistic bill with so many defects in it that even the dubious advantages of socialism would not be attained.

REQUEST FOR MORATORIUM ON SALE OF INDIAN LANDS

Mr. MURRAY. Mr. President, as chairman of the Senate Committee on Interior and Insular Affairs I have today asked the Secretary of the Interior to declare a moratorium on the sale of Indian lands. I have asked that this moratorium continue until my committee has reviewed and commented on reports concerning Indian land sales which we are obtaining from Indian tribal officials and various Indian Bureau field offices throughout the country.

I know that other Senators share my concern over the alienation of Indian land. My distinguished colleague from Montana [Mr. MANSFIELD], as well as our colleagues in the House, Representatives METCALF and ANDERSON, have tried without too much success to stem the tide in our State.

The distinguished senior Senator from Illinois [Mr. DOUGLAS], is one of the most effective champions of Indian rights who has ever served in Congress. We in the Senate are particularly fortunate to have as the chairman of the Indian Affairs Subcommittee the distinguished junior Senator from Oregon [Mr. NEUBERGER]. He is an informed and articulate student of Indian affairs. Furthermore, he has devoted a great deal of time and effort toward bettering the conditions of the Indians, of which his yeoman service regarding the Klamath bill is but the most recent example.

I know that other Senators are just as concerned as I am over the fact that thousands of Indians have been forced by poverty to sell their land holdings which all too frequently constitute their only source of income.

Their words are more eloquent than mine. Here is what one of them, a man on the Crow Reservation whom I have known personally for many years, wrote me about a month ago:

> Due to the fact that there is no jobs here on the Crow Reservation, except a very few that have jobs at the Agency office, some of us have no money coming in so we are having a hard time. I am one of them. I am an old man, and as you know that very seldom an old man can get a job, so he could get by. I have been compelled to put up as security all of my beaded buckskin outfit, war bonnet and my saddle and bridle in order to get something to eat.
>
> I don't know how I am going to get more money for my living expenses. So I thought it possible the quickest way is to try and get a fee patent on some of my inherited land. If I ask to put some of my land in the supervised land sale it would take too long to wait.

Mr. President, Mr. Iliff McKay, the secretary of the Blackfeet Tribal Council, recently made this prediction to me:

> If the present practice of holding supervised sales of Indian land is continued, and land is alienated from Indian ownership at its present rate, then in a matter of 5 short years not enough land will remain under supervision of the Bureau of Indian Affairs to organize economical grazing units for even the Indian owned livestock on the reservation.

In his letter to me dated April 29, 1958, Mr. McKay summarizes the concern of the Blackfeet Tribal Council in these words:

> 1. Land: The tribal council feels this problem is of greatest importance, particularly the insistence of the Indian Bureau that individuals be allowed to sell their land at public sales supervised by the Bureau. This policy clearly demonstrates lack of foresight and planning on the part of those responsible for it.
>
> In carrying out this policy, no consideration is given to the long-term development of the individual, the tribe, or the community. The only benefit, if there is one, is an immediate access to money for the individual. This policy contributes nothing to the long-term building or development of the individual's character, earning power, or financial stability. Records which we hope to make available soon will show that in most cases these people are allowed to dispose of their land and dissipate the proceeds from this disposition in a short time. Then, as the land is mostly sold to non-Indians, the individual becomes dependent upon the economy of the tribe for assistance; even though this economy is made more difficult to build and stabilize because of the alienation of the land upon which it is based. One practical solution to this problem, aside from an abandonment of this policy on the part of the Bureau, would be the making of long-term loans by the Government, similar to loans from the Federal land bank made to non-Indians, to either the tribe or to individual Indians for the purchase of land offered for sale in this manner.

Members of the Northern Cheyenne Tribe in Montana also suffer from administration land policy. During 1957 a supervised sale of land was held on their reservation. The tribe wished to bid on some of the land which Indian allottees, desperate for cash, had put up for sale. The Northern Cheyennes had sold cattle, and planned to invest the proceeds in the land, so they could hold together at least a part of their reservation. But the Indian Bureau, busy for months auditing the proceeds from the cattle sale, refused to delay the sale until this money was made available to the tribe. Secondly, the Indian Bureau sold at least one key tract, the loss of which jeopardizes the grazing economy of the entire tribe. And as a final blow the Indian Bureau refused to permit the tribe the opportunity it requested to meet the price of the highest bidder.

On yet another Montana reservation, the Fort Peck, some 80,000 acres of Indian land was sold in 1957. In less than 50 years, two-thirds of the individually owned land has been disposed of.

Mr. President, I have explained events on 4 of Montana's 7 reservations. But

the matters of which I speak are not isolated instances occurring only in Montana. Similar situations exist throughout the country, as many Senators well know. Only last month the Board of Directors of the Association on American Indian Affairs concluded that there is hope for an Indian future only where a stable land base exists.

The board of directors adopted a policy calling for a 1-year moratorium by the Federal Government on all Indian land sales to nonmembers of the tribes.

Furthermore, the National Congress of American Indians, which is composed entirely of Indians, indicated the concern or despair of Indians throughout the country by passing the following resolution at its 14th annual convention in Claremore, Okla., last fall:

RESOLUTION NO. 19—LAND

Whereas Indian lands are rapidly diminishing as a result of sales of trust allotted tracts of land; and

Whereas legislative bills have been introduced in Congress, which favor both rehabilitation programs for the American Indians and immediate termination of Federal control over Indian land and the Indian people; and

Whereas the mere sale of Indian land will not solve the problems of the Indian people nor the problems brought about by Federal administration of the Indians' problems and affairs; and

Whereas the Bureau of Indian Affairs has curtailed the use of Federal funds which may be used for the purpose of revolving credit loans to tribal members: Now, therefore, be it

Resolved by the National Congress of American Indians in convention assembled in Claremore, Okla., October 28 to November 1, 1957, That the Secretary of the Interior and/or the Commissioner of Indian Affairs declare a moratorium in the alienation of trust lands to non-Indians, for a sufficient period of time to give the American Indian tribes opportunity to plan a program of full utilization of Indian land through purchase and rehabilitation programs.

Mr. President, on April 17, 1958, as chairman of the Senate Committee on Interior and Insular Affairs, I sent detailed questionnaires concerning Indian lands to Indian tribal officials and various Indian Bureau field officers throughout the country. I expressed the hope that the replies be returned to the committee by June 15, 1958. I believe that the replies will be most illuminating and most helpful to Congress in dealing with the problem of alienation of Indian land. They will, of course, be particularly helpful to the Senate Interior and Insular Affairs Committee and its Subcommittee on Indian Affairs.

Mr. President, about a year ago the Bureua of Indian Affairs put out a press release headlined "Over 1 Million Acres Added to Indian Tribal Landholdings in Last 3 Years." Actually 1,023,696 of those acres were turned over to the Indians by Congress or purchased by the Indians themselves. Only 653 of the 1,024,349 acres involved were turned over to the Indian tribes by the administration.

During this same period, according to Indian Bureau figures, 1,342,626 acres passed out of Indian ownership. Thus the Indians' net loss was 318,479 acres.

How much land has passed from Indian ownership since then? The Indian Bureau has not come up with the answer to that. We hope, through the questionnaires sent out to tribal and Bureau officials, to obtain up-to-date answers to this important question. However, as I pointed out earlier, on but one reservation in my State, the Fort Peck, more than 80,000 acres were sold last year.

Mr. President, there are many ramifications to the Indian problem. But I submit that this matter of Indian land sale demands immediate attention and policy review. That is why I requested the moratorium.

Mr. President, I ask unanimous consent to have printed in the RECORD, immediately following these remarks, my letter of April 17, 1958, and the questionnaires referred to.

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

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
April 17, 1958.

DEAR SIRS: Effective legislation by the Congress concerning Indian lands requires extensive historical and statistical data concerning all local land transactions in recent years. Current legislation must be based on studies of prior legislation and resulting actions in the field. Therefore, a comprehensive 10-year record of all transactions involving the disposition and the acquisition of Indian lands is considered an indispensable necessity in the process of considering currently proposed legislation. In keeping itself informed on this kind of data, the committee has found that a best source for accurate and up-to-date information is in the field offices themselves.

The enclosed questionnaire has been drafted for submission to the various Bureau field officers and the tribal officials of each local jurisdiction, reservation, or agency. It is intended to evoke answers which are at once comprehensive and accurate so that the resulting legislation may be sound and well considered. It will be especially helpful, where estimates must be used, if they are so identified and the basis of estimation clearly stated. In order that the committee needs may be adequately met, please return answers in duplicate and include any accessory materials relating to the subject in hand, such as maps, tables, charts, diagrams and any other pertinent or seemingly pertinent items. The committee has tried to make these questions as clear as possible. Should there be any question of interpretation, please explain the basis for each answer. The committee would also appreciate an enumeration of all Federal lands on each reservation which have been acquired from private owners since 1930, the extent of acreage involved and number of tracts, the authorities, dates of acquisition, and purposes involved in the purchase of this land and the amount, if any, of current Indian tribal or individual use of this land through leasing or otherwise, and the conditions of such leasing or use.

Figures as to the total number of tribal employees on each reservation and the number, out of this total, who are concerned with land transactions are also desired. This material could be included in a history of tribal land employment during the last 10 years.

In order that staff analysis may be completed within a time commensurate with committee needs, it is desirable that replies be in committee hands by June 15, 1958. Please fill out the enclosed tabular forms which will help make your numerical data more useful to the committee and return your filled-out forms and answers to me, Committee on Interior and Insular Affairs, United States Senate, Washington, D. C.

The committee thanks you for your cooperation, and appreciates your evident desire that the Congress be kept well informed on the condition of Indians and their welfare.

Sincerely yours,

JAMES E. MURRAY,
Chairman.

QUESTIONNAIRE ON THE DISPOSITION AND ACQUISITION OF INDIAN LANDS IN THE LAST 10 YEARS

PART I

The purpose of this part of the questionnaire is to obtain information as to the volume of certain transactions involving Indian lands, the number of acres involved in these transactions, and the nature of the transactions. Attached are tables showing the information desired, which are submitted for your use in understanding the question below. It is realized that, due to the manner in which land records are maintained and the methods by which statistical information has been reported, in some instances it will be difficult to obtain accurate replies to the questions presented. If exact statistics are unavailable, please give the number of transactions and the acreage involved for the period July 1, 1947 to June 30, 1957. Please prepare statements to accompany the questionnaire regarding the need for the making of estimates in reply to the questionnaire and a statement as to the adequacy of the records and the reporting methods regarding realty transactions.

As to tribal and individually owned trust or restricted land:

1. How many acres were there in tribal ownership on July 1, 1947? How many acres in trust? How many acres which the tribe had acquired in fee?

2. How many acres of trust or restricted land were there in individual Indian ownership of July 1, 1947?

3. How many transactions, by which tribal or individually owned lands were disposed of (including the placing of unrestricted fee title in the hands of the owners by issuance of patents in fee, certificates of competency, etc.), were consummated during each fiscal year since July 1, 1947?

4. How many acres were so disposed of or removed from Bureau jurisdiction during each fiscal year since July 1, 1947?

5. Give the numbers of transactions for each year which will be shown in answer to No. 3 above, broken down by the type of transaction.

6. Give the acreages for each year which will be shown in answer to No. 4 above, broken down by the type of transaction.

(Questions 7 to 10 refer only to land not previously under Indian ownership.)

7. How many transactions, by which tribal or individual Indian lands were acquired, were consummated during each fiscal year since July 1, 1947?

8. How many acres were so acquired during each calendar year since July 1, 1947?

9. Give the numbers of transactions for each year which will be shown in answer to No. 7 above, broken down by the type of transaction.

10. Give the acreages for each year which will be shown in answer to No. 8 above, broken down by the type of transaction.

11. How many acres were there in tribal ownership on December 31, 1957? How many acres held by the United States in trust? How many acres which the tribe had acquired in fee?

12. How many acres of trust or restricted land were there in individual Indian ownership on December 31, 1957?

13. Cite and discuss briefly any special acts of Congress which have affected the acquisition and disposal of Indian lands

(termination acts, private acts directing the issuance of patents in fee, etc.). What study is being made of the cause and effect of sales? Has the tribal council passed or considered any resolutions on this subject? Please elaborate and include any resolutions approved.

14. Discuss to what extent, if any, the heirship, or multiple ownership, problem has affected the acquisition and disposal of Indian lands, with particular reference to the following facets of the problem:

(a) undivided interest owned by the tribe;

(b) undivided interest owned by non-Indians and alien Indians;

(c) undivided interest owned by minors on reservations which are under the Indian Reorganization Act.

(d) difficulty of reaching agreement among all heirs as to use or disposal of lands;

(e) what use has been made of the Secretary's authority to sell heirship lands when the owners have died intestate and have left minor or incompetent heirs? To what extent has the tribe been encouraged or permitted to buy such lands?

PART II

The purpose of this part of the questionnaire is to determine to what extent key tracts have gone into non-Indian ownership, the extent to which key tracts have been conveyed to other Indians or to the tribe, and the extent to which key tracts which were in fee status have been acquired by individual Indians or tribes. Since July 1, 1953, approximate date of the initiation of the present policy of not subordinating the interests of the individual Indian owner of land to the interests of the tribe or other individual Indians.

1. How much acreage and how many tracts have been sold that the tribe, individual Indian owners, or the Bureau have alleged were key tracts?

2. How much acreage and how many of the tracts alleged by the tribes or individual Indian owners to be key tracts were determined by Bureau officials not to be key tracts?

3. How much acreage and how many tracts alleged by the tribe to be key tracts were sold to the tribe or individual Indian owners?

4. How much acreage and how many tracts alleged by the tribe to be key tracts were sold to non-Indians?

5. If there were sales of key tracts to non-Indians, discuss the effect that such sales have had on the use of Indian lands remaining in Indian ownership.

6. Discuss the extent to which key tracts which were in fee status have been acquired in trust or restricted status by individual Indians, or in trust or fee status by tribes.

PART III

The purpose of this part of the questionnaire is to ascertain to what extent the tribes have assumed responsibility for real-estate activities.

1. Give the position of each tribal real-estate employee, his annual salary, and the nature of his work.

2. Give the position of each agency real-estate employee whose salary, in part or in full, is paid by the tribe, the salary of such employee, the amount of such salary paid by the tribe, and the nature of his work.

3. Does the tribe have a regularly employed real-estate adviser or consultant to advise the council with regard to tribal real-estate activities? Explain fully.

4. Does the tribal organization have a real-estate committee with authority to approve tribal real-estate activities? Explain fully.

5. Does the tribal organization have a real-estate committee which advises the tribal council with regard to tribal real-estate activities? Explain fully.

6. To what extent has the tribe employed private consultants to study particular phases of its real-estate activities. Explain fully. If the Bureau has disapproved such employment, explain why.

7. Does the tribe have, or has it had, a tribal land enterprise or similar organization? If so, discuss the history and effectiveness of such organization.

8. Has the tribe or the area office been instructed to turn real-estate operations over to the Bureau? Please comment on the differences in effectiveness of Bureau and tribal operations.

Individually owned land

[No. T.=Number of transactions. Ac.=Acreage]

DISPOSALS—REMOVAL FROM INDIAN BUREAU JURISDICTION BY PLACING OF UNRESTRICTED FEE-SIMPLE TITLE IN OWNERS

Type of transaction	Fiscal 1948		Fiscal 1949		Fiscal 1950		Fiscal 1951		Fiscal 1952		Fiscal 1953		Fiscal 1954		Fiscal 1955		Fiscal 1956		Fiscal 1957	
	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.
Patents in fee																				
Certificates of competency																				
Removal of restrictions																				
To fee status by inheritance or devise (only where entire interest has so passed)																				
To fee status by partition																				
Other (explain)																				

DISPOSALS TO TRUST OR RESTRICTED STATUS

Type of transaction	Fiscal 1948		Fiscal 1949		Fiscal 1950		Fiscal 1951		Fiscal 1952		Fiscal 1953		Fiscal 1954		Fiscal 1955		Fiscal 1956		Fiscal 1957	
	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.	No. T.	Ac.
Exchanges to tribal status																				
Exchanges to other Indians in trust or restricted status																				
Sales to tribes																				
Sales to other Indians in trust or restricted status																				
Other (explain)																				

DISPOSALS TO FEE STATUS

Exchanges to fee status																				
Sales to fee status																				
Takings for public purposes																				
Other (explain)																				

ACQUISITIONS FROM TRUST OR RESTRICTED STATUS

Exchanges from tribal status																				
Exchanges from individual trust or restricted land																				
Purchases from tribes																				
Purchases of trust or restricted land from other Indians																				
Other (explain)																				

ACQUISITIONS FROM FEE STATUS

Exchanges from fee status																				
Purchases of fee lands																				
Other (explain)																				

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

Mr. MURRAY. I yield.

Mr. MANSFIELD. Mr. President, I wish to associate myself with the remarks of my distinguished senior colleague, who has brought to the attention of the Senate the land situation as it affects Indians not only in Montana—especially the Northern Cheyenne Indian Reservation—but also throughout the United States. I am hopeful the request, which has the full support of the Montana delegation, will be given the attention it deserves by the Bureau of Indian Affairs.

Mr. MURRAY. I thank the able Senator from Montana.

URGENT DEFICIENCY APPROPRIATIONS, 1958—CONFERENCE REPORT

Mr. HAYDEN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. CLARK in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of May 13, 1958, p. 8584, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HAYDEN. Mr. President, there were three amendments which require a brief explanation.

Amendment No. 1 relates to the National Science Foundation. For the Antarctic investigation to be undertaken, there was approved by the Senate $2.4 million. The conferees agreed upon $2 million, $1 million to be appropriated, and the balance to be financed by regular appropriations available to the National Science Foundation.

Amendment No. 2 relates to the Olympic Winter Games of 1960. The conferees have agreed that the Department of Defense has sufficient funds to carry on the work without additional appropriation.

The 3d amendment is the usual gratuity to be paid to the widow of a deceased Senator, who in this case is the widow of the late Senator Scott, of North Carolina.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

INCREASE IN PENSIONS OF WIDOWS OF SPANISH-AMERICAN WAR VETERANS

Mr. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives relative to House bill 358.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
May 8, 1958.

Resolved, That the House agree to the amendment of the Senate to the bill (H. R. 358) entitled "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 the Philippine Insurrection," and concur therein with an amendment, as follows:

On page 2 of the Senate engrossed amendments, immediately below line 12, insert the following:

"(9) Immediately above section 411, insert the following:

"'CONFEDERATE FORCES VETERANS

"'SEC. 410. The Administrator shall pay to each person who served in the military or naval forces of the Confederate States of America during the Civil War a monthly pension in the same amounts and subject to the same conditions as would have been applicable to such person under the laws in effect on December 31, 1957, if his service in such forces had been service in the military or naval service of the United States';" and

That the House agree to the Senate amendment to the title to said bill.

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate.

The motion was agreed to.

FEDERAL COMMUNICATIONS COMMISSION HEARINGS

Mr. MORSE. Mr. President, on April 21 I inserted in the CONGRESSIONAL RECORD a letter which had been published in the New York Times, signed by a distinguished American, Mr. John M. Carmody, in which Mr. Carmody pointed out his views as to the need for an investigation of such administrative agencies as the Federal Communications Commission.

In the course of his letter Mr. Carmody made some comments upon John S. Cross. I have received a letter from Mr. Cross in which he states, in effect, that he believes that Mr. Carmody was unfair in his appraisal of him. He says, in the concluding part of his letter:

I have followed your own career with interest and appeared before you for the Department of State last year in connection with the Daytime Broadcasters' petition. Accordingly, being mindful of your high sense of justice and fair play, I thought you might appreciate having the facts regarding my qualifications.

I think it is due Mr. Cross to have his letter printed in the RECORD, along with the information he has submitted to me in respect to his record and qualifications. I ask unanimous consent that his letter to me and the material which he enclosed in his letter be printed in the RECORD at this point as a part of my remarks.

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

BETHESDA, MD., *April 29, 1958.*

The Honorable WAYNE L. MORSE,
United States Senate,

DEAR SENATOR MORSE: The April 26, 1958, issue of Television Digest reports that you introduced into the April 21 CONGRESSIONAL RECORD a letter to the New York Times from a Mr. John M. Carmody which was extremely critical of my recent nomination to be a member of the Federal Communications Commission. According to the Television Digest report, Mr. Carmody pictured me as an obscure man drawing a salary of $8,000–$9,000 a year and therefore unlikely to have the qualities necessary to protect the larger public interest.

I do not know Mr. Carmody and he is, of course, entitled to his opinion. However, I would like to point out that I am fairly well known in communication circles (both government and industry) in this country and also have a rather wide acquaintance among communication authorities in a number of foreign countries. Moreover, I have been a GS–15 employee in the Department of State (Telecommunications Division) for many years and my present salary is $12,690 per annum. The GS–15 grade is the highest one attainable in the Department in the telecommunications field. My work is concerned with formulating the telecommunication policies of the United States and defending such policies internationally. In this work the overall interest of this Government, including the public interest, is paramount.

Enclosed is a résumé of my communications experience. You will note that I have worked in this field for over 20 years and have a fairly well-rounded background in many phases of communications—not just broadcasting (including television) alone. Moreover as a career employee I have earned the respect of my Government and industry associates who consider me a capable and honest public servant on whom they can rely for fair and just treatment.

I have followed your own career with interest and appeared before you for the Department of State last year in connection with the daytime broadcasters' petition. Accordingly, being mindful of your high sense of justice and fair play, I thought you might appreciate having the facts regarding my qualifications.

Respectfully,

JOHN S. CROSS.

INFORMATION REGARDING JOHN S. CROSS

MARCH 18, 1958.

The attached information has been submitted by Mr. Cross at the request of the committee for its use in considering the President's nomination of Mr. Cross to be a member of the Federal Communications Commission.

The information contains biographic data on the nominee, a résumé of his communication experience, and a list of the international negotiations on communications in which Mr. Cross has participated.

BIOGRAPHICAL INFORMATION ON JOHN STORRS CROSS

Cross, John S., Assistant Chief, Telecommunications Division, Department of State, Washington, D. C.

Residence: 5416 Audubon Road, Bradley Hills, Bethesda, Md.

Born, Birmingham, Ala., September 18, 1904; son of Thomas C. and Elise Troy Cross; education, Chattanooga, Tenn., Birmingham, Ala., elementary schools; McCallie School for Boys, Chattanooga, Tenn.; Marion Military Institute, Marion, Ala.; Alabama Polytechnic Institute, bachelor of science in elec-

trical engineering, 1923; member of Kappa Alpha; married, Eureka Springs, Ark., December 1932, Ruth Fuller; children: John Fuller, Claude Christopher. Testing, designing, experimental engineering laboratory, Studebaker Corp., 1923–24; valuation engineer, securities salesman, Realty Trust Co., United States Mortgage Bond Co., Detroit, Mich., 1924–26; construction superintendent, S. S. Kresge Co., 1926–27, building 5- and 10-cent stores throughout Middle West; assistant research engineer, South Carolina State Highway Department, 1927, on grading and concrete paving; survey chief, Michigan State Highway, 1928–30; Department of the Interior, National Park Service, 1931–41, design engineer, water systems, San Francisco office; field engineer in charge Hot Springs National Park, Ark., 2½ years on damaged road building and miscellaneous construction; Washington office, 1935–41 as Chief, Survey Design and Road Division embracing all electric and radio design and construction, and Assistant Chief of Engineering; United States Navy, 1942–46, including overseas service; lieutenant commander, 1942–43; commander, 1944–45; captain, 1946. All duty was in Naval Operations (Communications) as line officer in responsible charge of building, maintaining, and operating large communication system of worldwide scope. Headquarters, Washington, D. C., but saw active duty in Pacific and four continents;[1] Department of State since September 1946 as Assistant Chief, Telecommunications Division, in responsible charge Technical Radio Services, and Maritime and Postal Services; formerly Chief, Interdepartmental Radio Advisory Commission; member, Radio Technical Commission for Aeronautics (executive committee); Radio-Technical Commission for Maritime Services (executive committee); Telecommunications Planning Commission; Telecommunications Coordinating Commission; Armed Forces Communication and Electronics Association; International Conferences; executive secretary, International Meeting on Marine Radio Aids to Navigation; chairman, United States delegation to International Meeting on Marine Radio Aids to Navigation, April–May 1947; member, United States delegation to International Radio Conference and International Telecommunications Conference, Atlantic City, May–October 1947; chairman, United States delegation, International Admiralty Conference for Northeast Atlantic (LORAN), Geneva, Switzerland, January–February 1949; vice chairman, United States delegation, NARBA Conference, Washington, D. C., September 6–November 15, 1950; vice chairman, United States delegation, United States and Canada Conference on Promotion of Safety on the Great Lakes by Means of Radio, 1951; vice chairman, United States delegation, United States and Mexican discussions on TV channel allocations and standard band broadcasting, Mexico City, Mexico, February 3–10, 1952; vice chairman, United States delegation, United States and Mexican Conference on Broadcasting, Mexico City, Mexico, November 4–December 17, 1954; vice chairman, United States observer delegation, Baltic and North Sea Radio-Telephone Conference and Baltic and North Sea Telecommunications Meeting on Sea Rescue Cooperation, Göteborg, Sweden, September 1–24, 1955; chairman, United States delegation, International Radio Consultative Committee, Warsaw, Poland, August 9–September 13, 1956; chairman, United States delegation, Maritime VHF Telephone Conference, The Hague, Netherlands, January 21–26, 1957; vice chairman, United States delegation, November 18–27, 1957, United States and Mexican Negotiations on the allocation of UHF Television Channels along the United States and Mexican border area.

Religion: Presbyterian.

Clubs: Manor Country.

RÉSUMÉ OF COMMUNICATION EXPERIENCE OF JOHN S. CROSS

United States Department of the Interior, National Park Service, 1932–41: associate engineer, 1932–35; engineer, 1935–38; assistant chief engineer, 1938–42 (March).

Actual communication experience began with Interior Department in 1935 where I was in responsible charge of the Survey, Design, and Road Division, which, among other things, had supervision over all radio communication systems for all the national parks and monuments throughout the country. This covered engineering design, installation, and maintenance. The electrical and communication systems in the national parks are Government owned and in the larger parks such as Yellowstone, Yosemite, etc., these systems are fairly extensive. Also represented the Department of the Interior as alternate member on the Inter-Department Radio Advisory Committee (IRAC) which was the committee that acted as adviser to the President in the allocation of radio frequencies to the various Government agencies, i. e., this committee made assignments of radio frequencies to the various Government departments and agencies just as the Federal Communications Commission handled the assignments to the nongovernment interests. I was also the Department's representative on the United States Government Facilities Committee—a subcommittee of the Defense Communications Board.

March 1942–September 1946, United States Navy: lieutenant commander, March 1942–February 1944; commander, February 1944–December 1945; captain, December 1945–September 1946.

All this duty was in Naval Communications. I was in responsible charge of a large department charged with planning, providing, and maintaining the operating facilities of an outfit that operated literally all over the world. This involved radio, wire (teletype), and cable and included everything from selecting the sites, determining the kind of antennas and equipment, to arranging for the selection and training of the highly specialized personnel required. This job was comparable to that of an operating vice president of a large worldwide communication organization. Of course, I had considerable help on all this as otherwise it would have been impossible to accomplish a task of this magnitude. However, it was my responsibility and many millions of dollars were expended on my judgment and administration in building the outfit from practically nothing to a highly efficient organization of worldwide scope. Our work utilized the most advanced practices available in the communication art, and in addition we maintained extensive research activities in a continual effort to improve our facilities. Accordingly, I had a fairly comprehensive and up-to-date knowledge of electronics as they applied to communications. Furthermore, although most naval activities are decentralized, the management control and the technical control of my organization were of necessity exercised from Washington. Therefore, few, if any, officers in communications had combined technical and administrative authority of such magnitude as mine.

Since entering the employ of the Department in 1946, I have been Assistant Chief of the Department's Telecommunications Division (TD), and also have been in responsible charge of the branch of the division known as Technical Radio Services and Maritime and Postal Services. The Telecommunications Division is the arm of the Department primarily concerned with formulating the policies of the United States on international telecommunication matters, and the correlation of such policies with the conduct of foreign relations. Accordingly in our efforts to advance and protect the best interest of the United States internationally in this field, TD endeavors to keep its fingers on the pulses of both United States and world telecommunication. To do this the workload is divided into two main branches, i. e., (1) Technical Radio Services and Maritime and Postal Services and (2) Aeronautical Services, International Commercial Telecommunications and Foreign Broadcasting. For want of a better illustration there is enclosed a routing slip showing the breakdown of the workload and the personnel within the Division.

It is a pleasure to acquaint others with our work in this field as viewed from my position in the Department because it has been my experience that the highly technical aspects and the complexity of the problems are such that very few people outside of those who are working daily with the subject have knowledge of what is involved in the work.

A statement such as this cannot, of course, give all the details of a subject of such scope and complexity as international telecommunication. However, an attempt will be made to give the highlights and to show how the Department of State (and its Telecommunications Division) fits into the picture and how it works in close cooperation with the other Government agencies concerned and with the industry to formulate the international policies of the United States in this field.

Telecommunication is defined in the International Radio Regulations as "any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, visual or other electromagnetic systems." This statement will be confined to radio communication, which is one of the most widely used forms of telecommunication and is the medium in which I have done most of my work.

Radio by its very nature is an international medium because the radio wave does not recognize international boundaries. Furthermore, the success of radio operations of one country depends directly on how radio is operated in other countries. The radio spectrum is a unique natural resource which is the common property of all countries, both large and small. It is unique because its usefulness depends on the ability of all countries to work out plans for sharing the spectrum so that each country may enjoy radio facilities appropriately suited to its needs and free from interference from the radio operations of other countries.

Since the radio wave does not recognize international boundaries, it is essential to have international agreements to insure interference-free operations, to regulate the employment of standard types of conductors, apparatus, and procedures, to promulgate the application of uniform rules for operation, to provide for the collection of receipts, etc., etc. The needs for these measures extend as far back as 1865 when the old Telegraph Union was started by international agreement. That has been supplemented by a number of international conferences throughout the years as development in the telecommunication art progressed. Until the International Telecommunications Conferences of Atlantic City, 1947, there had been approximately 15 international conferences dealing with telecommunication matters exclusively. This had resulted in the formation of the International Telecommunication Union (ITU) with headquarters in Switzerland.

The Atlantic City plenipotentiary conference was the first telecommunication plenipotentiary conference since Madrid in 1932, and the Atlantic City Radio Conference was the first radio conference since Cairo in 1938.

[1] Appointed as P7, September 9, 1946, GS-15, August 10, 1951.

World War II accounted for the considerable interval of time between the Atlantic City conferences and the Madrid and Cairo conferences. During this interval the science of electronics was advanced manifold for wartime use. Consequently, at the end of World War II there were many more uses and corresponding claimants for space in the radio spectrum than there had ever been before. It was, therefore, necessary to make drastic revisions in the international frequency allocation table which is the basic means by which each user of the radio spectrum is accommodated. In making frequency allocations for worldwide use it is, of course, necessary to get international agreement. Otherwise broadcasting stations would attempt to operate on the same frequencies as those used by the fixed services and vice versa (the fixed service is a service of radiocommunication between specified fixed points) and the other services such as the aeronautical service, the maritime service, the amateur service, etc., would also endeavor to use the same frequencies with the result that there would be intolerable interference which would result in chaos for all. To overcome this difficulty the nations of the world meet and agree to allocate certain portions of the spectrum to the various services, i. e., the radio navigation service, the fixed service, the maritime mobile service, the broadcasting service, the aeronautical service, the amateur service, etc. On the basis of the internationally agreed upon allocations to the various services, each nation then makes individual assignments to the users of each service within its jurisdiction, but confines such allocations to the overall bands allocated to the particular service by international agreement.

Extensive preparation is necessary for an international conference of this kind. All services of both government and industry within the United States which use or would like to use the frequency spectrum must be given an opportunity to state their needs so that such needs and the justification therefor are known and can, to the extent practicable, be included in the United States proposals. For example, the broadcasters are concerned primarily with broadcasting, whereas those operating fixed services, aeronautical services, etc., are primarily concerned with their respective operations. Consequently, if each service were given free rein it would be inclined to use far more of the spectrum than could be permitted otherwise, and this would result in other services having to relinquish spectrum space to compensate for the excess. The fact of the matter is, there is not enough spectrum space to accommodate all of the alleged needs of all the various users. It is, therefore, necessary for each to make some sacrifice for the good of all.

In this preparatory work there is bound to be a conflict of interests between Government and non-Government, between various agencies within the Government, and between the various user interests in industry. It is, therefore, necessary for someone to give a guiding hand to the proceedings to insure that the interests of all will be considered and that the final United States proposals will represent, insofar as it is possible to do so, the best position from the standpoint of overall United States interests. The State Department has been the agency accepted by both non-Government and Government agencies as the place to coordinate the preparatory work for an international conference dealing with telecommunication matters. As regards the frequency allocation table itself, the Department looks to the Interdepartment Radio Advisory Committee (IRAC) and the Federal Communications Commission for guidance in formulating the United States position for this difficult matter. As previously noted, the IRAC is an intergovernmental body which concerns itself with the assignment of frequencies to the stations operated by the various agencies of the United States Government. It is presently composed of 10 Government departments and agencies and under ODM acts as adviser to the President on these matters. On the other hand, the Federal Communications Commission is, by act of Congress, the agency of our Government which assigns frequencies to all of the non-Government operations. Frequencies are, of course, the lifeblood of radio in all of its phases and, since there are not enough to go around, the competition for them is keen indeed.

The Atlantic City conferences took approximately 20 weeks and were attended by 78 nations. The conferences produced a new treaty providing for a closely knit, permanent organization which could deal with problems as they arose. In addition, it was necessary to revise completely the entire set of radio regulations. These now fill a printed volume of 331 pages of fine print and cover every phase of international radio communications, including technical standards, operating practices, procedures relating to safety in distress and a myriad of other subjects. The conferences also negotiated an agreement with the United Nations whereby the ITU is the specialized agency of the U. N. for telecommunication.

There have been over 100 regional or specialized international radio conferences or meetings in various areas of the world since the Atlantic City conferences. There was also a Plenipotentiary Telecommunication Conference in Buenos Aires in 1952, which produced the convention now in effect. However, the international radio regulations of Atlantic City, 1947, are still in force. The next International Radio Conference of worldwide scope is scheduled to be held in Geneva in 1959. This Conference is expected to last about 6 months and is being convened to revise the international radio regulations agreed upon at the last worldwide radio conference held in 1947 at Atlantic City. The great advances in the radio art of this electronic age make it necessary to revise the radio regulations from time to time to keep up with such advancement.

The United States, as the largest user of radio in the world, is vitally interested in the outcome of these major international radio conferences. Moreover, the United States depends upon private enterprise for much of its communications, whereas in most other countries the communication facilities are government owned and operated. However, many of the United States Government agencies operate their own communication systems and some of them, particularly the military services, have extensive communications systems. Consequently, the preparation of the United States position for a major conference of this kind is a tremendous undertaking and involves all segments of government and industry interested in radio communications. Evidence of the great interest of government and industry is amply shown by the thousands of man-hours of highly skiled technical people they furnish voluntarily for the preparatory work.

The work of preparing the United States position for the next International Radio Conference began on December 20, 1956, and has continued ever since. The actual preparatory work is being done by combined Government/industry committees on a voluntary basis at scheduled meetings which are open to anyone desiring to attend. The Department acts as the overall coordinating agent. This is the same procedure used so successfully by the Department in preparing the United States position for previous International Telecommunication Conferences.

The preparatory work for the forthcoming conference is being done by 5 committees, i. e., an executive committee and 4 technical committees. When the technical committees (II through V) complete their work, the results will be placed before the executive committee (I) for review and comment or approval. The executive committee membership consists of the principal spokesmen authorized by the various interested Government agencies and industry organizations, to speak authoritatively for them on this subject. The executive committee is the only committee chaired by the Department (I am the vice chairman of the executive committee). The technical committees and their chairmen are:

Committee II: Organizational regulations, Rear Adm. W. D. Irvin, United States Navy.

Committee III: Allocation of frequencies and all proposals concerning the frequency list, Commissioner T. A. M. Craven, FCC.

Committee IV: Technical questions, Dr. F. W. Brown, Commerce NBS.

Committee V: Operating regulations, Rear Adm. F. T. Kenner, United States Coast Guard.

When the executive committee is satisfied with the results of the work of the technical committees, the end product will then be placed before the Telecommunications Coordinating Committee (TCC) for further review. The TCC is composed of cognizant officials from the various United States Government departments and agencies having an interest in telecommunications (Chief Signal Officer, Director of Naval Communications, Chairman of FCC, etc.). It acts as adviser to the Department on telecommunication policy matters. There is no industry representation on the TCC.

After review and approval by the TCC of the numerous proposals formulated by the technical committees and previously approved by the executive committee, these proposals then become the United States position. Only then are they forwarded by the Department to the International Telecommunication Union (ITU) at Geneva, Switzerland. The ITU prints the United States proposal in English, French and Spanish and circulates them to the other members and associate members of the Union (95 members and 5 associate members). It also does the same thing to the proposals received from the other member countries of the ITU. When the United States receives the proposals of the other member countries from the ITU, these proposals will be studied by the various United States preparatory committees for determination as to their acceptability. Such determination may make it desirable to revise certain of the previous United States proposals, in which case a recommendation to revise the United States proposal will be made by the cognizant committee and reviewed by the executive committee and the TCC as noted before. Accordingly, even though the committees finish their initial work in preparing the United States proposals, they will not be dissolved until shortly before the actual convening date of the Conference.

Despite all this preparatory work, it may be necessary for the United States delegation to reach negotiated compromises at the Conference itself. This means that the United States delegation must be carefully chosen. The United States delegation is chosen, organized and instructed by the Department of State and usually has as its members and advisers those persons who have played an active part in the preparatory work. Actually the delegation is designated by the President, but it is the Department of State's job to recommend to the President a representative delegation to attend these international conferences. It is the duty of the delegation to justify the United States position before the other countries of the world and endeavor to have that position obtain. As previously noted the members of the United States delegation to International Telecommunication Confer-

ences are selected with great care and in addition must obtain a security clearance before they can be designated as a member of the delegation.

Since the majority of the problems in telecommunication are concerned with radio, it naturally follows that my shop falls heir to a considerable portion of the work in the Telecommunications Division. In addition, as Assistant Chief of the Division, I must give a certain amount of supervision to the overall work of the Division.

My Branch of TD furnishes the majority of the technical radio liaison with the other Government agencies and with industry. I was the Department of State's representative on the IRAC for approximately 8 years and served a tour as Chairman of that Committee. However, due to pressure of other work, I had to assign the IRAC duty to one of my colleagues. I do, however, still give general overall supervision to the IRAC work.

I represent the Department on the Executive Committee of the Radio Technical Commission for Marine Services (RTCM) (and am Vice Chairman of the Committee), which is a cooperative government-industry group concerned with the use of radio as it applies to the advancement of the marine services.

For approximately 10 years I also represented the Department on the Executive Committee of the Radio Technical Commission for Aeronautics (RTCA), which is a cooperative government-industry group concerned with the use of radio as it applies to the advancement of aviation. However, I also had to pass this job along to one of my colleagues due to the press of other work but am still the alternate member.

I also represent the Department as alternate member on the Telecommunications Planning Committee (TPC) and am the Department's member on Panel II (new methods of communication) of that Committee. I also participate actively in the work of the Telecommunications Coordinating Committee (TCC).

International telecommunication, particularly international radiocommunication, is so technical and the various segments which go to make up the whole, are so interrelated that we have found it impossible to formulate adequate United States policy in this field without maintaining the closest possible technical liaison with government and industry in the day-to-day handling of the problems. We have occasionally been asked why does the State Department concern itself with the technical phases of the work? Why not rely on the other Government agencies, particularly the FCC, for our technical assistance? The answer is we do consult with these agencies and with industry continually but the whole field is a technical one and the technical phases are so meshed with the political phases that it is impossible at times to separate the two. Accordingly, it is necessary to keep continually abreast of the technical phases in order that policies can be formulated which can be successfully implemented internationally from a political standpoint. This accounts for the Department maintaining membership on the committees noted above, and why I participate in the work of these committees.

One of the duties of my branch is to handle the assignment of frequencies for the United States commercial carriers (and the Voice of America) operating out of what was formerly known as the International Zone of Tangier—now Morocco. Since the jurisdiction of the FCC does not extend beyond the borders of the United States and its Territories, the assignment of radio frequencies to United States nationals operating at Tangier is handled by the Department of State. This involves correspondents with the carriers, representation before the IRAC, the actual authorization of frequencies and assignment of call letters, and arranging for the frequencies so assigned to be notified to the International Telecommunication Union (ITU) for international registration. Originally I handled all of this work personally but, due to the press of other work, I have turned the great majority of it over to others. However, I still must give general guidance to the work and be able to discuss it with my superiors and others on occasion.

Another item which my Branch handles is the preparation of technical plans and proposals for international conferences and meetings concerned with technical phases of radiocommunication. I have already mentioned the plans that are under way in preparation for the International Radio Conference of the ITU to be held in July 1959. In addition, I have been called to assist in preparing for and participating in a number of international conferences on a variety of radio matters. One of these was the North American Regional Broadcasting Agreement, or NARBA as it is commonly called. Another was the United States-Mexican Broadcasting Agreement, in which I have participated actively for the past 10 years. My main colleague in this broadcasting work was Commissioner Hyde of the FCC, that is, he was chairman of the United States delegation and I was vice chairman.

Since I have been in TD, I have participated in 18 international conferences which, in one way or another, have dealt with practically all phases of radiocommunications. Attached is a list of the international negotiations on telecommunications matters in which I have participated. It will be noted that I have been chairman or vice chairman of the United States delegation in quite a number of instances.

The following is quoted from my official job description sheet:

"Under the administrative direction of the Chief of the Telecommunications Policy Staff [2] serves as Chief of the Radio Services and International Communications Branch,[3] and advises the Chief of Staff on the highly technical aspects of radiocommunications. As second in line of command is responsible for acting as Chief of the Telecommunications Policy Staff during the absence of the Chief.

"On the basis of expert and specialized knowledge and experience in the telecommunications field, participates in the initiation, formulation and development of long- and short-term plans and policies governing the telecommunications field; analyzes overall policy and proposals as a basis for advice to the Chief as to possible modifications of existing, or the initiation of new, policies on worldwide, regional or bilateral basis and the technical implications thereof.

"Represents the Department at international conferences in the conduct of multilateral or bilateral negotiations to establish international agreements or treaties in the telecommunications field, on such issues as broadcasting, fixed services, radio telephone, allocation of frequencies, etc.

"Serves as representative, with authority to speak and act for, the TD staff, the Office of TRC or the Department, at intra and interdepartmental committees; Congressional hearings, Government-industry groups, industry groups, or for conferring with Members of Congress, foreign or domestic technical experts, etc., for the purpose of (1) assuring that all technical, political, economic and commercial interests on a given problem are fully considered, (2) endeavoring to work out solutions on controversial or highly technical issues consistent with existing policies, (3) presenting and defending the Department's position and/or action on a given issue, (4) developing a concerted United States position on specific issues. In this connection, is responsibility for determining the need for and assuring the timely preparation of technical plans and proposals as well as comprehensive studies for use at international conferences and meetings concerned with technical phases of radiocommunications and, as necessary, for personally briefing the Secretary, Under Secretary, and other top-level officials regarding important phases of current issues.

"Maintains liaison and works closely with top-level officers in other departments and agencies (FCC, Army, Navy, Air Force, Treasury, and Commerce) and with industry groups on major problems of mutual concern essential to developing a concerted United States position of highly important and technical issues. Technical liaison with interested Government agencies and industry is essential as the technical phases of all issues are so meshed with the political phases that it is impossible to separate them.

"Plans and directs the activities of the Radio Services and International Communications Branch,[4] and serves as a source of authoritative information and advice relative to domestic and international radiocommunication activities."

Statements from the job sheet (as corrected by footnotes) are accurate but, in order to translate those terms into the more readily understandable duties that I am now performing, I have given this rather lengthy account of my activities.

After reading the above I am almost overwhelmed at the extent of my activities. Actually I am merely one of the key members of the Telecommunications Division which is a closely knit, highly efficient organization. Without the close cooperation and assistance of my colleagues in TD, and elsewhere in the Department, it would be impossible to accomplish many of the things that I do or have done. By and large, the Division is performing one of the most difficult jobs in the Department and is doing it with a fair degree of success despite the fact that it operates under tremendous pressure, is woefully understaffed and is continually having to work out compromises between those whose views are frequently in conflict. This combination, plus the fact that the myriad of questions arising usually demand urgent action, plus responsibility of having to make major policy decisions or furnish the information for such decisions to be made by others (who rely on your judgment), which, if they are wrong, will adversely affect United States telecommunication, both domestically and internationally, all contribute to the heavy workload and the extreme pressure under which TD must at times operate.

In preparing the United States position for an international telecommunication conference, the Department must of necessity have detailed knowledge of the various items which make up United States telecommunication. Accordingly, it is in the unique position of having a backstage view of practically all phases of United States communications. This means it must have and keep the confidence and respect of all the communication entities, both government and industry, for the field is highly competitive and some of the operations are classified.

My nearly 12 years in the Department have made me well acquainted with most of the problems and many of the people concerned with telecommunication in the United States. I have also formed a rather wide acquaintance with telecommunications officials in a number of foreign countries.

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[2] Name subsequently changed to Telecommunications Division.

[3] Name subsequently changed to Technical Radio Services and Maritime and Postal Services.

[4] Name subsequently changed to Technical Radio Services and Maritime and Postal Services.

Moreover, as a career employee, I have earned the respect of my Government and industry associates who consider me a capable and honest public servant on whom they can rely for fair and just treatment.

I consider that this background and experience have provided me with a well-rounded knowledge of United States and worldwide communications which will be extremely valuable to me in discharging my duties as a member of the FCC. I trust that the committee will agree.

INTERNATIONAL NEGOTIATIONS ON TELECOMMUNICATION MATTERS PARTICIPATED IN BY JOHN S. CROSS

1. Chairman, United States delegation, April 28–May 9, 1947 (31 countries), International Meeting on Marine Radio Aids to Navigation (IMMRAN), New York, N. Y.-New London, Conn.

2. Member, United States delegation, May 16–October 2, 1947 (78 countries), International Radio Conference, Atlantic City, N. J.

3. Member, United States delegation, July 2–October 2, 1947 (78 countries), International Telecommunication Conference, Atlantic City, N. J.

4. Special mission as United States representative on Loran to London, Dublin, Copenhagen, Oslo, Stockholm, Paris, Brussels, The Hague, Lisbon, Geneva, Reykjavik, Ottawa—June 21–September 2, 1948 (12 countries).

5. Chairman, United States delegation, January 17–February 14, 1949 (15 countries), International Conference for Northeast Atlantic (Loran), Geneva, Switzerland.

6. Chairman, United States delegation, July 22–28, 1950, United States-Canada discussions regarding radio frequency assignments in the bands 415–525 kilocycles, Ottawa, Canada.

7. Vice chairman, United States delegation, September 6–November 15, 1950 (7 countries), North American Regional Broadcasting Conference (NARBA), Washington, D. C.

8. Chairman, United States delegation, February 26–March 9, 1951, United States-Canada discussions regarding joint use of certain radio frequency bands below 4,000 kilocycles, Ottawa, Canada.

9. Vice chairman, United States delegation, May 5–13, 1951, United States-Canada Conference on the Promotion of Safety on the Great Lakes by Means of Radio, Ottawa, Canada.

10. Vice chairman, United States delegation, July 8–16, 1951, United States-United Kingdom discussions re positions to be taken at forthcoming Extraordinary Administrative Radio Conference (EARC), London, England.

11. Vice chairman, United States delegation, February 3–10, 1952, United States-Mexican discussions on TV channel allocations and standard band broadcasting, Mexico City, Mexico.

12. Vice chairman, United States delegation, March 29–April 2, 1954, United States-Mexican Conference on Broadcasting, Washington, D. C.

13. Vice chairman, United States delegation, November 4-December 17, 1954, United States-Mexican Conference on Broadcasting, Mexico City, Mexico.

14. Vice chairman, United States delegation, July 7–28, 1955, United States-Mexican Broadcasting Conference, Washington, D. C.

15. Vice chairman, United States observer delegation, September 1–24, 1955 (14 countries), Baltic and North Sea Radiotelephone Conference and Baltic and North Sea Telecommunication Meeting on Sea Rescue Cooperation, Goteborg, Sweden.

16. Chairman, United States delegation, International Radio Consultative Committee (CCIR) Warsaw, Poland (41 countries), August 9–September 13, 1956.

17. Chairman, United States delegation, January 21–26, 1957, Maritime VHF Telephone Conference, The Hague, Netherlands (14 countries).

18. Vice chairman, United States delegation, November 18–27, 1957, United States-Mexican negotiations on the allocation of VHF television channels along the United States-Mexican border area.

PROGRAM TO ALLEVIATE CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT

The Senate resumed the consideration of the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. MORSE. Mr. President, there are two subjects which I wish to discuss very briefly. First I wish to make some comments on the pending bill.

As a cosponsor of S. 3683, the Area Redevelopment Act, I wish to mention briefly why I believe it will be of particular benefit to Oregon.

Immediately and directly, I believe that a careful review of the situation in the three smaller labor market areas of Albany, Coos Bay, and Eugene will show that they are eligible for certification under the bill, even though the report does not list them among the areas probably eligible.

The basic test for the certification of an area is the existence of substantial and persistent unemployment for an extended period of time. Areas must be included if they meet one of the following three tests:

First. An unemployment rate of 6 percent or more for 8 out of 24 months;

Second. Nine percent unemployment for 15 out of the last 18 months; and

Third. Twelve percent for the preceding 12 months.

In addition, an area may be designated if there has been 15 percent unemployment for the 6 preceding months if the principal causes of the unemployment are not temporary in nature.

The flexibility provided in the test would mean that our lumber communities experiencing prolonged unemployment, but with a seasonal respite in the summer, would not be disqualified for assistance.

If the bill were to become law at once, Portland, of course, would not be eligible immediately. But Albany had an unemployment rate of 13.1 percent in February 1957 and 15.4 percent in February 1958. If a further review shows that this rate was maintained during the intervening period, Albany would be eligible at once. Coos Bay had an unemployment rate of 8.3 percent in 1957 and 15.0 percent in February 1958. Eugene had an unemployment rate of 11.9 percent in February 1957 and 12.3 percent in February 1958. A further review of the unemployment situation in Coos Bay and Eugene might reveal that they are, or soon will be, eligible for designation as redevelopment areas. These figures on unemployment are from the Bureau of Employment Security, Department of Labor.

Designation as redevelopment areas would make them eligible for the technical help provided by the bill to further the industrial development of those areas and provide larger and better balanced employment conditions. For example, a furniture plant or other woodworking establishment in a lumbering area would bring to the area continued and profitable sources of employment. In an agricultural community a food processing plant might bring substantial additional revenues. Designation as a redevelopment area would make these communities eligible under the $100 million loan program for industrial projects and would make towns and other municipalities in the area eligible for the $100 million loan program for community facilities, for such things as water supplies, sewage, and the like. These loan programs would be available to put into effect the development program worked out through the technical assistance program, and with the Oregon State Department of Planning and Development. Indian tribes are also eligible for these forms of help.

Assistance and loans, both to communities and to industries, would be undertaken after consultation and with the approval of the Oregon Department of Planning and Development.

In fact, under the terms of the bill, our department of planning and development may submit—and I think would be expected to submit—a plan for area redevelopment for some communities in Oregon. The plan would be submitted to the Area Redevelopment Commissioner who is charged with administration of the program.

This State plan would be for the guidance of the Commissioner. Although it would be submitted to him as a recommendation, no loan may be made in Oregon without its approval.

Parenthetically, I might point out that this is similar to other Federal programs like Hill-Burton hospital construction grants, where the Federal grant follows only after approval of the project by State authorities.

In this case, the financial assistance would be in the form of loans. Thus, the fine State development program that we have in Oregon could be implemented under the terms of S. 3683.

The area redevelopment bill would have a further and perhaps more important effect in Oregon, in addition to the direct immediate benefits resulting to any area which is designated as a redevelopment area.

In general, the chronically depressed areas of the Nation do not carry their share of the Federal tax load. Depressed areas are relatively unproductive and add little to the national product. If these areas were fully employed, the output available to Oregon purchasers would be greater. Chronically depressed areas are not good customers of Oregon's products, because their lowered income deprives them from the benefits of the American standard of living. Depressed areas are not good customers for Oregon lumber, wheat, apples, aluminum, and other products.

Passage of S. 3683 would, in my judgment, benefit areas like Albany, Coos Bay, and Eugene by reason of their designation as redevelopment areas; it would do far more by stimulating development in those and other depressed

areas of the country and creating a wider demand for the products of our State.

Finally, there is a provision in this bill that I am at least hopeful will be used to benefit Oregon and the Northwest.

This is the authority given the Commissioner to work on area problems with other Government agencies and with industry, labor, and other non-Government groups concerned with a regional or industrial problem. In his opening description of the bill, Senator DOUGLAS mentioned the calling of a conference on freight rates as among the possible uses of this authority by the Commissioner.

Freight rates to midwestern and eastern markets have long been a severe handicap to Oregon industry. Freight rates have had an enormous impact on our economy and the kind and degree of development of the Pacific Northwest.

I have been among those who have tried to impress upon the Interstate Commerce Commission the very adverse effect high rates have had on our industry and agriculture in Oregon.

A conference on the effect of rate levels upon our economy called by the Commissioner of Area Redevelopment would further impress upon the ICC the importance of this matter.

With vigorous administration, S. 3683 would be of great benefit to Oregon, both directly and indirectly. I hope it will soon be enacted into law, because it is in keeping with that basic doctrine of political philosophy to which I adhere; namely, that under our system of government it is the duty of the Government in time of stress and emergency to do those things for the people that need to be done in order to relieve them from the vicissitudes of the emergency.

I support it because it is another piece of general welfare legislation which in my judgment is in keeping with the general welfare clause of the Constitution, which was written into that organic law as one of the cardinal principles of our form of government; namely, the obligation of this Government of ours to promote the general welfare of the people of our country when that welfare needs promoting.

No one can deny that in this time of serious recession, particularly the serious recession in the Pacific Northwest, we sorely need this kind of legislation.

In no spirit of flattery, but in keeping with deserved commendation, I wish to express my compliments to the Senator from Illinois [Mr. DOUGLAS] for once again presenting to the Senate a very meritorious piece of general welfare legislation.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Oregon has the floor.

EXTENSION OF THE DOMESTIC CHROMITE PURCHASING PROGRAM

Mr. MORSE. Mr. President, I wish to discuss this matter very briefly because it, too, is of vital concern to the economic welfare of the part of the country from which I come, and I hope that the appropriate committees of Congress will give heed to this problem in the immediate future. I speak of the need for extension of the domestic chromite purchasing program.

Mr. President, almost a year ago I testified before the Subcommittee on Minerals, Materials, and Fuels of the Senate Interior Committee, urging Congress to take action which would assure us of a realistic incentive for the domestic chromite mining industry. At that time I expressed the view that the $21 per ton incentive payment proposed by the administration would not do the job.

An incentive of $21 per ton was wholly without meaning in 1957. It is just as useless to our domestic mining industry today as it was a year ago. Mr. President, if we let the domestic chromite mining industry shut down its operations—and we will have to do so with a meager $21 per ton increase—and if we proceed thereafter to rely solely on foreign imports for our supply of this strategic ore, we will be engaging in what I believe to be a very shortsighted policy from the standpoint of the national interest and the well-being of our domestic mining industry.

In time of defense emergency, chromite ore plays a vital part. I dread to think of a situation which would confront us as a nation if we were compelled to rely upon waterborne shipments of chromite ore from foreign sources in case of war. In World War II it is an appalling fact that, for a period, 85 percent of the ships bringing minerals to us from South Africa were sunk by submarine warfare. Speaking as a member of the Senate Foreign Relations Committee, I can say that the submarine program of Russia would create a problem of the first magnitude if world war III should ever come—and I join in the fervent hope that it never will. Nevertheless, submarine warfare in such event would constitute a great peril to our ocean shipping.

From the defense aspect alone, Mr. President, I believe that whatever steps we may take to strengthen our domestic mining industry for strategic minerals such as chromite ore, would be extremely wise in terms of our national security. We should have at hand at all times a strong and healthy chromite mining industry, but it is almost a certainty that we will not have a strong domestic mining industry, ready to help when most needed, if we do not make the necessary investment to assure that our mines can continue operations.

The May 8, 1958, issue of the publication designated as Engineering and Mining Journal, Metal and Mineral Markets, shows the world market prices for chrome ore. I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

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

CHROME ORE, LONG-TON DRY BASIS, SUBJECT TO PENALTIES IF GUARANTIES ARE NOT MET, F. O. B. CARS, ATLANTIC PORTS

Rhodesian: [2]

Forty-eight percent Cr_2O_3, 3-to-1 ratio: $46 to $48.[1]

Forty-eight percent Cr_2O_3, 2.8-to-1 ratio: $42 to $44.[1]

Forty-eight percent Cr_2O_3, no ratio: $32 to $34.[1]

South African (Transvaal):

Forty-eight percent Cr_2O_3, no ratio: $32 to $34.

Forty-four percent Cr_2O_3, no ratio: $24 to $25.

Turkish (basis 48 percent 3 to 1):

Forty-eight percent Cr_2O_3, 3-to-1 ratio, lump and concentrates: $51 to $55.[1]

Forty-eight percent Cr_2O_3, 3-to-1 ratio, lump and concentrates: $48 to $51.[1]

Pakistan (Baluchistan): 48 percent Cr_2O_3, 3-to-1 ratio: Uncertain.

[1] Nominal.

[2] Long-term contracts.

Mr. MORSE. Mr. President, the professional staff of the Senate Minerals Subcommittee informs me that our Oregon chromite ore probably would be comparable to the South African variety but whether we compare it to the lower grade Rhodesian or the South African ore, it is obvious that with a $21 per ton incentive as offered by the administration, Oregon chromite miners would receive an inadequate total price that would almost certainly result in shutting down of their operations.

The foregoing payment figure stands in striking contrast with the current payments of approximately $110 per long ton, which includes incentive payments, less the penalty for inferior ore which, I am told, brings most Oregon chromite operations about $96 per long ton. Even at this current figure, the miner generally realizes only a modest return on his investment. Consider, for example, the case of a mining operation in Oregon that over the years has received a rather favorable price of $105.03 per ton from the General Services Administration in its chrome operations. A very interesting report was submitted by this company—the William S. Robertson firm—to the Oregon Department of Geology and Minerals Industries, to illustrate the extent to which these mining operations pay taxes, both direct and indirect.

A letter from Mr. William S. Robertson, addressed to the Oregon Department of Geological and Mineral Industries, under date of April 23, 1958, was made available to my office through the kindness of Mr. Hollis M. Dole, director. I ask unanimous consent that it be inserted in the RECORD at this point in my remarks, because it shows the close margin upon which mines of this type operate in my State.

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

Mr. RALPH S. MASON,
Mining Engineer, Department of Geology and Mineral Industries, State Office Building, Portland, Oreg.

DEAR RALPH: In accordance with your letter of April 10, we have made a complete audit and analysis of all our chrome operations for the period from 1951 through 1957, to determine as closely as possible the taxes paid. It is rather difficult to arrive at an exact figure; however, I believe that we have come up with fairly accurate figures on the taxes.

As you know I have been interested, with 16 associates, in several properties in an attempt to develop a continuing program. From all properties we have received an av-

[1] Nominal.

erage price of $105.03 per long ton from the General Services Administration. On the basis of long tons I am listing below the expenditure per ton and taxes per ton:

Royalties	$8.17
Labor	31.31
Transportation	9.75
Supplies and other expenses	21.43
Total	70.66
Taxes:	
Direct taxes on business	1.84
Indirect taxes on employees' expenditures	4.70
Indirect taxes on supplies	4.33
Employees' income taxes	5.32
Income taxes on royalties	2.45
Partners' income taxes	6.65
Transportation taxes	.29
Taxes—truck owners' income	.14
Total	25.72

This shows a return in taxes to the Government of $25.72 per long ton, or 24.49 percent of the amount paid per ton.

I believe that the above figures are very conservative. You will also note that almost 92 percent of the amount received was distributed for expenses and taxes, leaving 8 percent for the investors, who, incidentally, invested almost $200,000 before any production. The impact on the economy of the area probably produced far more taxes than we are able to estimate.

If anything more can be furnished to you please call on me.

Very truly yours,

WM. S. ROBERTSON.

Mr. MORSE. Mr. President, the present incentive program for chromite ore is scheduled to terminate June 30, 1959, or sooner, in the event the Government has purchased 200,000 dry long tons of ore. The acquisition of the 200,000 tons is so near at hand that the closure of the Grants Pass Chromite Purchasing Depot is scheduled for the very near future.

In fact, Mr. President, I was out in my State within the last 10 days, and I got down into the Grants Pass area. I was met by a committee representing the chromite industry. The story they told me of the economic situation which confronts them, and will continue, unless we in Congress face the situation, was a story which compelled me, because of my sense of fair play and justice, to make this plea to the Senate today. One need only sit down with a committee like that to recognize what a serious economic slump has befallen the chromite mining industry of this country.

In view of the impending situation relative to our domestic chromite industry I was startled, to say the least, to read the prepared statement of Interior Secretary Seaton, made before the Minerals Subcommittee of the Senate Interior Committee on April 28, 1958. The statement had this to say, under the caption "Chromite":

The Defense Production Act program for chromite is drawing to a close. On the basis of the best information available, the program objectives will be filled within the next 4 or 5 months. There is pending before this committee a proposal which would provide for production bonuses for chromite. We urge the committee, in view of the short time available under the Defense Production Act authority's program, to act rapidly on this proposal in order that there shall be no gap between the termination of the old program and the inauguration of the new.

Alert counsel for the Minerals Subcommittee questioned the Secretary of the Interior concerning the administration's proposal on chromite and I quote from the colloquy in the subcommittee on April 29:

Mr. REDWINE. Mr. Secretary, on May 4 last year you appeared before the committee and made a recommendation with respect to chromite, recommending that the Congress provide a $21-a-ton bonus or subsidy for the chromite producers. At that time, as I recall it, you also stated if it was found by testimony before this committee that that was inadequate that you would consider a higher figure.

Well, without exception, Mr. Secretary, industry witnesses have said it was totally inadequate, unrealistic.

Yesterday, however, you made in your presentation—or in your presentation you urged that Congress go on and pass that legislation. Have you had an opportunity to read the testimony before this committee of last year about the industry in respect to chromite?

The Interior Secretary observed that he had not read the testimony given to the subcommittee on the subject of chromite last year, and had added:

If it can be established that the price is inadequate, we would be quite susceptible to a recommendation to increase it.

Mr. President, the foregoing expressions of the views of the Interior Department, showing a great deal of indifference in the past, make it quite evident that if our domestic chromite industry is to survive, Congress must act and act quickly.

The other day, the Senator from Montana [Mr. MANSFIELD], with his senior colleague [Mr. MURRAY] and the Senator from Missouri [Mr. SYMINGTON] as cosponsors, introduced a bill, S. 3600, to assist our domestic mining industry with respect to copper, lead, manganese, and zinc. Knowing of the leadership which has long characterized the Senators from Montana in the field of domestic mining, I conferred with them and with my colleague [Mr. NEUBERGER], and we agreed that chrome ore should also be included as a proper subject for the extension of the minerals purchasing program.

Accordingly, on May 7, 1958, I introduced with the cosponsorship of Senators NEUBERGER, MURRAY, and MANSFIELD an amendment to S. 3600 designated as 5-7-58-D. I asked unanimous consent that the amendment be printed at this point in my remarks.

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

On page 2 between lines 19 and 20, insert the following:

"(i) a program to purchase, in accordance with regulations and prices (except those inconsistent with this act) issued with respect to the purchase of chrome ore and concentrates under the provisions of the Strategic and Critical Materials Stockpiling Act, 200,000 long tons of chrome ore, or concentrates from such ore, mined in the United States, its Territories or possessions."

On page 2, line 21, strike out "and (h)" and insert in lieu thereof "(h), and (i)."

Mr. MORSE. Mr. President, if my amendment to S. 3600 were adopted, it would restore the price paid over the past few years to our domestic chromite miners.

Time is of the essence, for, as I indicated heretofore, the incentive program for the domestic chromite program is fast drawing to a close. Unless Congress does something our chrome mining operations in this country will in most instances come to a halt. Such an occurrence would not be in the interest of the Nation. If a defense emergency should occur, we would need every ton of our current chromite stockpile, and we would need hundreds of thousands of additional tons. But at that point we would be confronted by a problem of bringing in by oceangoing vessels enough ore to meet our demands, and we would be faced with the problem of possible curtailment of shipments due to the whims of foreign powers. This has happened in the past, because I need only remind my colleagues of the difficulties we experienced when manganese shipments were curtailed just prior to the Korean war, and tungsten supplies dropped off shortly thereafter.

Another consideration that we should not overlook in the event of the closure of our domestic chromite operations is that the shutdown of these mines will curtail the operations of various Federal bureaus in investigating chromite deposits in this country. We should have a current chromite program which will provide the incentive for further explorations to locate sources of this strategic mineral, but if the industry comes to a halt, there will be a complete lack of such an incentive, and the interests of our national defense and our overall economy will suffer accordingly.

For foregoing reasons, Mr. President, it is my hope that the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs will take prompt action to guarantee that this phase of our domestic mining industry shall remain strong and healthy. The passage of our amendment to S. 3600 will be a step in the right direction.

In closing, I take this opportunity to express appreciation for the fine assistance rendered by the director of Oregon's Department of Geology and Mineral Industries, Mr. Hollis M. Dole. Mr. Dole has conferred with my office and that of the junior Senator from Oregon [Mr. NEUBERGER], has given complete cooperation, and has supplied extremely valuable information on many technical and complex subjects relating to the mining industry. We are indeed fortunate in having at our disposal the very fine help of this able individual.

Mr. President, I shall support the foreign aid program. I shall vote against amendments which seek to emasculate and scuttle that program, because I recognize that the security of my country is dependent to no small extent upon making certain that our friends around the world, including those in the underdeveloped areas, are given economic and military assistance which will help to keep them strong, because their strength,

in no small measure, determines also our strength.

But I also say that in fairness we owe a great responsibility to the industries in America. When we have an industry which is as strategic as the chromite mining industry, when we have an industry which is producing a strategic mineral that may very well be sorely needed in time of a great war emergency, we have an obligation to make certain that we come to the assistance of that industry.

I am not one who takes the position that he will vote against a foreign aid bill unless he has his way in regard to every domestic issue. I simply make a plea to the administration for comity, for fairness, for justice to our own industries. There is no doubt that the foreign aid bill, which I think we will undoubtedly pass in the weeks immediately ahead, will be a bill which, in part, will be of great assistance to mining industries elsewhere in the world. Is it asking too much, then, I query, that the amendment I have offered to the Mansfield bill be adopted by Congress quickly, so that the chromite industry will not go down?

After all, I favor doing what is necessary to strengthen economically our friends abroad. But unless we keep our home industry strong, we will not be able for very long to strengthen our friends abroad.

So, not on the basis of an attempt to barter, not on the basis of a concealed threat which implies a trade, but only because I think it is right and just that I think I should make the plea, I now ask the administration to give us in the Western States some help for an industry which is in a sorry plight, an industry which needs help from the Federal Government, if we expect to keep the mining industry of the Nation in an economically healthy condition, so that it can come to the assistance of the Government in time of great national emergency.

REGULATION OF RAILROAD TRACK MOTORCARS

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared concerning proposed legislation which would give the Interstate Commerce Commission the authority to regulate the use of track motorcars and other self-propelled railroad equipment.

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

STATEMENT BY SENATOR MAGNUSON

During the first session of this Congress, I introduced S. 1729. This bill would give the Interstate Commerce Commission authority to regulate the use of track motorcars and other self-propelled railroad equipment.

The need for this legislation is reemphasized by the report recently issued by the Interstate Commerce Commission on an accident which occurred near Levey, Wash. In a head-on collision between a freight train and two track motorcars and trailers coupled together, 3 people were killed and 22 were injured.

The ICC, in its accident report, found that the collision was caused by the fact that the railroad employees had not been fully instructed by the company officials on the use of block indicators as a supplemental protection when track motorcars and other maintenance equipment are in use.

This accident was not an isolated case. During the past 10 years the ICC has investigated 67 collisions in which track motorcars were involved. These accidents caused the death of 90 people and injury to 216 others. Moreover, these statistics do not give the complete picture because the ICC does not investigate all accidents and, in those that it does, the reporting methods used are such that the total number of deaths and injuries caused by track motorcar accidents cannot be compiled.

Since the railroad companies have failed to prescribe and enforce adequate rules and regulations for the safe operation of self-propelled equipment, I believe that the ICC must—through S. 1729 or similar legislation—be given authority to regulate the use of this equipment. The safety of both the traveling public and the railroad employees is at stake.

On May 26, hearings on S. 1729 will begin before the Committee on Interstate and Foreign Commerce. I hope that the Congress will give ICC the authority this bill provides.

MAMMOTH CAVE NATIONAL PARK

Mr. MORTON. Mr. President, several weeks ago the Louisville Courier-Journal published an editorial entitled, "Why Should Mammoth Cave Be a Stepchild in the Park Family?" The publication of the editorial on April 29 followed by 2 days the appearance of an article in the same newspaper which contained remarks by the Honorable WILLIAM NATCHER, my distinguished Kentucky colleague in the House of Representatives, on his dissatisfaction with the amount to be expended on Mammoth Cave during the next 10 years as a part of the Mission 66 program.

Representative NATCHER has been concerned with the operation of Mammoth Cave for a long time. Not only does he represent the Congressional District in which the historic cave is located, but his home is only a few miles from the national park. There is every justification for Mr. NATCHER's contention that Mammoth Cave has been neglected and that it is not getting its share of funds under the Mission 66 plan. While I, too, am concerned with the cave's allocation under the Mission 66 plan, I believe we must look further to uncover the principal reason why Mammoth Cave's popularity as a major tourist attraction is being undermined.

The question posed by the Courier-Journal is a legitimate one—one which has been asked repeatedly by Kentuckians in recent years. The question is difficult to answer because of the intricacies involved. It is a challenge which must be met if Mammoth Cave is to continue as a cornerstone of the national park program. If it is not met, then Mammoth Cave might well lapse into a millstone around the neck of our park system.

Since entering the Senate slightly more than a year ago, I have received numerous appeals from Kentucky that something be done to improve the operation and facilities at Mammoth Cave National Park. Criticism of the cave's operation has existed for many years. While a book could be written on the subject, I shall try to discuss here only facts which I believe contribute to poor park operation and the steady decline in visitors as compared with other national parks.

We generally think of our national parks as being operated for the benefit of the general public. This, I think, is a correct assumption, but in the case of Mammoth Cave it is not exactly true. Mammoth Cave is operated primarily for the benefit of National Park Concessions, Inc.

What is National Park Concessions? How is it incorporated? How does it operate?

The concession company was incorporated on June 21, 1941, in the State of Delaware as a nonstock, nonprofit distributing corporation. The only authority for its creation was administrative approval by Secretary of the Interior Harold Ickes, on February 7, 1941. National Park Concessions theoretically is a private enterprise, but the line between private enterprise and Government administration is so fine as to be virtually indistinguishable.

National Park Concessions is a membership corporation. It can issue no capital stock. It has a five-member board of directors which serves without compensation, except allowable expenses. In order to maintain control of the corporation in the interests of the Federal Government, its articles of incorporation and bylaws cannot be amended except by affirmative vote of four-fifths of the entire board. This is provided both in the articles of incorporation and in the bylaws. It is my understanding that until recently 2 of the 5 board members were employees of the National Park Service on the Federal payroll.

The articles of incorporation provide that, in the event of liquidation, all assets, other than money, are to be sold, and the proceeds of sale, with all other moneys remaining in possession of the corporation after the payment of debts and expenses, shall be donated to the United States of America to be expended by the Secretary of the Interior for purposes he shall deem to be in the best interests of the National Park and Monument System. National Park Concessions has been exempt from both Federal income taxes and Kentucky State income taxes.

Besides Mammoth Cave, National Park Concessions has concessions rights at Blue Ridge Parkway, Virginia and North Carolina; Isle Royale National Park, Mich.; Olympic National Park, Wash.; Big Bend National Park, Tex.; and Mount McKinley National Park, Alaska.

One of the policies of the National Park Concessions Corp. is "that the corporation not seek out, on its own initiative, new concession facilities to operate, but rather, shall acquire, develop, and operate such concession facilities as the Director of the National Park Service shall, from time to time, request the corporation to undertake, subject to its financial ability."

In practical operation, the Director of the National Park Service directs and controls national park concessions. All directors' meetings are held in Washington, and changes in directors have been suggested by the Director of the National Park Service in prior years, and those suggestions, of course, were followed exactly. Of the above-mentioned park operations, only Mammoth Cave and the Blue Ridge Parkway are profitable; and, of course, Mammoth Cave is the principal source of profit.

Herein lies the source of concern for Mammoth Cave's future. This popular attraction, one of the great natural wonders of the world, is located closer to our Nation's center of population than any of the other 29 national parks. Yet, while the total number of visitors to all national parks increased from 46,224,794 in 1953 to 59,284,969 in 1957, a gain of 22 percent, the number of people visiting Mammoth Cave, dropped from 499,416 to 450,181, a loss of about 10 percent. Kentuckians are concerned with Mammoth Cave's steady decline. They say that Mammoth Cave's diminishing popularity can be traced directly to the lack of a progressive development and promotion program which would provide the facilities required to attract and keep people in the park. What they want is a program with vision and imagination, but they believe Mammoth Cave is saddled so heavily with the cost of operating parks that any extensive improvements are a long way off. True, some improvements have been made over the past 17 years, but they have been woefully inadequate to meet the standards expected of such a great attraction.

I think there is ample justification for fears that Mammoth Cave is being bled for the financial benefit of the corporation's unprofitable operations.

The national park officials have stated that their objective is the utilization of the profits from the Mammoth Cave for use in providing accommodations in other areas of the national park system that may be taken over for administration by the Department of the Interior and to offset losses of other operations. National Park Concessions, Inc., is a unique, somewhat socialistic scheme apparently designed to fool the people. It certainly has shared the profits of the Mammoth Cave operation with the other parks operating at a loss. If this leveling process continues much longer, Mammoth Cave will be out of business.

During the 5-year period, 1945–49, the Mammoth Cave operation of National Park Concessions netted $167,884.29. All their other park concessions operated at a loss, with the exception of one. In the 5-year period, 1950–54, the Mammoth Cave operation of National Park Concessions, Inc., netted $271,376.34. Again, most of their operations were at a loss. In the years 1955 and 1956, the Mammoth Cave operation of National Park Concessions also operated at very substantial profits, namely, $28,841.50 net, 1955, and $36,508.42 net, in 1956.

Of course, the Mammoth Cave National Park profits would have been much greater if the operation had not been saddled with its pro rata share of the expenses of the home office of National Park Concessions, Inc., which is located at Mammoth Cave. As of December 31, 1956, approximately $460,000 has been siphoned off the Mammoth Cave operation to cover losses of other parks operated by this concession. As a result of this type of operation, Mammoth Cave has not kept pace with development of other parks throughout the Nation. Most of the development work that has been done, both by the Federal Government and the concessionaire, is primarily for the benefit of National Park Concessions, Inc., instead of the general public. A prime example is the construction of an elevator shaft through 265 feet of rock to the Snowball Dining Room in Mammoth Cave for the purpose of carrying employees and supplies to the concession in the dining room. We have reports of visitors to Mammoth Cave in the summer months being forced to drive up to 30 miles to find hotel or motel accommodations. There is not an air-conditioned bedroom in the Mammoth Cave National Park. Recreation facilities are practically nil, other than picnic areas. When visitors finish their trip through the cave, they have had it. There is no swimming pool, no golf course, no fishing facility, and no horseback riding, or any of the usual things to keep tourists happy and contented. The roads are very poor and little provision has been made for viewing the natural beauty of the area.

Facilities of the nature just mentioned are essential to any recreation area's continued growth and security. The terrain surrounding Mammoth Cave is suitable for accommodating additional interesting attractions, yet they are noticeably absent. There is nothing to encourage visitors to return to Mammoth Cave again and again. From 1945 through 1956, Mammoth Cave yielded a net profit in excess of $500,000. If this amount had been reinvested in developing proper park facilities, instead of being used as a financial cushion for the concession's entire operation, Mammoth Cave today would have the facilities and program to attract, to entertain, and to satisfy its visitors.

One can get many reasons for this unique and strange corporation when one talks with some of the park people. However, the real reason is best explained by quoting from a memorandum which Mr. Newton B. Drury, Director of National Park Service, forwarded to Secretary Harold Ickes on February 3, 1941, from which I quote:

> Consideration has been given from time to time to the possibility of Government operation of the facilities for the accommodation of the public in the areas under the National Park Service. We now have several Government-owned facilities, including those in Mammoth Cave, for which we will soon have to find operators.
>
> With your approval, I would like to attempt to organize a nonprofit distributing corporation, working under strict business management and control, with a capital structure obtained through donation of funds. If successful, this would provide a means for a concession operation which, while not strictly governmental, would have substantially all the advantages of such a type of operation with few, if any, of the disadvantages.

Mr. Drury then goes on to outline the proposed corporation setup and ends with this sentence:

> If you approve of the above plan, a report of progress will be made to you from time to time.

Secretary Ickes approved the plan on February 7, 1941, and shortly thereafter the National Park Concessions got under way. In other words, the only authority for this most unusual organization was the approval of Secretary Harold Ickes. The Congress of the United States, the General Accounting Office, and the Bureau of the Budget were quietly bypassed. Is this thwarting the usual governmental procedure that Mr. Drury had in mind when he said in the above-quoted memorandum "while not strictly governmental, would have substantially all the advantages of this type of operation with few, if any, of the disadvantages"?

Before proceeding further, I point out that Mr. Conrad Wirth, the present Director of the National Park Service, inherited this operation. National Park Concessions, Inc., is a creature of the Ickes administration when Mr. Ickes was Secretary of the Interior. While Mr. Wirth is not responsible for its origin, I am sure he is thoroughly familiar with this operation and has assumed a certain responsibility for its continuance. The lead article in this month's National Geographic magazine, written by Mr. Conrad Wirth, states that the National Park Service does not conduct the businesses of the various parks. I cannot reconcile this statement with the facts concerning the operations of National Park Concessions, Inc.

The appointed directors of the National Park Concessions, Inc., are now making an effort to negotiate a new 20-year contract, despite the fact that the present contract has 4 to 5 years to run. It is reported that the new contract has many features which would make it even more difficult to dissolve this operation in future years. On paper it is difficult to see why a contract really means much to the directors of the National Park Concessions, Inc. The directors do not receive compensation and all benefits under the contract ultimately revert to the Federal Government.

The directors do not intend that Mammoth Cave shall fare any better in the future, under the proposed 20-year contract, than it has in the past. The program of future expansion, to be part of the new application for the 20-year contract, indicates that only 20 percent of the total future expenditures for expansion will be expended at Mammoth Cave, despite the fact that Mammoth Cave contributes practically all the profit to the corporation.

To use Mammoth Cave to absorb the losses of park operations throughout the United States that are controlled by National Park Concessions, is grossly unfair to the people of Kentucky. The whole

scheme is foreign to our way of doing things in this country; and the corporation should certainly be dissolved, and should be taken over by private enterprise. The Hoover Commission investigated this operation, and made the following recommendations in May 1955:

Recommendation No. 16:

(a) That the National Park Service attempt to secure the dissolution of the National Park Concessions, Inc., and the transfer of its assets to the National Park Service.

(b) That the National Park Service lease or sell the facilities now operated by National Park Concessions, Inc., to others to be operated as is done in other national parks.

(c) That if the facilities are so uneconomic that they cannot be leased or sold, the National Park Service make a review to determine if they should be closed.

In the area there are several persons who would be tremendously interested in operating the Mammoth Cave concession, and who are capable to operate it. Operation by a private-enterprise group of local people who are interested in promoting Mammoth Cave in my opinion is the only way to correct the downward trend in the number of visitors to the park. In all of our great national parks, other than those operated by National Park Concessions, Inc., private enterprise has done an excellent job; and there is no reason to believe that the same excellent type of operation cannot be found for Mammoth Cave. If the National Park Service will not consider the use of private enterprise, then it should openly admit that the National Park Concessions, Inc., is a Government-controlled corporation, and the Park Service should, in fact, change the corporation to a Government organization, thereby bringing to the employees of National Park Concessions, Inc., the benefits which usually accrue to Government employees. This would also give the Congress of the United States and the Bureau of the Budget a chance to participate in the operations of the National Park Concessions, Inc. The present type of operation denies Congressional and budgetary review.

Mr. President, I have been assured that the Secretary of the Interior will undertake a complete review of the entire matter before he gives further consideration to an extension of the contract of National Park Concessions. I urge that most serious consideration be given to immediate dissolution of this enterprise, as recommended by the Hoover Commission.

In conclusion, again I should like to make it quite clear that although the Mission 66 program contains provision for improvements for Mammoth Cave in an inadequate amount, the attraction's principal source of distress is rooted in the administrative practices of National Park Concessions, which utilizes Mammoth Park profits to finance its other operations, but apparently gives no thought to the survival of one of Kentucky's greatest scenic attractions.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the newspaper editorial and the article to which I have referred.

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

[From the Louisville (Ky.) Courier-Journal of April 29, 1958]

WHY SHOULD MAMMOTH CAVE BE A STEPCHILD IN THE PARK FAMILY?

We hope Representative WILLIAM H. NATCHER will lead a lively crusade which this newspaper and a lot of irate Kentuckians can join. The cause we want to fight for is fair treatment for Mammoth Cave by the National Park Service.

Mr. NATCHER is the natural leader for this campaign, since his district runs down to the cave country. He said in Washington the other day that the $3.5 million the Park Service plans to spend on Mammoth Cave in the next 10 years is not nearly enough. He calls it asinine. Other parks are to get 3 and 4 times that much. The Park Service is not going to get away with such treatment of Mammoth Cave, he vows.

That's the kind of talk we like to hear, and we hope for a lot more of it.

IT IS UNIQUE

Mammoth Cave is a unique attraction, one that has a remarkably strong appeal for children and for their elders, too. It is located much nearer the population center of the country than any of the other 29 national parks. It is a natural for the tourists who swarm in increasing numbers across the face of the Nation.

Yet Mammoth Cave has been losing ground by comparison with other national parks. It is not fair to compare attendance figures with those for such a park as Great Smoky, which has 10 times the area of our cave park, and which draws nearly 3 million visitors a year without an admission fee.

The 450,000 a year attendance at Mammoth Cave, however, is unreasonably small. What's more, the cave park was 15th in attendance in the national system in 1953, but last year it had dropped to 18th.

What is causing Mammoth Cave to lose ground by comparison with other national tourist attractions? We are convinced that the answer lies in the Federal program. Some improvements have been made since the park was taken over in 1941, but they have been too slow and too small.

NEEDED: MORE FACILITIES

What is really needed is a program of recreation for the attractive surface area of the park. It is pretty, but there is very little to do there. Visitors can't stay in the cave all the time, fascinating as it is. Many who come out would like to swim, but the Green River is too dangerous in that neighborhood, and there is nowhere else to go.

A large swimming pool would be the best surface attraction. There should also be facilities for other sports and games. This kind of program would hold families in the park for a week, instead of letting them get away after a 1-day visit to the cave.

Mammoth Cave has been held back for years by confusion and argument over the private caves that exist within the park area. Now, Mr. NATCHER insists, these caves can be bought and the title cleared without further difficulty. The deal could be financed by revenue bonds, and the bonds could now be sold, he asserts.

A MATTER OF RIGHT

Kentucky has every right to expect Washington to run an active program at Mammoth Cave, with some imagination and drive about it. Kentuckians provided more than $2 million for the original purchase, and gave the property to the Federal Government. Since that time, it has not been promoted as strenuously or as effectively as our own State park system.

The National Park Service's famous project 66, its long-range plan for the coming decade, offers a chance to make up for the comparative neglect of Mammoth Cave. It is true that the budget calls for about $350,000 a year to be spent at the park during that period, but less than that amount was spent there during the entire period from 1942 through 1956, while other parks were being handsomely developed. Moreover, other parks are getting up to a million dollars a year under project 66.

It would be plain good business for the Government to step up its Mammoth Cave operation. The park has been carefully run, and has been turning back a surplus of some $50,000 a year from operating revenues. Its tourist potential is so great that improvements would soon pay for themselves. Buying the private caves and installing a swimming pool would seem the logical first steps. After that should come a lively promotion program that would give Mammoth Cave its rightful place as one of the true wonders of the world.

Action of that kind will only come as a result of energetic pressure in Washington. We hope Representative NATCHER will apply the heat and keep it burning. The proper development of Mammoth Cave would be a major accomplishment for all of Kentucky, and incidentally a favor to the National Park Service itself, by forcing attention to a neglected asset.

[From the Louisville (Ky.) Courier-Journal of April 27, 1958]

NATCHER SAYS MONEY EARMARKED FOR CAVE PARK IS TOO LITTLE, "ASININE"

(By Robert Clark)

WASHINGTON, April 26.—Pointing to the approximate sum of $3,500,000 the National Park Service expects to spend on Mammoth Cave National Park during the 10-year Mission 66 program, the park's neighbor, Representative WILLIAM H. NATCHER, Bowling Green Democrat, has this to say:

"They're not going to get by with any $3,500,000. That's asinine."

NATCHER, whose hometown is only a few miles from Mammoth Cave, sits on the powerful House Appropriations Committee. He considers the amount earmarked for this national park much too low—and his ideas on how National Park Service money should be spent can be an important factor in the future of the cave.

For Mammoth Cave, the National Park Service predicts 773,000 visitors a year by 1966. However, at the present its popularity rate is slipping, even though it is an outstanding scenic attraction, lying close to the population center of America.

Attendance figures show that Mammoth Cave in 1953 ranked 15th among the 29 individual national parks in number of visitors. In 1956, it dropped to 16th place. Last year, it ranked 18th with its 450,181 visitors—which is about the yearly average since it hit its record high of 499,416 in 1953.

SMOKIES LEAD LIST

Great Smoky Mountains National Park, located between Tennessee and North Carolina, led the list in 1957 with 2,943,732 visitors.

In addition to his scoffing at the sum proposed to be spent by National Park Service on Mammoth Cave improvements. Representative NATCHER brought up another matter that he and National Park Service agree is quite important in the park's development.

There is no longer any reason, NATCHER said, to delay the purchase of Great Onyx and Crystal Caves.

These two privately owned and displayed caves are inside the park boundaries, and if purchased would become part of the national park. Their presence in the park has been a source of much perplexity to visitors.

NATCHER and former Senator Earle C. Clements were instrumental in getting Congress to act on this matter in 1954.

The State was to buy the caves (issuing bonds to pay for them), and transfer the title to Uncle Sam.

Purchase contracts were signed for the 440 acres (plus 175 acres of cave rights), at a price of about $580,000.

But then a question arose as to whether the State should retain title to the property through the life of the bonds. And there was also some question about a clear title to the property.

Finally, no one could be found to buy the bonds.

The Park Service knows of no action that has been taken on the matter since.

But, said NATCHER, the path is now clear. Agreement was reached, he explained, that the State would hold the property until the bonds were paid off, then turn over the caves to the United States. The Government, in turn, would reserve money from Mammoth Cave Park receipts to meet the bond payments.

And any doubt about the title to the property was cleared up.

"I believe that since the various difficulties in the way have been resolved, the bonds can now be sold," NATCHER said.

Under Mission 66, the National Park Service is to spend $147,500,000 for better roads, campgrounds, buildings, and other improvements in the whole national park system. The system means 181 areas, of which the 29 individual national parks are part.

Of this, Mammoth Cave would get $3,572,000, to be exact.

LONG-RANGE PROGRAM

However, Park Service Director Conrad L. Wirth adds $2,158,000 to this figure. It is for the year 1967 and an indefinite period after that. In other words, it is not strictly within the Mission 66 program, but is considered part of a long-range improvement program.

Howard R. Stagner, assistant chief of the Mission 66 staff, acknowledged that other parks will get much bigger sums. For example, Rocky Mountain in Colorado will get $9 million—mostly for roads—and Great Smoky about $11 million.

But, said Stagner of the program for Mammoth Cave, "this is what we think, from a practical standpoint, we can get done."

And Wirth said: "We have laid out the park for development the way it should be developed, and we feel we have a good plan. This will put Mammoth Cave National Park in as good condition as any other park, and in condition to meet its anticipated visitor load."

Natcher says the 53,000-acre park—bought with more than $2 million of Kentucky money and donated to Uncle Sam in 1941—should have more Federal development than is now planned.

He says Mammoth Cave for several years has been living within its income, and turning back $36,000 to $54,000 annually to the Federal Government.

NPS Chief Engineer Paul M. Miller—who knows Mammoth Cave well and was on its staff in 1931 and 1932—and Stagner noted that only $300,000 was spent for permanent improvements by the Government from 1942 through 1956.

Now, in contrast, $3,572,000 will be spent in 10 years—and $1,040,000 of this in the 3 fiscal years 1956–57 through 1958–59.

PROPOSED AMENDMENT OF THE CIVIL SERVICE RETIREMENT ACT

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Delaware is recognized.

Mr. WILLIAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from California [Mr. KUCHEL] are absent on official business.

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

Mr. WILLIAMS obtained the floor.

"CONGRESSIONAL GRAVY TRAIN"

Mr. WILLIAMS. Mr. President, yesterday, when only eight Members of the Senate were present on the floor, with no prior quorum call, the Senator from South Carolina [Mr. JOHNSTON] made a rather bitter attack upon me personally, and took exception to certain statements which I had made last week about his pet pension bill which at that time had been labeled as a "Congressional gravy train."

I might say before beginning today, Mr. President, I have agreed to refer to the measure, out of deference to my colleague, as a Johnston antirecession measure.

After the senior Senator from South Carolina [Mr. JOHNSTON] finished speaking yesterday, I took the floor for rebuttal. Recognizing the lack of attendance, I first called for a quorum since I wanted the full membership of the Senate to have an opportunity to hear the discussion so that they could decide for themselves which one of us knew what he was talking about. I was unable to obtain the quorum of the Senate yesterday because of a previous notice having been given by the leadership that no votes were to be taken; and, therefore, many Members of the Senate had already left either for their offices or to fill previous engagements.

I therefore deferred my rebuttal and served notice to the senior Senator from South Carolina and to the Senate that I would reply to the remarks of the senior Senator from South Carolina today, after again calling for a quorum.

A quorum of the Senate has been established, the Senator from South Carolina is present; therefore, I shall now reaffirm my earlier description of the bill, and I shall point out what the cost would be if the provisions of the bill were extended to all employees under the civil service system.

I shall point out the glaring inequities as to benefits with respect to ourselves and all Congressional employees, as compared with the benefits which are being offered to other Government employees.

I shall also restate very emphatically, notwithstanding the denial of the Senator from South Carolina, that the bill, H. R. 4640, as reported by the committee, if enacted, would have given some present Members of Congress pensions higher than their present salaries.

I shall incorporate the bill itself in the RECORD, plus an analysis of the bill as prepared by the Civil Service Commission, along with a letter from Mr. Ellsworth, the Chairman of the Civil Service Commission, supporting my previous analysis as well as the remarks I made on May 6 and those remarks which I shall make today.

I shall yield to any Member at any time during this discussion and particularly invite the senior Senator from South Carolina to interrupt at any point in which he disagrees or wishes to take exception to what I am saying.

In submitting these documentary reports in support of my analysis and earlier charges concerning the bill, I shall stick to facts only. I refuse to engage with any Senator in a name-calling contest.

My sole purpose in speaking today is to keep the record straight and to prevent the passage of a bill, which has been exposed as being so fantastic that even its supporters are today ashamed to vote for it as reported.

The sponsor of the bill himself now brags about how he wants to improve the bill with certain amendments. Certainly no type of amendment offered to the bill could make it any worse than it is.

Yesterday my colleague, the senior Senator from South Carolina, complained that the bill had been unfairly attacked, and he boasted that on April 17 he had offered an amendment which would have put some limitation on the amount any Member could have drawn upon retirement. I invite the attention of the Senators to the fact that the bill H. R. 4640 can be found on page 8 of the Calendar of the United States Senate, listed as Calendar No. 1459, H. R. 4640, having been reported April 1, 1958. On the 1st day of April, 1958, the bill was reported to the United States Senate.

Two days after the bill had been reported, after I had seen a copy I filed an objection with the official Calendar Committee of the Senate, and I served

notice that the bill should not pass on the Consent Calendar, but that I would oppose it when it was brought up for consideration.

It was not until 14 days after my objection had been filed, and 17 days after the bill had been reported by the chairman of the committee, that he filed his first amendment, but this was not until after he knew that the bill was not going through on greased skids, as he originally planned.

Two additional amendments which were filed by the chairman of the committee, which he said would bring the bill further into line, were filed on May 6, 1958. By some strange coincidence, May 6 was also the date when I denounced the bill on the floor of the Senate, and I think at that time effectively killed the bill so far as any future consideration is concerned. Whether he submitted his amendments a few minutes before I spoke on May 6 or after I spoke, I will let him debate; but the fact remains that the amendments were not printed and on the desks of Senators until the following day. He began submitting amendments only after his pet pension plan came into trouble.

I wish to make it very clear that I shall in no way attempt to answer the slurring remarks, name calling, and other diversionary tactics resorted to yesterday by the Senator from South Carolina, the sponsor of the bill, in his remarks.

I have the facts to support my case. When one has the facts, one does not have to resort to name calling or other diversionary tactics for defense.

Furthermore, I learned very early in life that when one takes candy away from a spoiled baby, one can expect him to bawl; and I frankly confess that when I blocked the passage of the bill I took a great deal of candy away from the sponsors and supporters of the proposed legislation; and no amount of wailing or name calling will persuade me to reverse my objection to this indefensible proposal.

I challenge any Member of the Senate, during my remarks, or after I have concluded, to deny anything I shall have said. I shall be glad to yield to any Senator at any time and to answer any questions. As evidence of my complete confidence in my case is my offer that I will yield to any Member of the Senate for any question which any Member wishes to raise concerning my report at any time, either during my remarks or after they have been completed.

I particularly invite the Senator from South Carolina [Mr. JOHNSTON], the chairman of the Post Office and Civil Service Committee, and the sponsor of the bill, which we have agreed to call the Johnston antirecession measure from now on, to interrupt me for any question which he wishes to raise with respect to what I am saying.

I proceed now to document my case. First, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks House bill 4640, as it was reported from the Committee on Post Office and Civil Service on April 1, 1958.

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

Be it enacted, etc., That section 12 (d) of the Civil Service Retirement Act (5 U. S. C., sec. 2262 (d)) is amended to read as follows:

"(d) Any present or former employee or Member shall be paid the voluntary contribution account, provided application for payment is filed with the Commission prior to receipt of any additional annuity, but such account shall not in any case include interest beyond date of payment. Such individual shall thereafter be eligible to deposit additional sums under this section only if he again becomes subject to this act after a separation from the service of more than 3 calendar days."

SEC. 2. The amendment made by the first section of this act shall take effect as of October 1, 1956.

SEC. 3. (a) The Civil Service Retirement Act is amended as follows:

(1) Section 1 (3) is amended by inserting the words "or Member" after the word "employee," and by striking out the words "or a member separated before he has completed 5 years of member service."

(2) Section 3 (f) is amended by inserting after the word "employee" the words "or Member."

(3) Section 3 (h) is amended to read as follows:

"(h) No period of service which is used in the computation of the annuity of any employee or Member under any provision of this act shall be used in the computation of an annuity of such employee or Member under any other provision of this act."

(4) Section 4 (a) is amended by inserting before the period at the end of the first sentence a comma and the following: "except that after June 30, 1958, the amount of such deduction in the case of a Congressional employee shall be 7½ percent of such basic salary."

(5) The table in section 4 (c) is amended by inserting after the word "Employee" the words "Service (other than Congressional employee service)", by inserting after the matter relating to employees the following:

"Congressional employee service:

2½-----August 1, 1920, to June 30, 1926
3½-----July 1, 1926, to June 30, 1942
5-------July 1, 1942, to June 30, 1948
6-------July 1, 1948, to October 31, 1956
6½-----November 1, 1956, to June 30, 1958
7½-----After June 30, 1958",

and by striking out the words "Member for."

(6) Section 6 (e) is amended by inserting after the word "employee" the words "or Member".

(7) Section 6 (f) is amended to read as follows:

"(f) Any Member or any Congressional employee eligible for an annuity under section 9 (b) who attains the age of 60 years and completes 10 years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9. Any Member or any Congressional employee eligible for an annuity under section 9 (b) who attains the age of 55 years and completes 30 years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9. Any Member or any Congressional employee eligible for an annuity under section 9 (b) who completes 25 years of service, or who attains the age of 50 years and completes 20 years of service, shall, upon separation from the service (other than by expulsion in the case of a Member, and other than by removal for cause on charges of misconduct or delinquency in the case of an employee), be paid an annuity computed as provided in section 9."

(8) Section 7 (a) is amended by striking out the words "Member service" and inserting in lieu thereof the words "civilian service".

(9) Section 8 (b) is amended by striking out the words "Member service" in the first sentence thereof and inserting in lieu thereof the words "civilian service"; and by striking out the last sentence thereof and inserting in lieu thereof the following: "Any Member or any Congressional employee eligible for an annuity under section 9 (b) who is separated from the service after completing 10 or more years of Member or Congressional employee service, or any combination thereof, may be paid an annuity beginning at the age of 60 years computed as provided in section 9."

(10) Section 9 (a) is amended by inserting after the word "employee" wherever it appears the words "or Member" and by inserting after "Provided," the following: "That the annuity of an employee who has had Member or Congressional employee service on or after the date of enactment of this proviso, and who has had deductions withheld from his salary or made deposit covering his last 5 years of civilian service, shall be (1) 2½ percent of the average salary multiplied by his Member or Congressional employee service and so much of his military service as was performed subsequent to the beginning and prior to the end of his Member or Congressional employee service, plus (2) 1½ percent of the average salary multiplied by so much of the remainder of his total service as does not exceed 5 years, plus (3) 1¾ percent of the average salary multiplied by so much of the remainder of his total service as exceeds 5 years but does not exceed 10 years, plus (4) 2 percent of the average salary multiplied by so much of the remainder of his total service as exceeds 10 years: *Provided further*,".

(11) The first sentence in section 9 (b) is amended to read as follows:

"(b) The annuity of a Congressional employee retiring under this act shall, if he so elects at the time his annuity commences, be 2½ percent of the average salary multiplied by the total service."

(12) Section 9 (b) is amended by striking out clause (1) of the second sentence and inserting in lieu thereof the following: "(1) has had at least 5 years of Member or Congressional employee service, or combination thereof," by inserting after the word "employee" in clause (3) of such sentence the words "or Member, and by inserting before the colon in the second sentence the words: "or retires for disability or dies while serving as a Congressional employee or Member."

(13) Section (9) (c) is amended to read as follows:

"(c) The annuity of a Member retiring under this act shall, if he so elects at the time his annuity commences, be 2½ percent of the average salary multiplied by the total service. This subsection shall not apply unless the Member (1) has had at least 5 years of Member service or Congressional employee service, or combination thereof, and (2) has had deductions withheld from his salary or made deposit covering his last 5 years of civilian service. In no case shall the annuity of a Member retiring under section 7 be less than (A) 40 percent of the average salary or (B) the sum obtained under this subsection after increasing his Member service by the period elapsing between the date of separation and the date he attains the age of 60 years, whichever is the lesser, but this provision shall not increase the annuity of any survivor."

(14) Section 9 (d) is amended to read as follows:

"(d) The annuity as hereinbefore provided, for an employee retiring under section 6 (b) or 6 (d) shall be reduced by one-twelfth of 1 percent for each full month not in excess of 60, and one-sixth of 1 percent for each full month in excess of 60, such

employee is under the age of 60 years at the date of separation."

(15) Section 10 (c) of such act is amended by striking out "If an employee dies after completing at least 5 years of civilian service, or a Member dies after completing at least 5 years of Member service", and inserting in lieu thereof the following: "If an employee or a Member dies after completing at least 5 years of civilian service."

(16) Section 10 (d) is amended by striking out "If an employee dies after completing 5 years of civilian service or a Member dies after completing 5 years of Member service" and inserting in lieu thereof the following: "If an employee or a Member dies after completing at least 5 years of civilian service".

(17) Section 10 is amended by adding at the end thereof a new subsection as follows:

"(f) In case a Congressional employee eligible for annuity under section 9 (b), who is separated from service with title to a deferred annuity under this act after the date of enactment of this subsection, shall die before having established a valid claim for annuity and is survived by a wife or husband to whom married at date of separation, such surviving wife or husband (1) shall be paid an annuity equal to one-half of the deferred annuity of such employee beginning the first day of the month following the death of such employee and terminating upon the death or remarriage of such surviving wife or husband, or (2) may elect to receive a lump sum credit in lieu of annuity if such wife or husband is the person who would be entitled to the lump sum credit and files application therefor with the commission prior to the award of such annuity."

(b) The amendments made by this section shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this act.

Mr. WILLIAMS. Next, I ask unanimous consent to have printed in the RECORD an analysis of this bill, as prepared by the Civil Service Commission.

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

Present Civil Service Retirement Act compared with proposals contained in sec. 3 of H. R. 4640 as reported by the Senate Committee on Post Office and Civil Service (Rept. No. 1433)

Item	Regular employee	Congressional employee		Member	
		Present law	Proposed	Present law	Proposed
1. Rate of contributions.	6½ percent	6½ percent	7½ percent	7½ percent	Same as present law.
2. Minimum requirements for annuity title (including disability and survivor protection).	5 years' civilian service	5 years as Congressional employee. Last 11 months of service as Congressional employee. Retirement contributions for last 5 years of civilian service. If not qualified as Congressional employee, requirements are same as for regular employee.	5 years as Congressional employee or Member or combination. Last 11 months may be as congressional employee or Member or combination. 11 months' requirement waived in event of disability or death as Congressional employee or Member. Same as present law Same as present law	5 years' Member service Retirement contributions for last 5 years of Member service. If not qualified as Member, no annuity title based on separation from Member service.	5 years as Member or Congressional employee or combination. Retirement contributions for last 5 years of civilian service. If not qualified as Member, requirements are same as for regular employee.
3. Method of computing annuity.	1½ percent (or 1 percent plus $25) of high 5 average salary multiplied by 5 years of service; and 1¾ percent (or 1 percent plus $25) of high 5 average salary multiplied by years of service between 5 and 10; and 2 percent (or 1 percent plus $25) of high 5 average salary multiplied by years of service over 10. NOTE.—Bill would provide for employee with Member or Congressional employee service on or after enactment date and retirement contributions for last 5 years—2½ percent of high 5 average salary multiplied by years of Member or Congressional employee service and military service performed after beginning of and prior to end of Member or Congressional employee service; and 1½ percent, 1¾ percent, and 2 percent computation for all other service.	2½ percent of high 5 average salary multiplied by years of military and Congressional employee service not exceeding 15; and 1½ percent of high 5 average salary multiplied by years of other service not exceeding 5; and 1¾ percent of high 5 average salary multiplied by years of other service between 5 and 10; and 2 percent of high 5 average salary multiplied by years of other service over 10.	2½ percent of high 5 average salary multiplied by all years of service.	2½ percent of high 5 average salary multiplied by years of Member and creditable military service; and 2½ percent of high 5 average salary multiplied by years of Congressional employee service not exceeding 15; and 1½ percent of high 5 average salary multiplied by years of other service not exceeding 5; and 1¾ percent of high 5 average salary multiplied by years of other service between 5 and 10; and 2 percent of high 5 average salary multiplied by years of other service over 10.	2½ percent of high 5 average salary multiplied by all years of service.
4. Maximum annuity.	80 percent of high 5 average salary.	Same as regular employee	No maximum	80 percent of final salary	No maximum.
5. Eligibility for retirement.	Age 60: 30 years Age 62: 5 years Age 55: 30 years, reduced annuity. Age 50: 20 years (involuntary separation), reduced annuity. Any age: 25 years (involuntary separation), reduced annuity. Any age: 5 years (deferred annuity beginning at age 62).	Age 60: 30 years Age 62: 5 years Age 55: 30 years, reduced annuity. Age 50: 20 years (involuntary separation), reduced annuity. Any age: 25 years (involuntary separation), reduced annuity. Any age: 5 years (deferred annuity beginning at age 62).	Age 60: 10 years Age 62: 5 years Age 55: 30 years, full annuity. Age 50: 20 years (unless separated for cause), full annuity. Any age: 25 years (unless separated for cause), full annuity. Any age: 5 years (deferred annuity beginning at age 62). Any age: 10 years (deferred annuity beginning at age 60).	Age 60: 10 years Age 62: 5 years Age 55: 30 years, reduced annuity. Age 50: 20 years (involuntary separation), reduced annuity. Any age: 25 years (involuntary separation), reduced annuity. Any age: 5 years (deferred annuity beginning at age 62). Any age: 10 years (deferred annuity beginning at age 60).	Age 60: 10 years. Age 62: 5 years. Age 55: 30 years, full annuity. Age 50: 20 years (unless separated by expulsion), full annuity. Any age: 25 years (unless separated by expulsion), full annuity. Any age: 5 years (deferred annuity beginning at age 62). Any age: 10 years (deferred annuity beginning at age 60).
6. Reduction in annuity or nondisability retirement before age 60.	Annuity reduced by 1/12 percent for each of first 60 months under 60, and by 1/6 percent for each month under age 55.	Same as regular employee	No reduction	Same as regular employee	No reduction.
7. Death after separation with deferred annuity title.	Refund of retirement deductions with interest (no survivor protection).	Refund of retirement deductions with interest (no survivor protection).	Survivor annuity to widow or widower, or refund of retirement deductions with interest.	Survivor annuity to widow or widower, or refund of retirement deductions with interest.	Same as present law.

Mr. WILLIAMS. Next, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excerpt from today's Senate Calendar, as it appears on the desk of each Senator, with particular emphasis on Calendar No. 1459, which shows that the bill was reported on April 1, 1958.

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

1459	H. R. 4640	An act to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts.	Apr. 1, 1958.—Mr. Johnston of South Carolina, Committee on Post Office and Civil Service, with amendments. (Rept. 1433.)

Mr. WILLIAMS. Again I call attention to the fact that this bill was reported on the Senate calender 17 days before the senior Senator from South Carolina offered his first amendment, and that this was 14 days after I had registered objection. Unquestionably his intention was to squeeze the bill through the Senate unnoticed and with no changes.

Next, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter addressed to me dated May 6, 1958, and signed by Mr. Harris Ellsworth, chairman of the Civil Service Commission in which Mr. Ellsworth confirms the statement that the projected cost of the bill, if its benefits were to be extended to all civil service employees, would have been $830 million annually. That is exactly what I said in my remarks the other day.

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

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., May 9, 1958.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your letter of May 5, requesting information regarding H. R. 4640.

1. Assuming that the bill were extended to all employees under the Civil Service Retirement System:

(a) The additional annual income of the retirement fund would be about $200 million ($100 million from employees and $100 million from matching agency contributions), due to the increase in the deduction rate from 6½ percent to 7½ percent.

(b) The estimated total increase in retirement cost would be about 9⅓ percent of payroll, or $930 million annually. This includes the additional 1 percent to be paid by employees, so that the additional cost to the Federal Government—including the additional 1 percent to be paid by agencies—would be 8⅓ percent of payroll, or $830 million per year. The increase in the unfunded liability would be $8.5 billion. These cost percentages are, of course, not applicable to the bill as reported, with the liberalized benefits limited to legislative employees and Members of Congress.

(1) The increase in benefit payments during the first year would be materially less than the cost estimates given above. Initial increases in benefit payments resulting from liberalizations are no indications of true costs.

(c) The amendment intended to be proposed by Senator JOHNSTON, limiting annuities to 80 percent of average salary (80 percent of final salary for Members of Congress) would result in a material saving, but in the short time available we are unable to furnish a firm estimate of the amount. The maximum would affect all employees retiring with more than 32 years of service. In the fiscal year 1957, 32 percent of retiring employees were in this category. The experience in that year was undoubtedly high because of the enactment of Public Law 854, but even in a normal year the percentage of retiring employees with more than 32 years of service would be significant.

(d) The proposed amendment providing for the refund of deductions in respect to service in excess of that required to produce the maximum annuity would, of course, reduce the savings resulting from imposing the 80 percent maximum, but, again, we are unable to furnish a firm estimate.

2. Following are several examples of the effect of H. R. 4640:

(a) Member of Congress retiring January 2, 1959, with 12 years of Member service and 18 years of non-Member civilian service:

Annuity under present law, $12,922.

Annuity under H. R. 4640, $15,569.

(b) Employees separated at age 50 with 25 years of service and average salary of $10,000:

Type of computation and class of employee	Type of separation	
	Voluntary	Involuntary
Present law:		
Nonlegislative employee	[1] $4,625	$3,931
Legislative employee, with legislative service of:		
5 years	[1] 4,875	4,144
10 years	[1] 5,125	4,356
15–25 years	[1] 5,375	4,569
H. R. 4640	6,250	6,250

[1] Deferred annuities commencing at age 62; all other annuities commence at age 50.

(c) Employee retiring with 46 years of service; final salary $22,500; average salary $20,000:

Class of employee	Present law	H. R. 4640 formula	
		Without 80 percent maximum	With 80 percent maximum
Nonlegislative	$16,000	$23,000	[1] $16,000
Legislative	16,000	23,000	[1] 16,000
Members of Congress	18,000	23,000	[2] 18,000

[1] Deductions for last 14 years would be refunded.
[2] Deductions for last 10 years would be refunded.

3. Coverage under the civil-service retirement system in December 1957 was 2,097,000. This is about 90 percent of total paid civilian employment of the Federal Government (excluding postal Christmas assistants) in that month.

Sincerely yours,

HARRIS ELLSWORTH,
Chairman.

Mr. WILLIAMS. I read now from my remarks of May 6, found in the CONGRESSIONAL RECORD for May 6, 1958, beginning on page 8132, near the bottom of the third column:

I had no trouble obtaining from the Civil Service Commission an estimate of the cost of the bill if enacted. I asked Mr. Ellsworth, the Chairman of the Civil Service Commission, what the provisions of the bill would cost if the benefits which are proposed to be received by the Members of Congress and the legislative employees were extended to all civil-service employees and on the assumption of increasing for all the employee contribution rate to 7½ percent.

Under the bill the contributions made by all the legislative employees and by the Members of Congress are changed to the 7½ percent rate. If this same formula of benefits were to be extended to all civil service employees on the same basis as this bill proposes for Members of Congress and Congressional employees the cost to the Federal Government would be—according to the estimate which has been made by the Chairman of the Civil Service Commission—$830 million a year over and above the cost of the present civil service retirement system.

I now quote from the letter of May 6, 1958, from Chairman Ellsworth, of the Civil Service Commission, to me, in support of the statement which I made. The entire letter is incorporated in the RECORD. I shall read only an excerpt:

Assuming that the bill were extended to all employees under the Civil Service Retirement System:

* * * * *

(b) The estimated total increase in retirement cost would be about 9⅓ percent of payroll, or $930 million annually. This includes the additional 1 percent to be paid by employees, so that the additional cost to the Federal Government—including the additional 1 percent to be paid by agencies—would be 8⅓ percent of payroll, or $830 million per year. The increase in the unfunded liability would be $8.5 billion. These cost percentages are of course not applicable to the bill as reported, with the liberalized benefits limited to legislative employees and Members of Congress.

That is exactly what I said in my statement. The Commission projected the cost on the assumption that the benefits of the bill would be extended to all employees. Anyone who understands the English language could understand what I said upon that occasion. Not a single newspaper which reported my address made an error in that respect. There was no misunderstanding and the Senator from South Carolina knows that is true. I reiterate my willingness to yield to anyone who wishes to take exception to what I am saying.

The letter also cites several hypothetical cases showing how the formula works, and demonstrating the disparity of benefits for Members of Congress and Congressional employees, as compared with regular civil-service employees.

This letter contains a specific notation confirming my statement that under the terms of the bill as reported by the committee it would be possible for a Member of Congress to draw a pension in excess of his present salary.

I now reiterate my earlier statement, and one which has been most in controversy, to the effect that the bill is nothing less than a raid on the Federal Treasury for the benefit of Members of Congress and employees of Capitol Hill. It cannot be defended or justified. The bill would extend to certain Members of Congress, upon their retirement, pensions in excess of the salaries which they are now receiving. Does anyone wish me to yield at this time? I note the senior Senator from South Carolina is leaving the Senate Chamber.

I next ask unanimous consent to have printed in the RECORD at this point an

excerpt from the Congressional retirement law, found on page 8 of Public Law 854, 84th Congress, 2d session.

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

DEFINITIONS

SECTION 1. Wherever used in this act—

(a) The term "employee" shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this act applies.

(b) The term "Member" shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a member to whom this act applies.

(c) The term "Congressional employee" means an employee of the Senate or House of Representatives or of a committee of either House, an employee of a joint committee of the two Houses, an elected officer of the Senate or House of Representatives who is not a Member of either House, the Legislative Counsel of the Senate and the Legislative Counsel of the House of Representatives and the employees in their respective offices, an Official Reporter of Debates of the Senate and a person employed by the Official Reporter of Debates of the Senate in connection with the performance of their official duties, a member of the Capitol Police force, an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate, and an employee of a Member if such employee's compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.

Mr. WILLIAMS. For the information of the Senate, I read paragraph (c) which indicates the type of employees covered by the terms of the bill. They are not necessarily limited to the clerical help in our offices, or to Members of Congress, but include other types of employees at the Capitol·

(c) The term "Congressional employee" means an employee of the Senate or House of Representatives or of a committee of either House, an employee of a joint committee of the two Houses, an elected officer of the Senate or House of Representatives who is not a Member of either House, the Legislative Counsel of the Senate and the Legislative Counsel of the House of Representatives and the employees in their respective offices, an Official Reporter of Debates of the Senate, and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, a member of the Capitol Police force, and employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate, and an employee of a Member if such employee's compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.

I note that my friend from South Carolina is not present. He was present when I began. If he wishes to take exception to what I am saying, it should be done at this time, because I intend to close this discussion once and for all. Now that we have effectively buried the bill, perhaps we can lay a wreath on its grave and let it rest in peace.

I repeat the specific statement which I have previously made, that under the terms of the bill as it was reported from the committee and as it stood on the Senate Calendar for 17 days without any amendments being suggested and for 14 days after I suggested that I would object to it, the bill would provide pension benefits for certain Members of Congress higher than their existing salaries.

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

Mr. WILLIAMS. I yield.

Mr. BUSH. I listened to the Senator's remarks yesterday, and also today, with a great deal of interest.

I certainly wish to commend the Senator wholeheartedly and to congratulate him upon the excellent work he has done in exposing the glaring and shocking weaknesses of the bill which, as he has said, was on the calendar for a long time. The Senator deserves the gratitude of all of us for giving us a lesson in how not to legislate. We are accustomed and should be able to rely on committee reports, and we should be able to assume that when a bill comes to the floor with the unanimous approval of a committee, or without opposition, that it has been carefully considered in committee and is worthy of the attention of the Senate. The bill, if it contained nothing more than some of the glaring errors which the Senator from Delaware has so ably pointed out, should never have come to the Senate calendar.

I congratulate the Senator upon his persistence in insisting on the correctness of his position. I believe every Member of the Senate who is interested in sound and decent legislation owes a debt of gratitude to the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from Connecticut.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MARTIN of Pennsylvania. All Americans should be grateful for a man like the distinguished Senator from Delaware. I came to the Senate at the same time Senator WILLIAMS became a Member. I have observed his work over the years. He has carefully scrutinized proposed legislation as it appeared on the floor. In addition to that, he has gone far beyond the line of duty in order to protect the decency and high standards that Americans should enjoy. If you were in the Army, my distinguished colleague, I feel that you would be decorated for performing duties beyond the line of duty. I wish to thank you, and I am mighty proud to have had my association with you in the Senate of the United States.

Mr. WILLIAMS. I appreciate very much the remarks of the Senater from Pennsylvania and hope I can prove worthy of his confidence.

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

Mr. WILLIAMS. I yield.

Mr. SCHOEPPEL. I wish to commend the Senator from Delaware for pointing out to the Senate these discrepancies in a measure which is on the calendar of the Senate and came up for consideration after the usual orderly procedure, but which apparently had not had the scrutiny and the combing which a bill of such magnitude should have had. I should like to ask the distinguished Senator from Delaware if the bill was reported unanimously by the committee.

Mr. WILLIAMS. It was the statement of the chairman of the committee that it had been reported unanimously. I have no reason to take exception to that statement of the chairman. It was reported, and no minority views were filed by the committee. Therefore I assume that his statement is correct.

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

Mr. WILLIAMS. I yield.

Mr. POTTER. I wish to commend the distinguished Senator from Delaware for bringing this issue to the attention of the Senate. Certainly at this time, when we have a great deal of unemployment in certain parts of the country, if this bill had been allowed to be passed in Congress, we would have had what might be called a "bundles for Congress" type of campaign.

We are grateful to the Senator from Delaware for bringing the matter to the attention of the Senate. He has given the Senate the integrity it should have. We can well imagine what would have been said around the country if the bill had been allowed to pass.

Mr. WILLIAMS. I thank the Senator. I might say that one of the most gratifying reactions I have had, after the bill was exposed, was the overwhelming support of the membership of the Senate on both sides of the aisle, as the Members of the Senate repudiated any such principles as were embraced in the bill. I was very much encouraged by that support, and I am glad that we have put the bill in its final resting place.

Mr. POTTER. The Senator has brought out the fact that this is not an antirecession bill.

Mr. WILLIAMS. The Senator is correct. I have always advocated a sound retirement system for Members of Congress and for all employees of Congress. However this proposed bill goes far afield, and if such benefits were extended to everyone in Government Service the cost would be $830 million annually. As the Chairman of the Civil Service Commission has pointed out, this extension would cost $830 million annually, and the taxpayers cannot stand that kind of expense. It is ridiculous.

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

Mr. WILLIAMS. I yield.

Mr. MONRONEY. I had the pleasure of working with the distinguished Senator from Delaware on a Congressional retirement bill which was passed several years ago. I should like to correct one statement for the RECORD. Not all the members of the Committee on Post Office and Civil Service were present at the committee meeting at which the bill was ordered reported. I am a member of the committee. In fact, I am the ranking majority member of the committee. Certainly I did not vote on the bill, because I was not present when it was ordered reported. In conjunction with the distinguished ranking Republican member, the Senator from Kansas (Mr. CARLSON), I indicated my objection to passage

of the bill by unanimous consent on the call of the calendar, so that it could be properly considered. I do not know how many members of the committee were present when the committee voted to report the bill, but I am sure that there were other members of the committee who were also absent. Unfortunately I was not able to be present, because I had to attend a meeting of the Committee on Interstate and Foreign Commerce, of which I am also a member, on the same day.

Mr. WILLIAMS. I thank the Senator from Oklahoma. I am glad to have his statement. I had unofficially understood that objections had been entered against the bill by both the Senator from Oklahoma and the Senator from Kansas [Mr. CARLSON]. However, in the absence of having that information confirmed and in view of the fact that the chairman of the committee stated the bill had been unanimously reported, I was not in a position to challenge his statement. I am glad the Senator has insisted on straightening out the RECORD in that regard, and I hope the Senator from South Carolina will note this exception, because I believe it should be clear in the RECORD that this bill was not reported and endorsed by the unanimous vote of the membership of the Committee on Post Office and Civil Service. It is well to have that fact established in the RECORD.

Mr. MONRONEY. I assure the Senator from Delaware that if the bill was discussed in committee, it was done when I was absent.

Mr. WILLIAMS. I had heard that unofficially, as I say, but not being a member of the committee I was not in a position to challenge the statement of the chairman of the committee when he said that all the members of the committee had agreed. I am glad the Senator from Oklahoma straightened out the RECORD in that regard. I remember that the Senator from Oklahoma took an active part in writing the original Retirement Act, and I congratulate him on the work he did and on his position through the years in doing his best in keeping the act sound.

Mr. MONRONEY. I believe it was the distinguished Senator from Delaware and I, with 2 or 3 other Members of the Senate who prevented service down town from being credited by Members of Congress and Congressional employees, when staff members were first admitted to participation in the Congressional retirement fund. It took us several days of fighting to do that, and I am sure the Senator remembers that it was done on the basis that it was not proper to count 30 years, say, in the civil service along with a few years in legislative service for retirement purposes on the basis of legislative employment.

Mr. WILLIAMS. The Senator is correct. I did join the Senator from Oklahoma and a few others in resisting that attempt at that time. I am glad to have his statement here today and to find that both of us are still in agreement on the need of preventing a raid on the retirement system.

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

Mr. WILLIAMS. I yield.

Mr. BUTLER. The Senator said, I believe, that under the bill an employee, on retirement, could receive more than he presently makes. How high does that percentage go, and was that fact admitted by the chairman of the Committee on Post Office and Civil Service at the time of the debate on the floor yesterday?

Mr. WILLIAMS. I will say that while it was not admitted by the chairman of the committee, it is a fact and it was confirmed by the Chairman of the Civil Service Commission, and admitted by every one else in the Senate. Anyone who analyzes the bill will come to the same conclusion, including the senior Senator from South Carolina.

No one will now dispute that under the proposed bill in certain cases a man could retire with more pension than he now gets in salary. Of course that does not apply to every Member of Congress who retires, but only to those who have the requisite number of years of service. But there are Members of Congress who could get more than they receive in salary if this bill were enacted as reported by the committee. I know of one instance in which the pension of a Member would be 117½ percent over the existing salary. In another instance it would be 115 percent. In still another instance it would be 112½ percent. Without any fear of being contradicted, I say again that if the bill were enacted as reported by the committee, and as it remained on the Senate Calendar for 17 days without any of the sponsors proposing to modify it, and as it remained on the Senate Calendar for 14 days after the Senator from Oklahoma and others had said they were going to object to it, the bill did carry a provision which would have allowed that to be done.

Mr. BUTLER. I think that all thoughtful Senators would condemn that type of legislation.

Mr. WILLIAMS. I am confident that they do. The best evidence of that is that once it was exposed the bill died.

Mr. BUTLER. I served on the committee of conference with the distinguished Senator from Oklahoma [Mr. MONRONEY] 2 or 3 years ago, when the most recent amendment to the Congressional pension plan was before Congress. In the conference, I think we arrived at a sane, sensible retirement program for the Senate. Certainly, there were no such bugs in that bill as appeared in this one.

I congratulate the Senator from Delaware for calling this matter to the attention of the Senate. I hope the bill will be defeated, as the Senator says it has already been.

Mr. WILLIAMS. I thank the Senator from Maryland.

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

Mr. WILLIAMS. I yield.

Mr. MUNDT. I associate myself with Senators on both sides of the aisle in congratulating the Senator from Delaware, who has once again amply demonstrated that he has well earned the identification of watchdog of the public purse. I have observed his activities in the Senate across the years as, with his strict conscience and his sharp pencil, he has saved the taxpayers untold millions of dollars.

Certainly, we who do not serve on the Committee on Post Office and Civil Service owe the Senator from Delaware a great debt of gratitude for his penetrating capacity to find these flaws and to expose them.

I am convinced that the bill in question has been permanently laid to rest because of the very constructive efforts of the Senator from Delaware.

Mr. WILLIAMS. I thank the Senator from South Dakota.

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

Mr. WILLIAMS. I yield.

Mr. MONRONEY. Together with the distinguished Senator from Delaware and other Senators who have watched the progress of the Congressional retirement plan, I had occasion about a month ago to check with the Civil Service Commission concerning this program as it affects Members of Congress. The retirement plan was hailed as a bonanza for Members of Congress at the time it was passed. At one time, when it had been passed without adequate discussion, it was repealed, after the Bundles for Congress campaign. Later, after thorough public discussion, it was included in the legislation for the reorganization of Congress.

We have asked the Civil Service Commission that a separate accounting be kept for Members of Congress, so that we will know how the fund stands. I am happy to advise the Senator from Delaware that because of his vigilance and his insistence that additional payments be made into the fund, after 12 years' experience under the plan, a million dollars more has now been paid into the fund than has been withdrawn.

During the 12 years of the fund's existence, there have been several violent changes of party majorities in both the Senate and the House. Nevertheless, an adequate amount remains in the fund. If the amount were calculated on an actuarial basis, with the consideration that the fund might some day be liquidated, with all benefits being paid out and without anything coming in, then the amount remaining would not properly be called a surplus. But we are keeping it on a cost basis with respect to what is coming in and what is being paid out.

As I have said, during 12 years, with several violent upturns which caused many Members to leave Congress, there will be a million dollars more paid in than has been withdrawn.

It appears that the amount in the fund has reached a rather stable condition, because the amount has remained approximately the same for the past several years which I have checked.

Mr. WILLIAMS. That is correct. That is why we must watch new proposals carefully. The fund must be kept solvent and kept at some degree where the benefits will be in line with the amounts contributed.

Mr. President, I ask unanimous consent to have printed at this point in the

RECORD an editorial entitled "More 'Bundles' for Congress?" published in the Washington Daily News of May 9, 1958.

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

[From the Washington Daily News of May 9, 1958]

MORE "BUNDLES" FOR CONGRESS?

Back in 1941 Congress slipped through a bill to give itself pensions. The result was one of the most dramatic, and effective, demonstrations of public sarcasm we can remember.

Thousands of taxpayers joined the "bundles for Congress" campaign, and the bill's sponsor said he was deluged with "crutches, old shoes, old pants, and dirty letters."

The Senate Post Office and Civil Service Committee has just stumbled in a bid for similar public uprising. Eagle-eyed Senator JOHN J. WILLIAMS, Republican, of Delaware, caught and blocked a bill to give Congressmen and their employees a whopping increase in pensions.

He called it a "Congressional gravy train"; said that if the same formula were applied to all Government employees it would cost the taxpayers $830 million a year.

We have no objection to pensions; we like them—provided, of course, everybody understands how much they will cost and is willing to shell out to pay for them.

But this bill was reported from the Post Office and Civil Service Committee, Senator WILLIAMS said, without hearings at all. Furthermore, there was no attempt to find out what it would cost. Senator OLIN D. JOHNSTON, of South Carolina, chairman of the committee, said it was reported unanimously.

Senator JOHNSTON is the same man who held hearings and hearings and hearings on the bill to get the Post Office out of the red, and who still is the main barrier to enactment of that measure.

Mr. WILLIAMS. Mr. President, if no other Senator wishes me to yield on this particular matter or to raise any questions about my analysis of this bill, I yield the floor.

Mr. KNOWLAND. Mr. President, I join with my colleagues in complimenting the senior Senator from Delaware. I may say, based upon my 13 years as a Senator, that he is one of the most valued Members of the Senate. This is but one of a large number of instances when he has shown his diligence as a legislator and his capacity to protect the public interest.

I know that not only Senators on both sides of the aisle, but also, I am certain, the people of the United States, who realize the importance of careful scrutiny of proposed legislation, will feel that they owe a debt of gratitude to the senior Senator from Delaware.

Mr. CARLSON. Mr. President, I have been off the floor, attending a committee meeting, and did not hear the Senator from Delaware speak. I have noticed from the colloquy and the speeches which have been made on this subject on the last 2 or 3 occasions that my name has been mentioned and my opposition to it has been expressed.

I wish to make it clear that I did express my objection to the minority leadership as soon as the bill was reported, because I thought there were some provisions in the bill which should be studied further and clarified before the Senate took final action. I asked the minority leadership to withhold action on the bill until that study had been made.

Last week I told the majority leader that I had made a study of the bill, and that there were parts of it which I thought should receive further study, and I urged that the bill not be taken up for consideration by the Senate until the subject had been studied further.

What has now taken place demonstrates the inadvisability of amending a bill of this type or trying to rewrite it on the floor of the Senate.

I simply wanted the RECORD to show that I objected to the consideration of the bill until after it had been studied further by the committee or had been amended.

ATTACKS ON VICE PRESIDENT NIXON AND PARTY IN SOUTH AMERICA

Mr. KNOWLAND. Mr. President, the American people, including Members of Congress, have been deeply shocked by the treatment accorded the Vice President of the United States, his wife, and the members of his party who are in South America at the invitation of the governments of the several nations which he has visited.

That these attacks and demonstrations may be, and probably are, Communist-instigated attacks does not relieve the people or their governments of their share of the responsibility for this ungracious and un-Latin type of conduct.

The citizens of this Nation and the people of Latin American nations to the south have had friendly and historic ties. The people of Spanish and Latin descent are hospitable by nature and have a high regard for the host-guest relationship. It is up to those people and their governments to show that the action of mob-rule and violence is not what they want the world to envision in picturing conditions in some of our neighboring countries in South America.

I hope the people of South America and their governments will recognize what a damaging effect such conduct could have upon what have been most pleasant relationships over the years.

It is not only that such treatment has been accorded to the Vice President of the United States, who holds the second highest office in our land; it is conduct which we would not expect to have directed against any other American public official or citizen, or a citizen of any other land or any other government who might be visiting nations under conditions similar to those where they are present as guests of the Government.

Mr. MANSFIELD. Mr. President, I, too, have been shocked at the treatment accorded the Vice President of the United States in his goodwill tour through South America. It appears to me that what is developing is the result of a well-thought-out pattern of events which started in Montevideo and spread from there to Buenos Aires, then up into Lima, Peru, and now into the region of Caracas, Venezuela.

I note that in the last several days there have been no demonstrations of any consequence in Quito or Bogotá. No doubt that is because of the fact that the authorities in those areas have the situation well in hand.

In my opinion there is no doubt that there is Communist inspiration behind this well-developed pattern. But I do not believe that is the entire answer to what has been happening in that part of the world. Neither do I think that one of the reasons for this state of uneasiness and for these shameful incidents is American trade policy. But I believe that perhaps in addition to this well-developed pattern, there may be in Latin America a certain amount of uneasiness over the fact that all too often we, as a nation and as a people, take the Latin American countries for granted; and over the fact that they have not been given the recognition they think they deserve, in relation to the recognition given to other areas of the world; and perhaps because they do not believe they have been receiving enough in the way of assistance and understanding of their difficulties, which they regard as important as the problems which other areas face.

I do not look upon the attack upon Vice President NIXON, Mrs. Nixon, and the members of their official party as a personal attack upon any of them. Instead, I regard it as an attack upon the office of the Vice President of the United States and, therefore, an attack upon the Government and the people of the United States.

I hope that out of these difficulties, out of these shameful and shocking incidents, there will come, in the long run, a better understanding and a better feeling of interdependence among the nations of this hemisphere. I hope also that in the field of foreign relations we shall again reassess and reevaluate our policy toward our Latin American neighbors.

As the distinguished minority leader, the senior Senator from California [Mr. KNOWLAND], has stated, there is a basis, over a long period of time, for friendship between our peoples. There is, however, a need for a better understanding and a recognition of the fact that these peoples have complaints which we should recognize, and that we, in turn, have aspirations of an altruistic nature which they, in turn, should recognize.

I am mortified, shocked, and saddened by what has happened.

I express the hope that out of these incidents a better feeling will be developed among the peoples of the Western Hemisphere.

I do not blame the governments or the peoples for what has happened; but I do blame small minority groups who have besmirched the good names of their countries, and have taken upon themselves an odium which will be hard to remove or overcome.

I hope that once again there will emerge, out of this difficult, delicate, and dangerous situation, out of these incidents which no one can condone, a feeling of good neighborliness, better understanding, and mutual interdependence.

Mr. CAPEHART. Mr. President, I believe that the so-called incidents in

Lima, Peru, and Caracas, Venezuela, were caused by minority groups of a very minority party attacking the Vice President of the United States. Regrettable and unfortunate as such incidents are, I think they prove the extremes to which the radicals and commies will go in an effort to embarrass the United States.

I wish to caution the people of the United States against doing anything to interfere with good relations between our people and the people of Latin America, or harboring any unfriendly feelings toward the great majority of the people of Latin America. I have been in every Latin American country. I know the officials of almost all those countries, and I know the feeling and regard they have for the United States.

My best judgment is that the incidents down there were caused by a highly organized small minority, and that the better class of people, the more intelligent people, the thinking people, and the governmental officials had nothing to do with them. I believe they regret the incidents as much as we do.

I hope we shall not do anything which will interfere with the cooperation between the United States and the Latin American countries. We need their cooperation, and they need our cooperation. For us to become excited and say and do things which might cause a split between the United States and Latin American countries would, in my opinion, be wrong. I urge that we look upon these incidents, regrettable though they may be, as purely incidents, caused by a very small minority of irresponsible people. I believe that their actions were in no way sponsored by the thinking people or the governments of those countries.

Mr. MORSE. Mr. President, I should like to join with the Senator from California [Mr. KNOWLAND] and the Senator from Montana [Mr. MANSFIELD], who spoke earlier, and comment with regard to the kind of reception which the Vice President of the United States received today in Venezuela.

I make this statement as the chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations. I associate myself with the remarks of the Senator from California, the Senator from Montana, both of whom are Members of the Committee on Foreign Relations.

While not a political supporter of the Vice President of the United States in American politics, I am a supporter of the Vice President whenever he appears in behalf of our country anywhere in the world, in carrying out the mission associated with his office as Vice President.

I am personally pleased with the poise and good judgment the Vice President has displayed under very difficult circumstances in some Latin American countries in face of some of the inexcusable affronts which have been committed on him and Mrs. Nixon. We do not know yet, as the Washington Star says in its editorial tonight, what the facts are.

But as Chairman of the Subcommittee on Latin American Affairs, I want the RECORD to show that upon the return of the Vice President I shall have a meeting of that subcommittee, to which I shall invite the officials of the State Department who are connected with the Latin American desks to discuss some of the matters with me and with the other members of the committee.

I shall not, of course, request the Vice President to make any statement to our committee; but I want the Vice President to know that we will welcome any information he might care to offer us voluntarily.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial entitled "Latin Lesson," published in the Washington Evening Star for today, May 13.

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

[From the Washington Evening Star of May 13, 1958]

LATIN LESSON

The Vice President's Latin American tour is beginning to look something like a goodwill mission. Generally friendly crowds awaited him in Ecuador and Colombia—in notable contrast to the rock-throwing mob in Lima, Peru.

Still, there remains the question as to what interpretation should be put on the hostility, in greater or lesser degree, which Mr. NIXON has encountered wherever he has gone. There is no reason to doubt that much of the trouble has been fomented by the Communists. But this can hardly be the whole explanation. For the Communists could not have stirred up so much trouble unless they had a smoldering anti-American sentiment to play upon. Thus, we must consider the reasons for this anti-Americanism and also what should be done about it.

The final decision will have to await Mr. NIXON's return and his own report. Meanwhile, there are two extremes to be avoided. Senator COOPER says the demonstrations against Mr. NIXON point up the imperative necessity of passing the Reciprocal Trade Agreements Act without all the proposed restrictions. But Senator AIKEN thinks that Congress, resenting the affronts to the Vice President, may impose even more severe restrictions.

We doubt the wisdom of either of these approaches. Our Latin American neighbors have serious economic problems. For the most part, however, these problems are of their making, not ours. And any reshaping of American economic policy can have at best a limited influence on Latin American difficulties. If the United States has not given sufficient thought and attention to our relations with Latin America, this can and should be corrected. But we cannot buy the good will of our southern neighbors with trade policies overweighted in their favor, and we certainly should not attempt to use trade as an instrument of punishment because we resent the treatment accorded Mr. NIXON. The lesson to be learned from Mr. NIXON's journey is that our relations with the Latin American countries require a new look—but a new look that is not colored by our own emotional reaction to public demonstrations, friendly or otherwise. The controlling factor should be a careful reappraisal of all the facts.

Mr. MORSE. Mr. President, for several years I have said on the floor of the Senate, as chairman of the Subcommittee on Latin American Affairs, that we need to keep our eyes on freedom in South America, because in many parts of South America freedom is not doing well. I think the demonstrations which have occurred in connection with Vice President NIXON's visit to South America are but another indication that there is a great need for improved relations between the United States and South America.

We need to make it perfectly clear that the support we have given to dictators in Cuba, the Dominican Republic, and elsewhere in Latin America are out of line with our policies of supporting true democracy and the principles of personal liberty and freedom; we need to make it clear that support of some dictators in South America is not a true representation of our dedication to the principles of democracy and freedom. I have suggested on more than one occasion that support of these dictators would lead us into trouble.

I agree with the Senator from Montana that the full explanation of the unfortunate affronts and demonstrations, not only to the Vice President personally, but to the Vice President as the symbol of America, cannot be explained entirely on the basis of Communist mobs, although undoubtedly the Communists are making political hay out of what they consider to be an opportunity to demonstrate anti-American feeling.

But I think, as a colleague of mine said a few minutes ago, that a considerable amount of good will come out of this visit. One of the good things which I think will result is that it may cause the United States Senate to pay greater heed now to a reevaluation of some of our foreign policies in South America, particularly in connection with the proposed foreign-aid legislation which will soon be before us.

As a member of the Committee on Foreign Relations, I may say that there is nothing about the demonstrations which leads me to believe that we would be justified in taking so-called legislative disciplinary action concerning South America. To the contrary, it demonstrates the need of turning the other cheek in the field of foreign policy. It seems to me that we now have great educational work to do in the South American republics.

I stress again that I think we need to emphasize more aid which will build up the economic productive power of those nations, rather than aid in the form of so-called military assistance.

Lastly, so far as I am concerned as chairman of the subcommittee, I think we need to learn from the State Department why, apparently, our intelligence was not better, because this morning we read in the newspapers that one of our Secret Service officials forewarned that possibly there would be a very serious demonstration in Venezuela. If there was any basis for advance knowledge that the demonstration would occur, I believe that not only the Vice President and his wife, as individuals, but also the position of the Vice Presidency of the United States should have been saved this effrontery.

I am sure I bespeak the views of our friends in Latin America, and also the views of all of us, when I say to our Latin American friends, "You will be welcome in the United States. Any official of any Latin American country will be welcome here; and we shall welcome

the opportunity to extend to you the hospitality, the courtesy, and the good neighborliness which we always extend to visiting dignitaries from Latin American countries or from any other nations. We hope you will give us that opportunity frequently, because through such opportunities we may be able to demonstrate as clearly as in any other way what we think is the essence of a good-neighbor policy."

Mr. President, I close by saying that I hope that at the committee hearing which I shall call the State Department will be able to clarify the situation a little, because—speaking now only for myself—I believe it is a sad thing that the Vice President of the United States has been put in such a position. It is particularly sad if intelligence work had indicated in advance that he might be subjected to these effronteries if he made the good-will tour, because although I believe he has displayed courage and good manners throughout the tour, nevertheless I have no doubt that Communist forces will make propaganda "hay" out of it.

Mr. BRIDGES. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. BRIDGES. Mr. President, I am glad that the distinguished Senator from Oregon has made these remarks today.

I believe it is very sad that these incidents have occurred. I believe they are disgraceful, unfortunate, and shocking. They certainly cannot be dismissed as incidental expressions of Communist attitude, because what has happened runs far deeper than that.

I disagree with the Senator from Oregon only when he says—as I understood him to state—that our policy should be one of "turning the other cheek." I am not one of that variety; I do not believe in turning the other cheek in such a case.

When America and her representatives have been strong, we have won for the rest of the free world and for ourselves. On the other hand, when we have vacillated or when we have been weak, we have lost.

When a point is reached where the Vice President of the United States is forced to barricade himself in a United States Embassy in a foreign country, with throngs and crowds and mobs outside, I believe that is a disgraceful situation; and I believe we should hold someone to account. I do not favor turning the other cheek.

Mr. MORSE. Mr. President, let me say to the able Senator from New Hampshire that if he and I were to hold a further discussion about what I mean when I refer to "turning the other cheek," I would be very much surprised if I should find that he would disagree in the slightest with what I have in mind. A fairly good moral principle is embodied in the statement I have just made. I do not mean that we should run away from reality. By "turning the other cheek," I mean that now we have a greater duty to perform, in seeing to it that we aid the cause of freedom both in the United States and in the countries of Latin America, for we cannot afford to let that part of the world come under the domination of totalitarianism.

So when I refer to "turning the other cheek," I relate it, of course, to our foreign-aid program; and I mean that we should not let this incident cause us to fail to do everything we possibly can do to be of assistance to the countries of Latin America, so as to strengthen freedom, not weaken it. We should not seek to punish, but to find out the cause of this feeling and do what we can to remove it. That is what I mean when I refer to "turning the other cheek."

Mr. BRIDGES. Mr. President, with that explanation by the Senator from Oregon, I understand the statement he has made.

At this point I wish to state that I have a high opinion of the people of Venezuela and of the people of all the other countries of Latin America; and I wish to see the relationships between the people of those countries and the people of the United States strengthened.

On the other hand, we cannot ignore situations such as the one which developed today.

Mr. SMATHERS. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. SMATHERS. Mr. President, I did not hear the beginning of the debate on this matter, because at that time I was out of the Chamber. A newspaper reporter had asked me whether I had read the press dispatches to the effect that a company of Marines and undoubtedly some paratroopers had been dispatched to certain areas of the Caribbean, to protect the Vice President, if necessary; and the press wished to know what my comments on that matter would be.

I should like to join my very able colleague, the Senator from Oregon, in saying that, of course, the incident which occurred in Caracas is most unfortunate. However, I should like to remind the Senate—although I do not like to take the position of saying "I told you so"—that for the past 8 years, approximately, I have been saying on this floor that the United States Government has not been paying sufficient attention to our neighbors to the south, but has been ignoring them both with respect to foreign-aid programs and with respect to certain parliamentary matters in connection with which they wish to be considered, along with ourselves. We have actually done very little with respect to the student-exchange program, insofar as the countries of Latin America are concerned, even though several bills to aid that program have been introduced in the Senate.

Of course, that does not excuse what has happened in Venezuela. But I would remind the Senate that, after all, the people of the countries of Latin America are still our very best friends and are still our very best customers.

From the sparse facts we have learned thus far, I cannot yet bring myself to believe that there has been any great uprising on the part of the Venezuelan people, or on the part of the people of Peru, or on the part of the people of Colombia, where there has been some demonstration against the Vice President. I believe that today those peoples are just as friendly and just as devoted to the United States as they ever have been.

Of course, it is true that there have been demonstrations by certain groups of students. But it is also true, as I stated on the floor of the Senate 6 weeks ago, that by some of the shortsighted trade policies in which we are beginning to indulge, and by failing to pay proper attention to the people of those countries, who have been our friends, we have made it easy for the Communists to go there and to influence some of the students, who naturally are young and impressionable; and thus they have been led to do things which of course offend the dignity of the people of the United States.

In this particular instance, I ask my colleagues not to judge harshly the people of Venezuela, any more than they would the people of Peru. Let us remember that these peoples have stood by us in two wars, and that they fight with us in the United Nations. Whenever a statement has been made against Communist influence, not only in this hemisphere, but anywhere else in the world, we have been able to count on the peoples of the countries of Latin America; and I have so stated again and again.

I believe that the worst thing we could do at this time would be to send marines there. Obviously such a move would play directly into the hands of the Communists, who then would say, "Once again we see Yankee demonstrations of dominion and imperialism." In that event, we would lose the benefit of even the small, and often futile, efforts we have made thus far.

Mr. BRIDGES. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. BRIDGES. When the Vice President of the United States visits those countries, does he not go there as a symbol of the United States? If the Government of Venezuela either cannot or does not protect him, but forces him to barricade himself in the United States Embassy, what would the Senator from Florida do? Would he close his eyes to that situation?

Mr. SMATHERS. No; of course not. But first let me say that I doubt very seriously that the Government of Venezuela cannot or will not protect the Vice President of the United States.

I have read with interest the dispatches regarding the trip the Vice President has been making. I believe he has demonstrated great courage under very trying circumstances.

However, in view of the facts which recently have developed, instead of sending in some of our marines—action which would spotlight this matter all over the world and would play directly into the hands of the Communists who make charges about imperialism—I believe it would be better for the Vice President to pack his suitcase and return home. However, I doubt that the situation will develop to that extent.

Let me say that I approve of everything the Vice President has done. Be-

fore he left Washington, to make the trip, I stated, in a speech to the Senate, that I was delighted that he was going to visit the countries of Latin America; and I congratulated him on his interest in those countries and their peoples, and said I thoroughly approved of what he was endeavoring to do in the course of the trip.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. KNOWLAND. The latest dispatch shows that the Government of Venezuela now has taken adequate steps and has posted what might be regarded as ample guards, as well as armored vehicles, outside the United States Embassy; and the mob, which earlier made demonstrations there, apparently has not enlarged, even though some of the earlier reports indicated that it was to be augmented.

If the later reports prove to be correct, the government of Venezuela apparently is taking steps to give all the protection it should give to a person who is a guest of the government of that country, and who went there at its invitation.

Mr. SMATHERS. Mr. President, I thank the able Senator from California.

I felt that when all the facts were known, we would find that very likely the situation was not as bad as it had been pictured as being, and that in a matter of hours the government of Venezuela would get control of the situation and would protect the Vice President of the United States.

In closing, I desire to thank the able Senator from Oregon [Mr. MORSE] for the statement he has made.

I invite the attention of my colleagues in the Senate to the fact that on tomorrow I shall occupy their time, although not for very long, to discuss once again the need for the development of a sensible, realistic program with respect to the countries and the peoples of Latin America. In the past we have not had such a program. Instead, we have ignored these peoples. I believe that in doing so, we have endangered the Western Hemisphere unity which is absolutely essential to all of us.

Mr. MORSE. Mr. President, I appreciate the contribution the Senator from Florida has made; and I desire to associate myself with his remarks.

Mr. CAPEHART. Earlier today, I spoke briefly on this subject. At this time I wish to say that I am very fond of the peoples of the countries of Latin America. I have spent a great deal of time there.

Regrettable though the recent incident is, I hope it will be the means of the development of a closer relationship between the people of the United States and the peoples of the Latin American countries.

In the world in which we live today it is so important that we have the cooperation and the good will of our Latin American neighbors. Likewise, they have to have our cooperation and good will. It is not a one-way street, by any means. We need their cooperation, and they need our cooperation.

As one who has studied the problem and has spent much time in Latin America, I think there is room for improvement in our relationships and in our attitude toward Latin American countries. We have got to look upon them as Americans, which they are. In my opinion, we have got to help them develop economically. We have got to consider them, more than we have ever before, as a part of ourselves, purely in our own self-interest, because it would be unthinkable to have the Russians in any way get a foothold in Latin America.

Regrettable as this incident is, I am hopeful that as a result of it we shall find ways and means, both in the Congress of the United States and in the administration, for the United States and Latin American countries to get closer.

As Senators who have served with me for 14 years know, I can get pretty hot under the collar quite fast, but I find it hard to stay angry more than 10 minutes. My reaction was, at first blush, that I did not like what happened; but I hope nothing will be done to upset the relationships of the United States and Latin America.

I am in favor, whenever it is necessary, of defending the Vice President. If it is necessary to go there and defend him, I am 100 percent for doing it. I do not mean I want to turn the other cheek. I am not talking from that standpoint. I am talking about our own self-interest.

Mr. BRIDGES. The Senator did not mean to indicate, when he said that at first blush he did not like it, that he likes it now, did he?

Mr. CAPEHART. No, I did not mean to say that at all. I said I regretted the incident. I think the Senator understood me. It is a terrible thing. I feel that way about. However, the thought I desire to leave with the Senate is that my best judgment is that the thinking people of Venezuela had nothing to do with it, that they regret it as much as we do, that the Government of the country regrets it as much as we do. There were 30,000 people, or whatever the number was, participating in a riot. In Latin America the people get angry quickly. They do have revolutions. I think it is just one of those things that happens. I wish it had not happened.

Mr. BRIDGES. I agree with the Senator in his expression of the hope that we shall have greater good will between the countries. I have the same high regard for the people of Latin America that he has.

Mr. CAPEHART. I know the Senator has.

Mr. BRIDGES. The point I was making was that what happened was a shocking and disgraceful incident.

Mr. CAPEHART. There is no question about that.

Mr. BRIDGES. When the Vice President of the United States, the symbol of America, is forced to go to the American Embassy and barricade himself from a howling mob outside the embassy, I for one am for protecting the dignity of the United States and protecting the representatives of the United States. So long as I am in the Senate, my voice will be raised in that direction. I am glad the incident has been discussed in the Senate, because it has enabled me to state how I feel about it.

Mr. CAPEHART. I do not think anyone would quarrel with anything the able Senator from New Hampshire has just stated. I do not quarrel with him on that point at all. I just wish to say I feel very, very deeply that we need the cooperation of Latin America and they need the cooperation of the United States.

Mr. BRIDGES. Mr. President, I look forward to better relationships and better and closer understandings and working arrangements between the people of the countries of Latin American and and the people of the United States, so that situations such as the one which occurred today will never again develop.

PROGRAM TO ALLEVIATE CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT

The Senate resumed the consideration of the bill (S. 3683) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. BUSH. Mr. President, I call up my amendment to S. 3683, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 8, line 6, it is proposed to strike out all after the word "another" through line 8, and to insert in lieu thereof a period.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. BUSH. Mr. President, in order that all Senators may have notice, I now ask that the yeas and nays be ordered on the question of agreeing to my amendment.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. MARTIN of Pennsylvania. Mr. President, today the Senate has before it a bill which on its face may be called an antirecession measure. At least, that is what a great number of chambers of commerce and individual working people throughout the country have been led to believe it is.

As a matter of fact, the idea of "area assistance" was conceived in an atmosphere different from the one we have today; and that proposal was intended to ferret out serious pockets of long-term unemployment due to economic shifts, and to stimulate new industrial development of a remedial nature.

Since the introduction of the original Douglas bill, S. 964, and the administration bill, S. 1433, which I introduced more than a year ago, what we sought to remedy with a program of "area assistance" has now merged into a more widespread problem of unemployment in numerous areas which are not normally "depressed" in any sense of the word.

Over the past several months, the Congress has enacted a number of bills designed to stimulate and expedite programs which will provide employment on a broad scale. Procurement has been stepped up; and we have thrown what amounts to emergency funds into housing, highway construction, Federal contracting, and public works. It will take time for these programs to be felt in terms of actual jobs, but the outlook today is at least more optimistic.

The Senate has also passed the Communities Facilities Act, Senate bill 3497, which proposes to throw about one billion, five hundred million dollars into a public-works type of program, to be administered by a superstructure within the Housing and Home Finance Agency. If that bill is enacted, it will make funds available for a wide variety of public works in the areas we seek also to improve by means of the pending measure.

Mr. President, in the economic situation which exists today, I do not believe we are justified in singling out special areas for preferential treatment or setting up criteria of percentages of "unemployment", when unemployment is extensive and is not confined to long-term trouble areas.

The State of Pennsylvania has suffered as much as has any other large industrial State from the problems which beset us today. We have continuing problems of industrial readjustment, and unemployment exists where it has never occurred before.

In looking at the tabulation on page 56 of the committee report on Senate bill 3683, I am aware that the trouble in certain areas in Pennsylvania is more acute than in any other State, with the possible exception of Kentucky. However, I would find it very difficult to vote to extend "area assistance", to, let us say, the Wilkes-Barre-Hazleton area in Pennsylvania, and to exclude Reading, Pittsburgh, and Philadelphia, simply because the latter did not fall within a specified figure.

Mr. President, the pending bill also seems to give "preferential" treatment to the Housing and Home Finance Agency.

In addition to the existing community-facilities program and the expanded program proposed under the Communities Facilities Act, Senate bill 3497, it is now proposed that there be a new Area Redevelopment Administration, as a constituent agency under Housing and Home Finance.

So far as I know, the Housing and Home Finance Agency has had no experience in the industrial field; and its designation in the pending bill completely ignores the existence of the area development program in the Department of Commerce, and the rural development program in the Department of Agriculture.

Senate bill 3683 appears to me not only to create a superstructure within the Housing and Home Finance Agency, but also to superimpose an additional loan and grant program upon those which already have been enacted.

Mr. President, I do not believe the pending bill would accomplish the purposes for which it is intended; and I will vote against it.

Mr. SYMINGTON. Mr. President, I believe S. 3683, the Area Redevelopment Act, is a sound approach to a serious problem.

There are people, American citizens, in many depressed areas who are experiencing serious economic conditions through no fault of their own.

In many cases they do not have the alternative of moving to some other more fortunate area. Nor can their homes, factory buildings, parks, and schools be moved.

This area redevelopment bill would attempt to protect these considerable investments, primarily through Government loans and Federal participation in assisting private banks to make loans.

Here is a real situation—all too real to those struggling to maintain a decent standard of living in economically blighted communities throughout the Nation.

There is, of course, an alternative to this bill—to do nothing to help these American communities. That, in brief, is what we have been doing—nothing.

Now we have before us, in the form of S. 3683, a practical means to do something constructive.

Perhaps the bill could be improved. As the minority of the committee pointed out, it does not help all the unfortunate communities in the country. But, in my judgment, that is no reason for ignoring the problem or criticizing the proposal before the Senate.

The bill has the following features which appeal to me particularly: (1) It helps both rural and industrial areas; (2) it is primarily a loan program, rather than a program of outright grants; (3) the community lending procedure is so safeguarded as to avoid competition with private banks; and (4) it is directed primarily toward revitalizing and modernizing private enterprise, rather than toward substituting Government business for private business.

I congratulate the senior Senator from Illinois [Mr. DOUGLAS] and the junior Senator from Maine [Mr. PAYNE] for having worked together so effectively in coming up with a constructive piece of legislation.

I hope the bill will pass the Senate with an overwhelming vote, for the benefit of American citizens in depressed American communities throughout the Nation.

Mr. McNAMARA. Mr. President, I speak in support of S. 3683, the area redevelopment bill.

This measure has come before us after thorough consideration in committee, in fact, in two committees.

The Committee on Labor and Public Welfare, which first had jurisdiction over the measure, spent considerable time on S. 2663, the predecessor of the current bill in the 84th Congress.

The pending bill, S. 3683, received extensive consideration by the Banking and Currency Committee. The printed copies of the hearings are proof of that.

I compliment my friend and colleague, the Senator from Illinois [Mr. DOUGLAS], for his untiring efforts in behalf of the area redevelopment bill. I have been pleased on both occasions to join him as a sponsor of the bill.

In speaking for this bill, Mr. President, I also speak for the Governor of Michigan, the Honorable G. Mennen Williams. In testimony before the Labor and Public Welfare Committee in the 84th Congress and the Banking and Currency Committee in the 85th, Governor Williams spoke eloquently in behalf of the basic goals of this legislation.

He agrees with me, I am sure, that it is in the best interest, not only of Michigan, but of the entire United States, to offer the assistance of the Federal Government to chronically depressed areas.

We have such areas in my State of Michigan that unhappily accept this title. Believe me, the people who live there certainly do not want their area to be called depressed. They get no pleasure from such recognition. And, Mr. President, they have tried every way they know to get rid of that tag—to restore prosperity to their areas, and to provide decent standards of living for themselves and their families. But try as they may, they too often are unsuccessful in their efforts—because of factors beyond their control.

That is why we need this bill that is now before us.

Today many of us may feel that just about the entire country is a depressed area, thanks to the recession that has left more than 5 million persons jobless. And many of us are working against considerable obstacles to use the power and the influence of the Federal Government to alleviate this tragic situation.

The biggest obstacle, regrettably, is a sense of complacency on the part of the administration, an administration which calls the current suffering a minor emergency.

The administration apparently feels that the recession cannot last forever. It probably is right. The recession may turn into a depression before it ends, and millions more may be thrown out of work, but it probably will end sometime.

But the point is, Mr. President, that even a return of general prosperity could well bypass certain areas of this country, as it has in the past. They have known the word "depression" and its terrible meaning far longer than the rest of the country.

The area redevelopment bill will be a step toward aiding these areas to recover and enjoy the prosperity to which they are entitled in a great and expanding economy.

I can understand some of the fears that have been voiced by opponents to this measure, but I cannot agree with them. I cannot possibly agree that providing this limited aid to economically depressed areas will in any way hinder the development of new industrial areas elsewhere.

This Nation did not achieve its greatness and its basic potential of unlimited prosperity by fighting over the crumbs of existing wealth. It achieved its greatness because of the inventiveness of the American mind and the toil of the American working men and women, and because we are always looking forward to the horizon.

America also became great, Mr. President, because of an increasing understanding that there can be no such thing as prosperity for me, but not for you. Such selfishness could destroy our country.

If we are to have a sound and expanding economy, and true prosperity, we must make the future of these less fortunate areas of the country the business of all of us.

In conclusion, Mr. President, I realize that honest men may differ over the technicalities of a measure of this nature, and they may differ over the degree of urgency. But I hope all of us will agree that the suffering of innocent people in such areas of chronic unemployment and underemployment is the business of everyone, if America is to grow.

Mr. KENNEDY. Mr. President, all of my colleagues know of my deep interest in the bill now before the Senate. Its major provisions have been under consideration for a long time—much too long a time. The Joint Economic Committee of the 84th Congress, the Committee on Labor and Public Welfare of the 84th Congress, both major political parties in their 1956 platforms, and the Committee on Banking and Currency of this Congress, have all endorsed the principles which this proposed legislation embodies. In fact, a substantially similar bill was passed by the Senate in 1956, but, unfortunately, the House was not able to act upon it before adjournment.

The hearings in both the 84th Congress and the 85th Congress have been thorough and informative. No one can hear or read the testimony without being convinced of the need for legislation such as this. It would seem to me that elementary logic and simple concern for human suffering demand the immediate passage of this bill.

Some criticism has been directed at the bill on the ground that a Federal program should not be directed at local areas. This is tantamount to saying that the Federal Government should ignore privation and hardship unless each of our 170 million citizens was directly afflicted. Indirectly, of course, we all suffer when any substantial part of the economy suffers. The automobile plants of Michigan are idled when the textile plants of Massachusetts must discharge workers. The copper mines of Arizona must reduce production if the coal miners in Pennsylvania do not have the money to buy durable goods. The airplane factories of California depend upon transportation demand in New York. Enlightened self-interest requires us to support this bill.

This is not a temporary solution to a temporary problem. It is a permanent recipe for relief of chronic unemployment wherever it may occur. It is a basic cornerstone in the structure of full employment for America. In many communities, such as Lawrence and Lowell and Fall River, in my own State of Massachusetts, and in many other cities in other States, local efforts have proved unequal to the task of redevelopment. It is both a Federal obligation and a Federal responsibility to assist those valiant efforts. This chronic unemployment is not a phenomenon of the present recession. Seven years ago this system of classification of labor areas according to the percentage of their work force which was unemployed was initiated. From the very beginning of that time both Lowell and Lawrence have been classified as labor-surplus areas. I am sure this same condition exists in many other localities in many other States. I select Lawrence and Lowell as illustrative because they happen to be two of the cities in Massachusetts which are regularly studied by the Department of Labor. In January 1956, when unemployment nationally was close to its lowest ebb, 12.3 percent of the Lawrence labor force was out of work. In January of this year 10.6 percent of its labor force was still unemployed. We cannot whistle at such grim statistics and hope that they will go away.

The unanimity of support which this bill has received from all over the country is a heartening acknowledgment that this problem transcends purely local solutions. No longer, I believe, do people regard chronic underemployment or unemployment in scattered communities as a purely local problem. It is of fundamental concern to every citizen in the country, whether he is one of those who is presently fortunate enough to live in an area which has not yet suffered the pangs of chronic unemployment or whether he lives in a community where full employment is but an infrequent interlude.

The principle of Federal responsibility for local problems is recognized by the Federal legislation dealing with social welfare. It is recognized by Federal support to reclamation projects in the West, by the Tennessee Valley Authority, and by the declaration by Congress in the Employment Act of 1946 that "it is the continuing policy and responsibility of the Federal Government to use all practicable means for the purpose of creating and maintaining conditions under which there will be afforded useful employment opportunities, including self-employment for those able, willing, and seeking to work and to promote maximum employment, production and purchasing power."

This responsibility is as old as the Federal Government. On December 5, 1791, Alexander Hamilton, the then Secretary of the Treasury, reported to the Congress upon the promotion of industry and manufactures. In the course of this historic report he stated:

> It is not uncommon to meet with an opinion that though the promoting of manufactures may be the interest of a part of the Union, it is contrary to that of another part. The northern and southern regions are sometimes represented as having adverse interests in this respect. Those are called manufacturing, these agricultural States and a species of opposition is imagined to subsist between the manufacturing and agricultural interests.
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> This idea of an opposition between those two interests is the common error of the early period of every country, but experience gradually dissipates it. Indeed, they are perceived so often to succor and befriend each other that they come at length to be considered as one.

What Alexander Hamilton predicted has, I believe, been fulfilled, and the common error of assuming that unemployment in one section of the country does not affect every other part of the country has been dissipated.

I think this is certainly recognized in the way the bill has been drafted.

I do not mean to imply that local communities should not help alleviate the unfortunate conditions in which they may find themselves. However, it is hardly necessary to urge the hard-hit community to continue to exert every effort to hold and foster business development. This bill will provide a measure of encouragement to them and will provide some funds for technical assistance in determining the aptitude of the distressed area. It will also assist the local government and local citizenry by providing for vocational training in such new skills as might be necessary and furnish modest subsistance payments while that learning is in progress.

I am proud that New England has always taken the lead in the organization of local area development authorities composed of private citizens and lending institutions dedicated to the proposition that it is good business to foster area redevelopment. The first such corporation was organized in Maine in 1949. As of the end of 1957 the six New England States with active development corporations had approved a total of 290 loans valued in excess of $20 million. It is interesting to note that only five loans totaling $68,000 have been defaulted. Although a development corporation need not, in theory, limit its activities to areas of chronic unemployment, it is good business to use the manpower and skills being wasted. A good many of these loans are, therefore, made to communities which are in the surplus labor category. For instance, one-quarter of the total volume of loans made by the Massachusetts Development Corp. have been given to New Bedford, Fall River, Lawrence, Lowell, Milford, and Southbridge. All of these have a continuing unemployment problem.

Local communities, however, have neither the resources nor the knowledge to do the job themselves. It is a nationwide problem and demands a nationwide solution. One of the most progressive cities in Massachusetts is Fall River, a city with over 100,000 people within its geographical limits and the center of a metropolitan district of perhaps 150,000 people. For reasons over which it has no control, it now is an area of substantial labor surplus. It can achieve a modest prosperity only if it can replace lost industries with either new industries or an expansion of present facilities. The citizens of Fall River have a development corporation in which 1,000 persons have bought stock at $5 per share. They have built a modern industrial building and loaned various sums both to industries already in the city and to industries desiring

to enter this market. This has, undoubtedly, helped them with their problem. In spite of this, in January 1958 one out of every eight persons in the labor force in that community was unemployed, and I understand that that figure is substantially higher today. This condition could have been alleviated somewhat if this bill had been in effect. By clearing up the Quequechan River supplying industrial water a substantial expansion in employment can be achieved.

I could go on and detail similar needs and similar frustrations for Fitchburg, Greenfield, Marlboro, Milford, Newburyport, North Adams, Pittsfield, Southbridge-Webster, Taunton, and Ware. All of these are areas of substantial labor surplus today. All of them must be helped to achieve the goal of full employment which we must all recognize as basic to our American way of life.

I urge the Senate to pass S. 3683, and I hope the House will follow suit very shortly, and that the administration will implement the legislation promptly thereafter.

I believe it is particularly necessary that this be done. Some of us who live in States where the communities have been chronically hard pressed have had their representatives come to us for assistance. We send those representatives to the various agencies of Government, yet they are sent back home with no assistance. I believe the program contemplated by the bill would really do something for those communities.

Mr. SALTONSTALL and Mr. KEFAUVER addressed the Chair.

The PRESIDING OFFICER. The senior Senator from Massachusetts is recognized.

Mr. SALTONSTALL. Mr. President, because there is a sharp division of thought within the Senate over the wisdom of passing the pending bill, S. 3683, known as the Area Redevelopment Act, I wish very briefly to set forth my reasons for opposing the bill. Its consideration raises philosophical issues, practical issues, and economic issues.

There are in this country a number of areas of chronic unemployment and industrial deterioration. These areas must be a matter of concern to all of us, for it is seemingly one of the paradoxes of our economic system that our Nation as a whole can enjoy, as for example it has in the past few years, unprecedented prosperity while certain areas suffer genuine depression. Yet to some degree this must be expected in an industrial economy as large and dynamic as ours, and one in which our scientific progress brings about desirable but sweeping changes in industrial production. A growing, dynamic economy must anticipate this as an inevitable consequence.

This is why the administration has established in the past few years a number of Federal programs designed to aid such chronically depressed communities. Technical assistance has been offered through the Office of Area Development, preferential Government procurement procedures have been used, the Small Business Administration has given priority to loan applications from these areas, the Agriculture Department has made certain surplus foods available, and certain tax amortization privileges have been granted. In many instances local enterprise with the aid of these programs has produced outstanding results.

But the bill which we are today considering launches the Federal Government into a brandnew, large-scale, area-relief program. Its purposes, objectives, and the means by which it is to be carried out are distinguishable from any previous Federal program. I believe that the bill is philosophically economically, and morally unjustifiable.

This bill seeks to distinguish between unemployed workers according to arbitrary geographical classifications. Only certain areas which meet certain standards would be eligible for whatever benefits might accrue under the legislation. The very ably expressed minority view published as part of the report on the bill refers to the fact that only one out of every eight persons unemployed in January 1958 would be covered by the bill; of our total labor force, only 7.2 percent live at the present time in those areas which by the terms of such an act would qualify as industrial-redevelopment areas.

In Massachusetts we have an extremely critical unemployment situation in one of our major industrial communities—North Adams. In February, 16.5 percent of the labor force was unemployed; and that figure has, I am sorry to say, risen in view of the recent textile-mill closings. Local officials estimate the figure now to be 22 percent. But North Adams would not qualify under this bill. Jasper, Ala., with less than 6-percent unemployment, would qualify, as would many other communities across the Nation with 6- or 7-percent unemployment. Lawrence, Mass, would qualify with 10.6-percent unemployment; New Bedford, Mass., with 10.7-percent unemployment would not.

But an even more fundamental objection to the bill is the vesting of authority in an administrative official to determine by rather vague and arbitrary standards which communities are to get what aid, and when.

I, for one, would find it difficult to explain to the workers of Newburyport or Taunton or Marlboro or Worcester why the Federal Government could not include them in this program when their neighbors in Lawrence were receiving aid. I would find it even harder to explain to them why their tax dollars were being used to help the industrial redevelopment of a neighboring community whose actual economic condition is perhaps less severe than theirs.

As a former governor and as a former city official in the Commonwealth of Massachusetts, I have a deep appreciation of the problems which local communities face with respect to industrial development. I am extremely sympathetic toward communities which through technological changes, foreign trade, or general economic conditions lose major industries which their communities have depended upon for many years. We have experienced in Massachusetts and in New England our share of industrial decline in many communities.

But we have in almost every instance met this adversity with imagination and industry. We have local industrial development commissions in almost every industrial center in the State. The story of Lawrence's industrial redevelopment has been given nationwide publicity. The city has earned the admiration of all for the manner in which it has shouldered its responsibilities and regained its industrial strength. In Lowell, Mass., the local officials and civic-minded citizens have worked together to restore thousands of jobs in diversified industries after textile mill closings brought about a severe depression. The city built and housed new plants and attracted new industry. Cities such as Quincy, Mass., have undertaken a number of ambitious civic projects which have kept the city strong, and I am pleased that Quincy is today among those areas not classified as labor surplus. Fall River as a civic project constructed a modern manufacturing plant and attracted an industry from outside to use it. Other communities in Massachusetts are taking equally imaginative and vigorous steps to aid their own local economies.

We must not discourage local and private enterprise. We must not force local communities to turn to the Federal Government for aid and to compete to meet some arbitrary standard in order to receive certain Federal benefits. We must not force them to compete for political favor with a Federal administrator or to seek the intervention of the Federal Government in their competition to attract particular new industries.

The Senate recently passed the community facilities bill, providing for loans to local communities at 3½ percent interest. Coincidentally, on the very day on which such a bill was passed, the State of Massachusetts completed one of the largest bond issues in its history of $90 million—at an interest rate of 2.9 percent.

The legislation, therefore, offers no advantage to many stricken communities which now have available to them financing at lower cost than is available through the Federal bill.

There has been much misunderstanding about this legislation. I have been urged to support it by well-meaning, conscientious persons who believe, probably from the bill's title, that it is to their advantage that the bill become law. But "area redevelopment" is but an empty title to the almost 4 million persons unemployed who happen to live in areas which could not qualify under the act. And it is a meaningless title to areas which now have available better financing on their own.

Of the 17 communities listed in Massachusetts as labor surplus areas, only two or three could qualify under the act. Yet, the whole State would be asked to support a portion of the direct grants provided by the bill and other costs of the bureaucracy needed to administer it.

We can do the job in Massachusetts more equitably, more efficiently, and more effectively.

Mr. KEFAUVER. Mr. President, I know of no better investment in America's future that can be made at this session of Congress than the passage of S. 3683, the bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in economically depressed areas.

We talk a great deal here in the Senate about the necessity of revitalizing the free world, and it is indeed an essential. In a time when we are being challenged all over the globe, and in outer space, too, by a differing economic creed, we ove it to ourselves and to the future to make it possible for all of our citizens to live and prosper under a free economic system.

Furthermore, we cannot afford a partially used economic system. We want our factories to be going full steam. We want our people to be given the opportunity of gainful employment. We want the full industrial might—indeed, the full industrial potential—of the United States to be fully utilized. We cannot afford pools of unemployment around the country.

I think that under the Area Redevelopment Act we have a means by which our full potential might be developed. The provisions of this bill represent the best judgment of a bipartisan majority of the committee on measures which should be adopted to solve the 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.

I am glad that the distinguished Senator from Illinois [Mr. DOUGLAS] and the junior Senator from Maine [Mr. PAYNE] have been diligent in bringing this measure up for consideration at this session of Congress. If it was desirable for the Senate to pass a substantially similar measure 2 years ago, certainly it is many times more desirable now.

In my visits around my own State of Tennessee and in letters and communications received in my office, I can assure you that I have been convinced of the necessity of a program such as that we are now considering.

Just today, I spoke before the Tennessee Municipal League. This is an organization composed of all the mayors of the State. They informed me that yesterday they adopted a resolution at their annual meeting now in progress in Nashville, on this very bill. I would like to read the resolution, which is brief.

Whereas the depressed condition of Tennessee and the Nation is causing chronic unemployment and the attendant and social economic ills resulting from overpopulation, particularly in the underdeveloped rural areas; and

Whereas the rate of economic growth in many areas of our Nation is totally inadequate because of lack of capital investment sources and is causing low standards of living and serious economic distress; and

Whereas the American economy is being outstripped in its rate of growth by the Communist system, primarily due to failure of investment to flow into industrial developments in many areas of the country: Now, therefore, be it

Resolved, That the Tennessee Municipal League in annual convention urgently petitions the Congress of the United States to enact S. 3683 in order that adequate industrial finances to support economic development may flow into underdeveloped communities with chronic unemployment.

Mr. President, a great need is a source of industrial loans, which will make it possible for the people all over our country—not just in New England, not just in the South—but all over the country where these pools of recession exist, to utilize to the full their great talent and energies and know-how for the good of the country as a whole.

As the report shows, some 38 counties in my State probably would be affected, as well as the city of Knoxville and the area of LaFollette, Jellico, and Tazewell.

We vitally need this bill.

I think S. 3683 outlines such a program.

Mr. SPARKMAN. Mr. President, I wish to speak very briefly on the bill now pending before the Senate. I hope it will soon be approved by the Senate without crippling amendments.

Several years ago I was chairman of a subcommittee of the Joint Economic Committee, making a study of low-income families throughout the United States. We made two different studies, one following the other, one having to do with low-income families generally throughout the United States, and the other having to do with low-income farm families.

At that time our subcommittee came forward with certain recommendations. Generally speaking, they were along the lines of the pending bill. They were the result of most careful study of the low-income areas of the United States. We found, as we all know, that low-income areas are not limited to any one particular section of the country. They are to be found in all sections of the country.

Two years ago, if I remember correctly, there was passed by the Senate a bill which, in general, was along the same lines as the bill now pending before us.

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

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. The rural redevelopment sections, both of the bill passed 2 years ago and the bill now before us, were modeled directly upon the results of the investigations made by the Senator from Alabama, as chairman of the subcommittee to which he has referred. That particular section of the pending bill has been based entirely upon the results of those investigations and upon the recommendations of the Senator's subcommittee. So in a real sense he is one of the fathers and authors of this measure.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Illinois. The Senator may recall that following the study which was made by my subcommittee I introduced an agricultural bill. One part of that bill was the proposal that we do something like this for a thousand of the lowest income rural counties in the United States.

That was never approved, but later the Committee on Agriculture and Forestry reported a bill which provided for the establishment of pilot counties for rural development programs. I believe those counties have been selected, in small number—probably 50 or so throughout the entire United States. The bill would establish a program involving 300 rural counties, consisting of the lowest income counties.

I earnestly hope that the bill may be enacted into law. Frankly, I hope that the administration of the law will be handled in such a way that it will not be limited to the establishment of industries for the purpose of providing part-time employment. I believe it would be a great mistake to overlook what can be done toward bringing relief and toward saving some of our smaller family-sized farms by extending technical assistance—and I understand that is provided for under the terms of the bill—through agencies already in existence, such as the Farmers' Home Administration, or the Farm Extension Service, or the Soil Conservation Service.

I know from personal observation and experience what that can mean to the small family-size farmer, namely, to have that type of assistance, which can be rendered under the pending bill. I compliment the Senator from Illinois.

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

Mr. SPARKMAN. I yield.

Mr. DWORSHAK. During the past several years, since the establishment of the Tennessee Valley Authority, we have received some very glowing reports about the effective work and the many benefits which have been derived from that program. On page 19 of the report, on map 2, showing counties with lowest farm incomes and levels of living, 1954, there is shown a concentration of States which are in the area embraced by the TVA. Is it true that TVA has accomplished a great deal?

Mr. SPARKMAN. Yes; that is true.

Mr. DWORSHAK. Are we to assume, from the concentration of economic distress in those areas, that much remains to be done?

Mr. SPARKMAN. That is correct.

Mr. DWORSHAK. Apparently TVA has not functioned as effectively as we have been led to believe.

Mr. SPARKMAN. It has done a wonderful job. A great deal needs to be done.

Mr. DWORSHAK. How many years has it been operating?

Mr. SPARKMAN. Twenty-five years next Sunday.

Mr. DWORSHAK. Five years?

Mr. SPARKMAN. Twenty-five years next Sunday. It has done a tremendous job.

Mr. DWORSHAK. Does not the Senator believe that much of the distress that is indicated in those areas should have been alleviated?

Mr. SPARKMAN. It has been greatly alleviated.

Mr. DWORSHAK. That has happened in a quarter of a century.

Mr. SPARKMAN. It has been greatly alleviated.

Mr. DWORSHAK. I am not critical of TVA when I ask these questions.

Mr. SPARKMAN. No.

Mr. DWORSHAK. However, it seems to me that as we expend these large sums of money, and since TVA has received overwhelming support from Congress through most of a quarter of a century, we are justified in expecting more outstanding results than are shown by the report.

Mr. SPARKMAN. It is good to have the remarks of the distinguished Senator from Idaho. I merely repeat that TVA has done a wonderful job. There has been considerable alleviation of the condition to which the Senator has referred. I am of the opinion that when the lowest income counties are listed, very few of them will be found actually to be in the TVA area. For example, in my State not a single county within the Tennessee Valley will be included among the low-income counties. A great many counties in the State as a whole below that area will be included.

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

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I am very glad that the Senator from Alabama, whose record in these matters is so excellent, has spoken on the rural aspects of the pending bill. I wonder whether the Senator from Alabama would not be as pleased, as I am, with the letter which I have received from Mr. Herschel D. Newsom, Master of the National Grange, and whether he would permit me to read it into the RECORD at this point.

Mr. SPARKMAN. I should be delighted to have the Senator do so, provided I do not lose my right to the floor.

Mr. DOUGLAS. The letter is addressed to me, and reads as follows:

NATIONAL GRANGE,
Washington, D. C., May 6, 1958.

The Honorable PAUL H. DOUGLAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR DOUGLAS: We are informed that S. 3683, the proposed Area Redevelopment Act to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, may be brought up for consideration on the floor of the Senate within the next few days. We in the grange regard this as extremely vital legislation to agriculture and we want you to know that we strongly support its enactment.

On Friday, May 2, I testified on behalf of the National Grange before the House Committee on Banking and Currency in favor of H. R. 6215, and S. 3683 and presented six basic reasons why we regard this legislation as critical. A copy of our statement before the House committee is attached.

Because there has been some disagreement with respect to the amount of money to be deposited in a revolving fund for making loans to projects in rural redevolpment areas, I take this occasion to state that we favor the $100 million authorization contained in S. 3683 in preference to the smaller figure contained in H. R. 6215.

This letter is to acquaint you with the Grange position on S. 3683 and to urge its enactment at the present session of Congress.

Respectfully yours,

HERSCHEL D. NEWSOM,
Master.

Mr. SPARKMAN. I am delighted that the Senator from Illinois has read that letter into the RECORD. I should like to suggest the possibility of inserting the statement of Mr. Newsom, the master of the Grange, at this point in the RECORD, because it is a very fine statement. It is rather brief, and I believe it would be helpful. I therefore ask unanimous consent that the statement of Mr. Newsom be printed in the RECORD at this point.

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

STATEMENT OF THE NATIONAL GRANGE BEFORE THE HOUSE COMMITTEE ON BANKING AND CURRENCY REGARDING H. R. 6215 AND OTHER BILLS PROVIDING FOR REDEVELOPMENT OF DEPRESSED AREAS, BY HERSCHEL D. NEWSOM, MASTER, MAY 2, 1958

The National Grange, a national organization of farm and rural families, appreciates this opportunity to express full support for the proposed legislation "to alleviate conditions of excessive unemployment and underemployment in depressed industrial and rural areas." We urgently recommend favorable action in general accord with the provisions of H. R. 6215 at this session of Congress.

The bills now being considered by your committee encompass improvement programs in both urban and rural areas of persistent economic distress. Even so, we take the position that this legislation is fundamental to lasting agricultural recovery and development in the United States. From the long-range standpoint, it could be the most important agricultural legislation of the 85th Congress.

There are at least six basic reasons why we in the Grange regard this legislation as critical, and why we so strongly urge its enactment:

1. It would strengthen the general economic health of the Nation by positive action to bolster employment and income in areas of persistent unemployment and underemployment.

2. It would provide an effective program for establishing new, off-the-farm jobs in rural areas that have been hurt for many years by chronic underemployment of the available manpower.

3. It would enhance and stabilize the purchasing power of industrial workers and other urban residents, in the affected areas, and thereby improve the market for farm products.

4. It would broaden the productive utilization of America's human resources and raise the level of living standards where the need is greatest.

5. It would relieve the problem of surplus agricultural production to the extent that currently underemployed farmers, now contributing to surplus production of some commodities, would be able to obtain full-time employment off the farm.

6. By relieving the political pressure generated by large numbers of underemployed farm families of excessively low income, it would help create the circumstances or atmosphere conducive to the enactment of truly constructive and effective farm programs for the Nation.

Our concern in the Grange for this problem of rural underemployment is not new. It is an increasingly serious problem that we have recognized for some time. At the annual meting of the National Grange last November, the delegate body adopted the following policy statement:

"Within the ranks of agriculture there are approximately a million families with an annual income of less than $1,000. Perhaps of even greater concern than substandard income, is the absence of practical prospects or opportunity for many of these families to improve their situation wholly within the field of agriculture.

"As a general statement, these families frequently have inadequate farming resources to provide full-time productive use of their labor under modern conditions.

"The fundamental remedy, we believe, is to expand employment opportunities in areas of chronic rural underemployment.

"We hold that where human dignity and a decent American standard of living are at stake, we cannot be satisfied with half measures. We believe these very low income rural families deserve a positive and realistic effort that will help them obtain respectable, useful employment—either part-time work to supplement farming operations, opportunity to move to areas needing additional farmers, or full-time off-the-farm employment for one or more members of the family.

"Accordingly, we favor expansion of existing rural development activities to include more attention by Government agencies to this problem; a central administration to give leadership to local, State, and National efforts in dealing with rural underemployment; and limited financial aid, primarily in the form of loans, to help in the location or expansion of industrial activities in areas of rural underemployment."

Off-the-farm employment is an increasingly important aspect in the economic life of America's farm families. In some instances, such off-the-farm employment provides a relatively small but extremely necessary supplement to farm income, and the farm itself continues to be the principal source of income.

In other and steadily increasing instances, off-the-farm employment is supplanting the farm as the chief source of income for the farm family.

The United States Department of Agriculture estimates that income from nonfarm sources is now the largest single source of earnings for farm people, and is currently amounting to more than $6 billion a year.

We must recognize not only the present but the potential value of off-the-farm employment for farm people. During the past two decades, major technological developments have produced changes of great magnitude in the pattern and practice of American agriculture.

The large-scale adoption of power machinery of all kinds, for example, has materially altered the farm labor situation. A single farmer using power machinery and other products of modern research can produce much more today than he could 25 years ago with animal power and a good deal of manual labor. He can handle the operations of a larger farm. As a matter of fact, the farmer in 1958 must utilize more acres more intensively than he did 25 years ago if he is to make efficient use of his machinery and his own ability and energy.

In response to this situation, American farms are increasing in size. The farmer with inadequate resources—either of land, capital, or any other essential—cannot compete successfully in either production or marketing with the farmer who does have adequate resources.

Of course, the farmer without enough capital and with less than an economic farming unit can hang on and survive, but it is a losing game and often a deplorable one. With shrinking income and declining opportunity, frustration is followed by discouragement. Under these circumstances, a man can lose ambition and incentive. Moreover, if he has spent all his adult life in farming, he is unprepared for any other occupation.

I am mindful, too, that the underemployed farmer or his son in Indiana or Georgia, for example, has little knowledge of employment opportunities in Cleveland or Atlanta. Even if he did, could he qualify for any but the more menial jobs in the city or the industrial plant?

There is another problem, too, for the family man who may want to make the

shift from farm to factory: How does he handle the everyday living expenses for himself and his family while he is in the process of making the shift?

To some of our very low-income farmers, I am sure the difficulties ahead seem insurmountable. They would like to stay on the farm, but they don't see how they can make a go of it. When they think of getting off the farm, they don't quite know how to look or where to go. So they stay put—using only by half their potential capabilities to produce and prosper.

It is important to note, also, that for reasons of geography and tradition, among others, some areas have experienced greater concentrations of underemployed farm families than others. The evidence has been effectively set forth in the 1955 study by the Joint Economic Committee, in the Department of Agriculture's report on Development of Agriculture's Human Resources, and in testimony before committees of Congress.

In a nutshell, the 1954 census of agriculture showed that there are 458 counties in the United States in which a third or more of the commercial farms provided an annual income, from product sales, of between $250 and $1,200. A majority of these counties are in the South, but the South has no monopoly on the problem.

The Department of Agriculture has reported that "in 1954, a year of record prosperity, about one-fourth of America's 5 million farm families earned $1,000 or less in total income."

The Department has also stated that "about 7 million people live in the Nation's 315 rural counties ranked lowest in farm income and levels of living. These counties are found in 16 States. They contain 20 percent or more of the people in six of these States."

H. R. 6215, as well as the bill recently introduced in the Senate—S. 3683—would provide a positive program designed to help remedy this situation.

There are differences in the several bills on this subject, but we in the grange have been pleased to note the widespread recognition of the problem, and the fact that members of both political parties seek legislation to deal with it.

In all of the bills we have examined, we have been impressed by the uniform decision to provide an Area Redevelopment Program that will proceed carefully and deliberately—in an effort to produce permanently beneficial results. We agree completely that the problem is not subject to swift or sweeping correction.

As I mentioned earlier, the Grange favors the establishment of a central administration to give leadership to local, State, and National efforts in dealing with the problems of economically depressed areas. We favor the establishment of an independent Area Redevelopment Administration, as provided in H. R. 6215. There would appear to be administrative advantages in such an organizational approach, especially since one of the basic jobs ahead is coordination of the efforts in this field of several existing agencies of government.

It would be improper to ask the Department of Agriculture to administer a program of this kind in urban areas, just as it would be improper for the Department of Commerce to administer the program in rural areas. The need is for an independent, conspicuous agency—not buried in any existing Department—that will keep the area redevelopment program conspicuously before the public so that it will not be neglected or permitted to fail.

As Americans, we have always prided ourselves on being generous. We are sharing our abundance and our skills with friendly peoples all around the world, for both practical and humanitarian reasons. We are providing practical aid to underdeveloped nations.

In the proposed Area Redevelopment Act we would be sharing our abundance and our skills with our own neighbors who happen to be in need. Persistent unemployment or underemployment, in areas marked by prolonged economic distress, can be overcome.

By use of Federal loans and grants, the provision of vocational training and retraining subsistence payments, material assistance in the establishment of job-creating business enterprises, and other actions provided in this legislation, the depressed areas of America can be truly redeveloped.

More important, a great many of our own people who have been trapped by circumstances, will be provided with new hope, and with new opportunities for full, rewarding employment.

We urge you to act favorably on H. R. 6215.

Mr. SPARKMAN. Mr. President, I certainly do not contend that the pending bill is perfect in all respects. However, I do believe it is a good bill. It aims in the right direction. I am glad to be a sponsor of it.

This is the third time this effort has been made on the floor of the Senate. I am sorry that the distinguished Senator from Wyoming [Mr. O'MAHONEY] is not in the Chamber at the present time, because, to the best of my recollection, he was the first one ever to bring this subject up on the floor of the Senate. If my memory serves me correctly, he offered an amendment to a pending bill during the Korean war. He was joined by me in offering an amendment to a bill pending at that time. The amendment would have carried out very largely the same objective which is sought to be carried out in the pending bill.

The Senate passed a similar measure 2 years ago. I certainly hope it will pass the pending bill. I believe a great deal of good can be accomplished if it does become law. I am glad to support the bill, and I am glad to be a sponsor of it. I commend the distinguished Senator from Illinois and the distinguished Senator from Maine [Mr. PAYNE] for the fine, persistent, and able effort they have given toward bringing the pending bill as far as it has come.

Mr. LAUSCHE. Mr. President, I shall not vote for the bill before the Senate because, first, it is my belief that in many instances the State governments are in a better financial position than the Federal Government to provide the aid intended.

Second, in many instances the causes which created the depressed areas cannot be eliminated by the pretended magical cure of supplying Federal money.

Third, there are States and areas into which industries will not move, or from which they are moving, not because of the absence of facilities, but because of excessive tax burdens and, in some instances, unhealthy governmental environment.

Fourth, it is wrong to use one taxpayer's money to finance projects which might become a bane to that very taxpayer in the future.

Fifth, the bill would create a new governmental operation, allegedly small, involving at present, as claimed by some persons, only the sum of $379,500,000, but which will grow interminably in size.

Sixth, present indications are that by the end of the fiscal year 1959, under the advocated program of more spending and less taxing, there will be a deficit of $15 billion for the year. When that occurs, the dollar, which now has a purchasing value of only 40 cents, will become still cheaper.

The Federal Government does not have a bottomless Treasury. The Government cannot attempt to cure all problems everywhere out of the Treasury, which must be supplied by the taxpayers.

I should like to vote for the bill on the basis of the support which is being given to it by some of my colleagues. But my conviction is deep that in the long run the bill would not help, but would hurt the country.

Mr. ERVIN. Mr. President, I should like to adopt as a statement of my own views the very fine statement which has been made by the able and distinguished junior Senator from Ohio [Mr. LAUSCHE].

In my judgment, if the pending bill should become law, it would initiate a new Federal program which ultimately would result in the expenditure of billions and billions of dollars out of the Federal Treasury, but with no corresponding good to the Nation.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BUSH]. On this question, the yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

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

The PRESIDING OFFICER. A quorum is present.

Mr. BUSH. Mr. President, I desire to discuss very briefly the pending amendment.

First, I call the attention of the Senate to page 7 of the bill, in line 20, section 6 (a), which relates to loans and participations. I shall read it, for it is brief:

The Commissioner is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project

within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use.

I ask my colleagues to listen closely to this language:

Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

Mr. President, my amendment simply strikes out those words after "another" in lines 6, 7, and 8 of page 8, so that, if my amendment as proposed is adopted, that section will end with this sentence:

Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another.

There is no qualifying language. There is no authority given to any Commissioner to decide what may constitute "substantial detriment" to the area or what can constitute "increasing unemployment." In other words, my amendment takes such discretion away from the Commissioner.

I do not believe any Commissioner should have that kind of authority. The bill would place on the Commissioner the duty of making a decision as to whether moving an industry from one area to another would result in substantial detriment to an area by resulting in increased unemployment.

What is substantial detriment. How is the Commissioner to decide what is substantial detriment? I defy any Commissioner to make such a decision with fairness, justice, and propriety. I do not think it would be possible for him to do so.

What my amendment proposes to do is to take such authority away from the Commissioner and simply prohibit financial assistance being extended for working capital or to assist establishments relocating from one area to another.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. The Senator from Connecticut has read the section accurately, but I think it is important to know the source of the language which we used in the bill, which is sponsored by 40 Senators.

I hold in my hand S. 2892, introduced on the 9th of January 1956 by 26 Members on the other side of the aisle, and I should like to read from lines 7 to 11, on page 9 of that bill. I ask Members of this body to compare the language which I now read with the language contained in the present bill, and which the Senator from Connecticut would like largely to strike:

Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

In other words, the Senator from Maine [Mr. PAYNE] and the rest of us adopted language in the bill which was identical to language contained in Senate bill 2892, sponsored by 26 Republicans, which language was carried over in Senate bill S. 1433, introduced on February 28, 1957.

Whose name was on the bill which was introduced by the Senator from New Jersey [Mr. SMITH]? His name was followed by the name of Mr. BRIDGES, of New Hampshire. Lo and behold, the name of Mr. BUSH, of Connecticut, was No. 3. He did not lead the list, but he was third on the list.

Mr. BUSH. Mr. President——

Mr. DOUGLAS. It is the language of the Senator from Connecticut which we adopted, and if it was good enough for the Senator from Connecticut, and if it was strong enough for the Senator from Connecticut, it was strong enough for us; so we are only taking over the language of the Senator from Connecticut.

Mr. PAYNE and Mr. BUSH addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield?

Mr. DOUGLAS. No. I think I have the floor, Mr. President. I shall yield the floor later.

The Senator from Connecticut reminds me of a figure in early Greek mythology, Cronus, who always used to devour his children. This is the baby the Senator from Connecticut now wishes to disavow, and disembowel in the process. We say if it was good enough for Senator BUSH in 1956, it is good enough for us today.

The Senator from Connecticut is extremely nice to me. We like him. We have great feeling for him. But I think it is well known he is an opponent of this bill, although he introduced a substantially similar bill 2 years ago. I suspect what the Senator is trying to do is so change the provision as to split away from us a large sectional group of votes that otherwise might be cast in favor of this bill.

So I think the Senator has a purpose somewhat different from the language which he uses. So I appeal from Senator BUSH of 1958 to Senator BUSH of 1956, and to the Republican language of both 1956 and 1957.

I now yield to the Senator from Maine.

Mr. PAYNE. I appreciate my colleague's yielding to me, because he has referred to two bills. One was the bill of January 9, 1956, which is a matter of record, and which had a large number of names on it. It contained that identical language.

The Senator further called attention to the fact that S. 1433, introduced on February 28, 1957, contained, on page 9, lines 12 to 17, the same identical language, and that bill was introduced by none other than the distinguished Senator from New Jersey [Mr. SMITH] in behalf of the administration.

So we have three instances in which the language appears to be consistent and fully satisfactory in doing the job we are setting out to do.

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

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. BUSH. Will the Senator yield to me?

Mr. DOUGLAS. I will yield in a moment. I merely wish to say that when the Senator from Maine [Mr. PAYNE] and I tried to draft this bill, we were so impressed by the language of the Senator from Connecticut and his colleagues that we adopted it. I hope that he will not now urge that this body take his child out of the bill.

I now yield to the Senator from Connecticut.

Mr. BUSH. I thank the Senator for yielding. I do not question his historic statements. It is well known that the names of Senators can be put on bills sent to the Senate by the administration without their knowing of every single word in the bill or perhaps fully understanding its meaning.

I ask the Senator from Illinois if he does not recall that the so-called "anti-pirating" language which he quoted was actually stricken from the 1956 bill on the floor of the Senate. I opposed striking the language out. So I think what the Senator has said is quite irrelevant. I am not in the least embarrassed by anything he has said. I think my position is very sound. I do not believe Senators wish to be parties to having legislation enacted which will take industry out of one State and put it in another, placing in the hands of the commissioner, whoever he may be, authority to decide what constitutes substantial detriment by increasing unemployment. I would take that responsibility from him and provide:

Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another.

I thank the Senator very much for his courtesy.

Mr. PAYNE. Mr. President, quite briefly, the language contained in the bill is identical to that which was submitted by the administration in its recommendations, and should be retained in the bill as is, if any Senator is interested in seeing the measure become law. If Senators want to cripple and defeat the measure they may vote for the amendment offered by the Senator from Connecticut. If Senators want to help the chronically distressed areas of this country, and want to see a start made toward putting an end to such situations, I ask them to vote against the amendment offered by the Senator from Connecticut.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missippippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from

Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I further announce that if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from California [Mr. KUCHEL] are absent on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from California [Mr. KUCHEL] and the Senator from North Dakota [Mr. YOUNG] would each vote "nay."

The result was announced—yeas 26, nays 59, as follows:

YEAS—26

Bennett	Dirksen	Lausche
Bricker	Dworshak	Martin, Iowa
Bridges	Frear	Martin, Pa.
Bush	Goldwater	Purtell
Butler	Hickenlooper	Saltonstall
Capehart	Holland	Schoeppel
Carlson	Hruska	Smith, N. J.
Cotton	Jenner	Williams
Curtis	Knowland	

NAYS—59

Aiken	Hoblitzell	Murray
Allott	Humphrey	Neuberger
Anderson	Ives	O'Mahoney
Barrett	Jackson	Payne
Beall	Javits	Potter
Byrd	Johnson, Tex.	Proxmire
Carroll	Johnston, S. C.	Revercomb
Case, N. J.	Kefauver	Robertson
Church	Kennedy	Russell
Clark	Kerr	Smathers
Cooper	Langer	Smith, Maine
Douglas	Magnuson	Sparkman
Ellender	Malone	Stennis
Ervin	Mansfield	Symington
Fulbright	McClellan	Talmadge
Gore	McNamara	Thurmond
Green	Monroney	Thye
Hayden	Morse	Watkins
Hennings	Morton	Yarborough
Hill	Mundt	

NOT VOTING—11

Bible	Flanders	Pastore
Case, S. Dak.	Jordan	Wiley
Chavez	Kuchel	Young
Eastland	Long	

So Mr. BUSH's amendment was rejected.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CLARK. I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. COTTON. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "5-12-58-A."

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. On page 7, line 18, it is proposed to strike out the period, insert a colon and the following:

Provided, That no area shall be designated as a "redevelopment area" in which, pursuant to State or local law or public policy, it is the practice of a tax authority to grant any exemption or immunity from the payment of any tax, or any reduction in the rate or amount of any tax paid, with respect to real property of any private person as an inducement to such person to engage in industrial or commercial activities within the territorial jurisdiction of such tax authority.

Mr. COTTON. Mr. President, I wish to modify my amendment, in the fourth line, after the word "law", by striking out the words "or public policy."

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

Mr. COTTON. Mr. President, I shall take not more than 5 minutes of the time of the Senate to explain my amendment, and I shall not delay the Senate by asking for a yea-and-nay vote.

The purpose of this amendment is perfectly clear and needs little explanation.

It would exclude from consideration as a redevelopment area any community in which local taxing authorities grant a tax exemption or tax reduction for the purpose of inducing new industry to enter the area.

I believe the amendment is desirable and necessary for several reasons:

First, one of the major purposes of the bill is to provide Federal credit to distressed areas to aid economic development. The Committee Report, on page 7, declared:

> One of the basic problems of distressed areas is to secure credit sufficient to activate the plans for economic redevelopment.

In general the bill is justified on the basis that distressed communities often lack resources to solve their own problem. I do not believe we should extend the bounty of Federal aid to areas which have willfully dissipated and scattered their resources by granting tax exemptions.

A scarcity of local resources available for redevelopment may well be the direct result of liberal tax exemptions granted as commercial or industrial inducements. The funds of the Federal taxpayers should not have to fill the void created by liberal local tax exemptions.

Second, there is a major element of unfair competition in the use of tax exemptions to entice new business concerns into a community.

This is what the Florida Supreme Court said in the case in which it declared unconstitutional the authorization of municipalities to issue industrial bonds:

> Every new business * * * which may be established in the municipality will be of some benefit to the municipality * * * but these considerations do not make the acquisition of land and the erection of buildings, for such purposes, a municipal purpose. * * * The financing of private enterprise by means of public funds is entirely foreign to a proper concept of our constitutional system. Experience has shown that such encroachments will lead inevitably to the ultimate destruction of the private enterprise system. *State* v. *Town of North Miami* (59 So. 2d 779, pp. 785, 787).

Mr. President, I hope the Senate will not approve this bill. In my opinion, it will lead to improper use of Federal funds and Federal power, but if we are to approve it we ought not, at the same time, to put the stamp of approval of dangerous practices on the State and local level.

Why should the taxpayers of this Nation—and that means the taxpayers of New Hampshire, and New York, Massachusetts, and other States—have to provide the development funds for communities which have given away their resources in the form of tax exemptions and tax immunities.

Mr. DOUGLAS. Mr. President, this amendment is an attempt to drive a sectional cleavage between the supporters of the bill. The Senator from New Hampshire is an open and determined opponent of the bill. He has stated very frankly that even if this amendment were adopted he would vote against the bill.

The amendment has nothing to do with the bill itself. It is introduced in the hope that if it is adopted it will split off many Senators who otherwise would vote for the bill.

I therefore hope that the amendment will be resoundingly defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. COTTON]. [Putting the question.] The "noes" have it, and the amendment is rejected.

Mr. COTTON. Mr. President, I ask for a division.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that in his judgment it is too late to ask for a division. The result has been announced.

The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. CAPEHART. Mr. President, I do not in any way wish to impugn the motives of the authors of the bill. I, too, am interested in the subject matter and in helping the areas which are described in the bill. However, it is my best opinion that the bill ought to be recommitted to the committee. I shall give one good reason for that view. On page 20 of the committee report, it is stated that the administration of the act would be handled by the Housing and Home Finance Agency. Are we to try to solve the unemployment problems and the economic problems in certain depressed areas of the United States—

Mr. President, may I have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CAPEHART. It is proposed to turn the administration of the act over to the Housing and Home Finance Agency. That agency is not equipped to do the job. If I had the time—and I shall not take the time—I could go through the bill and the report and find any number of reasons why the bill ought to be recommitted to the committee.

The purpose of the bill is to help an area in the United States where employment possibilities have been completely exhausted. In my best judgment, the bill, as it is written, will not do that. I

should like to read from page 21 of the report, as follows:

REDEVELOPMENT AREAS

Section 5 of the bill contains the definitions of redevelopment areas.

The industrial redevelopment areas are those where there has existed substantial and persistent unemployment for an extended period of time. Areas must be designated if they have suffered 12 percent unemployment during the year preceding the application, or 9 percent unemployment during 15 out of the preceding 18 months, or 6 percent unemployment during 18 out of the preceding 24 months. In addition, an area which has suffered 15 percent unemployment during the preceding 6 months may be designated if the Commissioner determines that the principal causes of the unemployment are not temporary in nature.

The definition is intended to direct the benefits of the bill to those industrial areas which are suffering from unusual chronic problems—

No one can administer the clause I have just read. The fluctuation in employment from day to day, week to week, and month to month would make it impossible to administer that sort of statute. It cannot be administered. By the time the administrator gets around to doing something, the city or community itself may have found new ways and means for providing employment. Then what is the administrator going to do? Is he going to back up, or is he going to spend Federal money even though the community has corrected its deficiency in employment?

I am in sympathy with what we are trying to do, but my best judgment is that we cannot accomplish it with the bill before us.

By turning the administration of the act over to the Housing Authority, in view of all the other features of the bill which have to do with community facilities, the granting of money, and so forth, all we are doing is establishing a bureaucracy and a new socialistic agency to spend Federal money. That is all we are doing, because we are covering rural areas and every kind of area in the United States which at some time or another has 12 percent unemployment. It would not be a workable law.

We are entering a new field, and before we enter it, we should stop, look, think, and listen.

If we pass the pending bill—along with all the other schemes that are before us—one of these days we may find that we have completely killed the initiative of the local people in this country. The problem we are talking about is one which ought to be solved by the local communities and the States, with one exception. I go along with that exception. I should like to help write a bill that would accomplish the objective of that exception. I am sure that is what the able Senator from Maine has in mind, as I am sure it is also what other Senators have in mind. That exception is this: If a town or city has one factory, and only one factory, and that factory closes down permanently, through no fault of the local people, and a situation develops which becomes permanent, and everyone knows that it is going to be permanent, and all means of employment are gone, some sort of legislation to help that kind of situation ought to be passed.

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

Mr. CAPEHART. I shall be glad to yield in a moment. The pending bill goes far beyond that. The bill covers every town, hamlet, and city in the United States if 12 percent of the people in such a community are unemployed for a period of a certain number of months; then it goes down. Let me read further, from page 27 of the report. Then I shall yield to the Senator from Maine. The report states:

VOCATIONAL TRAINING AND TRAINING PAYMENTS

In areas where the principal industry has left or is obsolete, or where the area never reached an advance state of development, it will be important to provide vocational training and retraining for the people of the area. Developing new industries in the area will accomplish little, and will, in fact, be impossible, unless the available labor can meet the needs of the industry. Accordingly, the bill provides that the Secretary of Labor shall determine the needs of the area for vocational training and shall cooperate with the Secretary of Health, Education, and Welfare and existing State and local agencies to make these services available to the area. And in areas where additional facilities are needed, the Secretary of Health, Education, and Welfare is to provide assistance, including financial assistance where necessary, to the appropriate State vocational educational agencies or through educational institutions if the State agency is unable to do so.

In order to enable unemployed persons to get the benefits of this training the bill also provides that the Secretary of Labor may make weekly retraining payments, through State agencies, to unemployed persons in the redevelopment areas, of 13 weeks at the average weekly unemployment compensation rate in that State, but limited to those not receiving unemployment compensation.

Mr. President, why say that town X, which may temporarily have 12 percent unemployment is entitled to help, but that town Y, perhaps 5 miles away, which has only 11 percent, is not entitled to such help? How is anyone to administer a law of that kind? What is fair about it? Why discriminate? Why not send the bill back to committee? Why not let the committee work out a plan to take care of situations in which it is definitely known that unemployment is permanent, due to the fact that job opportunities have completely evaporated from the community? I would support that kind of bill. However, the pending bill does not do that. The bill covers community facilities, and it covers grants and loans. All the bill would do, as it is written at the moment, would be to take employment from one section of the Nation and put it somewhere else, and thereby throw people out of work, by transferring a factory, for example. That is my honest opinion of the proposed legislation.

I do not know whether I should make a motion to recommit the bill, but it certainly ought to be recommitted, to make it apply exclusively to the situation I have outlined, and not go any further than that—namely, to help a community when it has definitely been established without any question that employment means have completely evaporated.

I now yield to the Senator from Maine.

Mr. PAYNE. Mr. President, I do not wish to delay the Senate any longer, because I believe we are ready to vote on the bill. However, I note that the bill, S. 2892, introduced on January 9, 1956, contains many features that are identical with those contained in the pending bill. My distinguished colleague and leader in the Committee on Banking and Currency was a cosponsor of that measure 2 years and 5 months ago. I can assure Senators that the situation today is much worse in those communities than it was 2 years and 5 months ago.

Mr. CAPEHART. The Senator is 100 percent correct. I made a mistake then, but I will not make the same mistake today. I have had a chance to think about the matter. I had in mind at that time that a bill would be passed along the lines I have just discussed; that is, a bill which would be limited to communities or cities where it is definitely proved, beyond a shadow of a doubt, that unemployment is permanent, and that there is no possibility for a person to secure a job. I will go along with that kind of bill. But so long as the bill provides money and grants and loans for all sorts of community facilities, nothing will be accomplished. All that will be done will be to fool the people.

We are considering a bill which it is said will provide employment and make jobs. It will not do that.

I think I am aware that most Senators have made up their minds to pass the bill in its present form. I shall vote against it. But if the bill shall be passed, I hope that when it goes to the House, the House will correct it, so that it will accomplish what I have been talking about. If the House will do that, we may then have a law which will do some good throughout the United States.

As the bill is written, it is simply a scheme to create another agency under the Housing Authority. Imagine the administration of a bill of this sort, which is designed to create jobs, being placed under the Housing Authority. This is simply another way of spending the taxpayers' money and fooling the people. The bill in its present form will not do any good, but a good bill could be made of it.

I hope that when the bill gets to the House, the House will write into it provisions which will accomplish what I know the able Senator from Maine and other able Senators would like to see done, namely, have a law which will be of help to specific communities which no longer have job possibilities.

Mr. JENNER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared concerning the bill.

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

STATEMENT BY SENATOR JENNER

This is the WPA all over again. If you look at the debate on appropriations for 1936 or 1937 you will find the same sad stories of the cutover areas of Michigan, the depressed textile industry of New England, and the

low income of sharecropper families in rural areas of the Southern States.

The WPA writers painted glowing pictures of how if only they had money enough they could whisk away with their wands these pictures of misery and replace them with happy and contented people who had no economic problems to bother them.

The WPA was given the money again and again. It was given dollars that were each worth 100 cents, something we will never see again.

We are still paying interest every year for the money we gave the WPA 20 years ago to end forever the problems of the cutover areas of Michigan, the depressed textile industry of New England, low income in the rural areas in the South, and in the mining villages of the coal-mine area.

Why did the WPA not cure the evils they described so vividly? The answer is that you cannot create sound economic conditions by welfare remedies. It never has been possible and it never will. The great industrial economies of England, the United States, and Germany were not created by welfare methods but by sound economic methods.

I have the greatest admiration for the warm heart of the Senator from Illinois, but I sometimes have to disagree with his judgments, though his knowledge of economics is far above mine. He tells us sadly that the people of these backward areas of our country do not have the money to supply the investment capital for new industries. But did the people of Canada supply the investment capital for Colonel McCormick's vast papermill operation? Did they supply the working capital for the Aluminum Company of Canada? Did they supply the capital for the Canadian Pacific Railroad? Did the hard-working people of the mountain States supply the capital that made it possible to unite the two halves of the Union Pacific Railroad with a golden spike and give the country a transcontinental railroad system?

I know the Senator from Illinois knows the answer as well as I do or better. He knows industry will come into these areas when it is economic for them to do so. If they stay out, it is because for one reason or another that is not the economic place for such industry.

Do we have here a plan which contains within it the germ of even more centralized Government control of the location of industry then we have now in our vast expenditures for military and other public projects?

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. KNOWLAND. Mr. President, on the passage of the bill, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I am pleased to take the floor in support of the Area Redevelopment Act, S. 3683. I am proud to have the opportunity to cosponsor this measure with its distinguished authors, the senior Senator from Illinois [Mr. DOUGLAS] and the junior Senator from Maine [Mr. PAYNE].

I cosponsored a similar bill, S. 964, earlier in this session, and another, S. 2663, in the 84th Congress.

The need for this legislation to aid certain areas to return to prosperity is as strong as it ever was. We should not allow our concern with economic conditions generally in this country to blind us to the more severe and more long-range problems of certain areas. Of course, we must proceed with broader measures to restore growth in our national income. But I think it is clear that such measures will not solve the problems which the legislation now before us seeks to reach.

This conclusion is supported by the fact that even when the general economic health of the Nation was good, when production and employment over the country was increasing—even then certain blighted areas were stagnant or declining. The people in those areas were not sharing in the general well-being. Special action was needed at that time to bring them into line with the Nation as a whole. The plight of these areas now has been clouded by the general recession. But we should not for this reason fail to recognize the essentially different nature of the sickness that afflicts them.

Perhaps an analogy can be drawn from bodily health. If a person is suffering a general letdown, a slowing down of his activities, the doctor may prescribe a tonic—or, more likely today, a dose of high-potency vitamins. This shot in the arm, if administered properly and in good time, should take away the patient's sluggishness and put him back in good health, making him the vigorous and happy producer that he wants to be.

But if there is something more fundamentally wrong with him, some more radical, more persistent, and more localized source of trouble, he needs a different cure. A general shot of vitamins is not going to aid the patient with a pancreas or a kidney that has failed to function. He is going to require direct and concentrated medication in order to bring about his recovery. Lack of prompt action will result in lingering and progressing degeneration.

Just so are the areas which this legislation seeks to reach. Through changes in the economy certain parts of this country have dwindled in their capacity to provide an adequate employment opportunity. The people who live there are confronted with two alternatives: They can stay with their homes and communities and sink into an ever-lower standard of living, with its attendant rise in the social costs of decaying communities, or they can pull up their stakes and migrate somewhere else, leaving their unused community facilities to depreciate.

At least, up until recently, these people had this second alternative. Now with economic recession becoming quite general, there is no place to migrate to with any better opportunities. In fact, people, who left earlier seeking jobs, have had to return to those who stayed behind, further burdening these underprivileged families and communities.

Mr. President, others of my colleagues have discussed the general merits and provisions of this bill. I wish to pay tribute to the sound thought and detailed study given to this measure by the committee.

I should like to discuss briefly some conditions in my own State of Minnesota that could be remedied by a measure such as this Area Redevelopment Act.

First of all, let me speak of the depressed rural areas of my State—the cutover, poor-soil area in the northern half of Minnesota. This is the part of my State that has been chronically depressed for many years. Population figures graphically show the effects. Almost half of the people leaving the State since 1950, left from this northern area, although this area comprises far less than half of the total State population. Lately, Minnesota has been gaining total population, but the northern counties continue to show a decline.

Expansion of employment is the only hope for this area. And this is not a groundless dream. Such industries as potato-processing plants, potato seed stock-distribution plants, grain-processing plants, and flax straw plants would fit in with the agriculture of the area. There are numerous possibilities for small wood-working plants and larger wood-processing plants to take advantage of another natural resource. In every case, what has handicapped development of these and similar industries is lack of capital. Local capital has been depleted in these areas to the point where the average businessman can hardly continue to stay in business. Much less, then, are the possibilities of finding capital for new industries.

At the same time, the communities are unable to provide the public facilities necessary for industrial expansion, such as water purification plants, sewage disposal plants, and for industrial development generally. This is true because of the low tax base initially, and because of the disproportionate share of existing public funds now required for welfare measures to handle the social conditions caused by the chronic depression. The only hope to break this vicious cycle, it seems to me, is for us to pass a bill like S. 3683, which would provide the capital for industrial development.

Another serious problem in Minnesota which the area redevelopment bill would reach is that of the Indians. The State of Minnesota has recently engaged in a detailed survey of our Indian problem. We now have the information and proposals for development of projects to rehabilitate the areas of the State where the Indian lives. These studies show that if funds could be provided, there is reasonable assurance we could work wonders in removing this shameful blight from a whole group of people we have neglected. We have talked for years of integrating the Indian into contemporary American civilization, yet we have heretofore not taken any imaginative action to provide him with the wherewithal to accomplish it.

The prospects for Indian-operated industries is amazing. For example, a maple sugar industry among the Indians in the maple areas could make them self-sustaining. Parching and processing plans for wild rice would bring in much income through an activity already familiar to the Indians. In other areas, plants for the production of wood products and sawmill operations, as well as charcoal-burning facilities, would be appropriate. The only reason that these industries are not already operating is lack of capital funds. The bill presently before us would remedy this lack.

The other serious cause of chronic distress in Minnesota is seasonal industry. Iron ore shipment is seasonal. Tourist business is seasonal. Sugar beet processing is seasonal. Thus the workers in these and other industries enjoy brief periods of activity and relative prosperity, and then they must look for other work, or merely subsist the rest of the year. Many of these communities really need an industrial plant that would lend some stability to the employment situation.

Mr. President, I am grieved to note the tenor of some of the arguments against this bill—the charges of favoritism to certain localities who have not fared well—the fears of industry raiding of one section by another. To me, the bill seems to be so drawn as to insure the utmost in beneficial effects and to avoid all foreseeable harmful results. Sound financing through revolving funds, the proscriptions against raiding, the requirement of local participation in financing and planning, the practical administration arrangements—all seem to me to indicate practical, sound legislation. All legislation is aimed at particular problems. None purports to be a panacea. I hope that we will take this wise step forward to advance our general prosperity and human welfare by dealing realistically and vigorously with this special problem which we have ignored for so long. I urge the Senate to support S. 3683. It is a good, sound, and constructive measure.

The PRESIDING OFFICER. The question is on the passage of the bill. *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. BRICKER (when his name was called). On this vote, I have a pair with the senior Senator from New York [Mr. IVES]. If he were present he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

Mr. ERVIN (when his name was called). On this vote I have a pair with the junior Senator from Rhode Island [Mr. PASTORE]. If he were present he would vote "yea." If I were permitted to vote, I would vote "nay." For that reason I withhold my vote.

Mr. SMATHERS (when his name was called). On this vote I have a pair with the junior Senator from Nevada [Mr. BIBLE]. If he were present and voting he would vote "yea." Were I permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I further announce on this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting the Senator from New Mexico would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from California [Mr. KUCHEL] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from New York [Mr. IVES] is detained on official business and his pair with the Senator from Ohio [Mr. BRICKER] has been previously announced.

If present and voting, the Senator from California [Mr. KUCHEL] would vote "yea."

The result was announced—yeas 46, nays 36, as follows:

YEAS—46

Aiken	Hill	Morton
Allott	Hoblitzell	Murray
Anderson	Humphrey	Neuberger
Barrett	Jackson	O'Mahoney
Beall	Javits	Payne
Carroll	Johnson, Tex.	Potter
Case, N. J.	Johnston, S. C.	Proxmire
Church	Kefauver	Revercomb
Clark	Kennedy	Smith, Maine
Cooper	Kerr	Sparkman
Dirksen	Langer	Symington
Douglas	Magnuson	Thye
Gore	Mansfield	Yarborough
Green	McNamara	Young
Hayden	Monroney	
Hennings	Morse	

NAYS—36

Bennett	Fulbright	Mundt
Bridges	Goldwater	Purtell
Bush	Hickenlooper	Robertson
Butler	Holland	Russell
Byrd	Hruska	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Knowland	Smith, N. J.
Cotton	Lausche	Stennis
Curtis	Malone	Talmadge
Dworshak	Martin, Iowa	Thurmond
Ellender	Martin, Pa.	Watkins
Frear	McClellan	Williams

NOT VOTING—14

Bible	Ervin	Long
Bricker	Flanders	Pastore
Case, S. Dak.	Ives	Smathers
Chavez	Jordan	Wiley
Eastland	Kuchel	

So the bill (S. 3683) was passed, as follows:

Be it enacted, etc., That this act be cited as the "Area Redevelopment Act."

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States.

AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. To assist areas in the United States designated hereinafter as redevelopment areas, there is hereby created, as a constituent agency of the Housing and Home Finance Agency, an agency to be known as the "Area Redevelopment Administration" (hereinafter referred to as the "Administration"). The Administration shall be headed by an Area Redevelopment Commissioner (hereinafter referred to as the "Commissioner") who shall be appointed by the President, by and with the consent of the Senate, and who shall receive compensation at a rate equal to that received by the heads of other constituent agencies of the Housing and Home Finance Agency.

ADVISORY BOARD

SEC. 4. (a) To advise the Commissioner in the performance of functions authorized by this act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: The Commissioner as Chairman; the Secretaries of Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Treasury; the Administrators of the General Services Administration; Housing and Home Finance Agency; and Small Business Administration; and the Director of the Office of Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Commissioner shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of 25 members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such committee the Commissioner shall designate a chairman. Such committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Commissioner relative to the carrying out of his duties under this act. Such committee shall hold not less than two meetings during each calendar year.

(c) The Commissioner is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Commissioner as redevelopment areas. The Commissioner may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment. The representatives at any such conference shall consider with and may recommend to the Commissioner plans and programs to further the objectives of this act with special reference to the industry with respect to which the conference was convened.

REDEVELOPMENT AREAS

SEC. 5. (a) The Commissioner shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which

there has existed unemployment of not less than (1) 12 percent of the labor force during the 12-month period immediately preceding the date on which an application for assistance is made under this act, (2) 9 percent of the labor force during at least 15 months of the 18-month period immediately preceding such date, or (3) 6 percent of the labor force during at least 18 months of the 24-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 percent of the labor force during the 6-month period immediately preceding the date on which application for assistance is made under this act may be designated as an industrial redevelopment area if the Commissioner determines that the principal causes of such unemployment are not temporary in nature.

(b) The Commissioner shall also designate as "rural redevelopment areas" those rural areas within the United States (not exceeding at any time 300 counties in the United States) in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Commissioner shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

(c) In making the determinations provided for in this section, the Commissioner shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) States and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Commissioner, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Commissioner such data as the Commissioner may deem necessary or proper to enable him to make the determinations provided for in this section. The Commissioner shall reimburse, out of any funds appropriated to carry out the purposes of this act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this act, the term "redevelopment area" refers to any area within the United States which has been designated by the Commissioner as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Commissioner is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Commissioner determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100 million, and (B) with respect to projects in rural redevelopment areas shall not exceed $100 million;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(4) No loans shall be made unless it is determined that an immediate participation is not available;

(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(6) Subject to section 12 (5) of this act, no loan, including renewals or extension thereof, may be made hereunder for a period exceeding 40 years and no evidences of indebtedness maturing more than 40 years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Commissioner as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of 10 years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

(7) Such loans shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum;

(8) Such assistance shall not exceed 65 percent of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 percent of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan.

(C) That in extending financial assistance under this section with respect to an industrial redevelopment area, the Commissioner shall require that not less than 5 percent of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

(D) That any Federal financial assistance extended under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any Federal financial assistance extended under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(9) No such assistance shall be extended unless there shall be submitted to and approved by the Commissioner an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Commissioner shall, upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Commissioner may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area or part thereof, the Commissioner is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 65 percent of the aggregate cost of the project for which such loan is made. Subject to section 12 (5), the maturity date of any such loan shall be not later than 40 years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Commissioner on funds obtained from the Secretary of the Treasury as provided in section 9 of this act, plus one-quarter of 1 percent per annum.

(c) In making any loan under this section, the Commissioner shall require that not less than 10 percent of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan. In determining the amount of participation required under this subsection with respect to any particular project, the Commissioner shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redeveloped area, within which such project is to be located.

(d) Any loan made under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any loan made under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection wtih the same project.

(e) Of the funds authorized to be raised under section 9 of this act, not more than $100 million shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Commissioner may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Commissioner, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Commissioner, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under sec. 7 of this act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Commissioner shall by regulation provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) There is hereby authorized to be appropriated not to exceed $75 million annually for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this act, the Commissioner may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $300 million. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Commissioner shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Commissioner shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this act, the Commissioner is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Commissioner through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF COMMISSIONER

SEC. 12. In performing his duties under this act, the Commissioner is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this act, and define their authority and duties, provide bonds for them in such amounts as the Commissioner shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Commissioner;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made under this act, beyond the periods stated in such loan or in this act, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Commissioner. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Commissioner as a result of loans made under this act if the premium therefor or the amount thereof does not exceed $1,000.

The power to convey and to execute, in the name of the Commissioner, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Commissioner pursuant to the provisions of this act may be exercised by the Commissioner or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this act;

(10) to such an extent as he finds necessary to carry out the provisions of this act, procure the temporary (not in excess of 6 months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classifications laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Commissioner shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this act, no further assistance shall be granted under this act with respect to such area and, for the purposes of this act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this act if the Commissioner determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this act prior to a determination by the Commissioner that such area no longer qualifies as a redevelopment area. The Commissioner shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 112. (a) When the Area Redevelopment Commissioner certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a 'municipality') is situated in an area designated under section 5 (a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110 (c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105 (b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act."

(b) The next to the last paragraph of section 110 (c) of such act is amended by inserting after "such projects" the following: "(including projects assisted under section 112 of this title)".

URBAN PLANNING GRANTS

SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": "(i) are situated in areas designated by the Area Redevelopment Commissioner under section 5 (a) of the Area Redevelopment Act as industrial redevelopment areas, or (ii)".

VOCATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided,* That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the locality.

RETRAINING SUBSISTENCE PAYMENTS

SEC. 17. The Secretary of Labor shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment-compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing training for a new job. Such payments shall be made for a period not exceeding 13 weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment-compensation payment payable in the State making such payments.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Commissioner, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both.

(b) Whoever, being connected in any capacity with the Commissioner (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Commissioner or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Commissioner, makes any false entry in any book, report, or statement of or to the Commissioner, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property or benefit through any transaction, loan, commission, contract, or any other act of the Commissioner, or (4) gives any unauthorized information concerning any future action or plan of the Commissioner which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Commissioner shall be punished by a fine of

not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No loan shall be made by the Commissioner under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Commissioner the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Commissioner for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Commissioner to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee of the Commissioner, occupying a position or engaging in activities which the Commissioner shall have determined involve discretion with respect to the granting of assistance under this Act.

PREVALING RATE OF WAGE AND 40-HOUR WEEK

SEC. 20. The Commissioner shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than 40 hours in any 1 week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than 1½ times the regular rate at which he is employed.

ANNUAL REPORT

SEC. 21. The Commissioner shall make a comprehensive and detailed annual report to the Congress of his operations under this act for each fiscal year beginning with the fiscal year ending June 30, 1959. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Commissioner, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Commissioner such information as may be necessary for the purpose of this section.

APPROPRIATION

SEC. 22. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

USE OF OTHER FACILITIES

SEC. 23. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this act, the Commissioner shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act. This act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CLARK. 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 Pennsylvania to lay on the table the motion of the Senator from Illinois to reconsider.

The motion to lay on the table was agreed to.

GRANTS-IN-AID TO THE REPUBLIC OF THE PHILIPPINES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1498, H. R. 6908, a bill to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, and for other purposes.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6908) to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, 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 Labor and Public Welfare, with amendments.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock tomorrow.

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

HUMANE SLAUGHTER LEGISLATION

Mr. HUMPHREY. Mr. President, the Senate Committee on Agriculture and Forestry has completed hearings on a measure designed to provide incentives for encouraging adoption of humane slaughter methods in this country. A decision will be reached soon in committee on this proposed legislation. As the principal sponsor of the bill in the Senate, I am hopeful it can be brought before the Senate and enacted into law. It has already passed the House. The measure before the committee is a moderate, compromise bill, the product of 3 years of study and negotiations between all groups concerned. Two rounds of hearings have been held in the Senate committee on the subject in the last Congress and this Congress.

The position of opponents has not changed a bit from 2 years ago. They said then they wanted to delay for a little more study. They say the same today. They will undoubtedly say the same 2 years from now if the decision is put off again.

Mr. President, because I know many of my colleagues on both sides of the aisle are interested in this legislation, I want to invite attention to what the press of America is saying about the legislation. I ask unanimous consent to have printed in the RECORD an editorial from the Minneapolis Star of April 29, along with a sampling of other recent editorials and articles in favor of humane slaughter legislation.

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

FOR HUMANE SLAUGHTER

The Senate Agriculture Committee is now holding hearings on legislation to encourage the use of humane slaughtering methods in the Nation's meat processing industry. A humane slaughter bill has already passed the House, and its supporters are hoping that indifference, on the part of some solons, and outright opposition, from outside of Congress, will not bog down the legislation in the Senate.

The proposed legislation would not impose humane slaughter methods on the meat industry; that probably is beyond both the authority and the province of Congress. But by restricting the purchase of meat by Federal agencies to that produced by plants using humane slaughter methods it would give meat processors an added incentive to adopt such methods.

For there already are some incentives; companies which use such methods, as the Hormel Co. in Austin, Minn., report decreased labor costs; and a University of Minnesota report says the violence of prevailing brutal methods of slaughtering annually results in millions of dollars of damage to meat.

Brutality, even when it is only practiced against dumb animals, brutalizes the spirit. If the present unnecessary cruelty which characterizes too much of our meat processing industry can eventually be eliminated, our nonvegetarian consciences may rest somewhat easier.

A SAMPLING OF RECENT EDITORIALS AND ARTICLES IN FAVOR OF HUMANE SLAUGHTER LEGISLATION

The Milwaukee (Wis.) Journal, June 20, 1957: "The calves are whisked onto a shackling wheel and hung up, as many as 20 at a time. When the kill crew is small, calves hang up by the rear foot for a couple of minutes while the rack is loaded. Then they are stuck. Some were still bawling 6 minutes after the first rush of blood, it was noted."

The Washington (D. C.) Post and Times Herald, June 28, 1957 (editorial): "Is there any sense to this practice which inflicts wanton cruelty on animals while subjecting men to work which is degrading as well as dangerous? Rendering the animals unconscious before slaughtering them would obviate this barbarity. This is all that the Poage bill would require. It would introduce civilization into our packing houses."

The San Francisco (Calif.) Examiner, April 20, 1957 (editorial): "Bills to bring this about are again pending in Congress with the support of the Humane Society and General Federation of Women's Clubs, among others. We would like to renew our support. * * * Brutality always brutalizes him who employs it."

The Boston (Mass.) Herald, January 24, 1957 (editorial): "If Congress passes humane slaughter legislation at this session, much will have been accomplished

to curb misery. And, perhaps, much for the human spirit as well. The toleration of the pole axe is an evidence of a deeper social ill than mere inefficiency." (Reprinted in the Fort Wayne (Ind.) News Sentinel, June, 29.)

The North Virginia Sun, August 6, 1957 (editorial): "For a Nation with pride in its humanity, we should be ashamed of our record in this legislative area."

St. Louis, (Mo.) Post-Dispatch, April 8, 1957 (editorial): "Who could oppose it?"

Salt Lake City (Utah) Deseret News, February 20, 1957 (editorial): "If by law cruelty to a few animals is prohibited in the case of bull and cock fighting, how much more important it is to prohibit cruelty to the 119 million animals that are shipped to market annually to supply the Nation's tables with its 21 billion pounds of meat a year."

Mobile (Ala.) Register, May 10, 1957 (editorial): "By dragging their feet in the face of rising public demand for the use of more humane methods in slaughtering meat animals, packinghouses invite the very Federal regulation they oppose."

Washington Merry-Go-Round, Drew Pearson column, March 24, 1957: "Note Senators BENNETT and WATKINS of Utah may propose that Congress authorize 'study' of the problem. This is the time-honored way to block a proposal that can't be fought on its merits."

Hartford (Conn.) Courant, March 21, 1957 (editorial): "Humane slaughtering legislation has long been needed in this country, and Congress this year should stand fast against inertia and stubbornness."

Texarkana (Tex.) Gazette, April 11, 1957 (editorial): "We cannot continue to pose as civilized people if we continue to condone some of the inhumane methods that are used in slaughtering defenseless animals."

Labor's Daily, February 23, 1957: "* * * one of America's most amazing grassroots lobbies rolls into operation again. Unlike most pressure groups, this one is not well organized. Its members belong to both parties and probably to half a dozen splinter parties as well. They range from rich old New England dowagers to Chicago packing plant workers. They are in every State of the Union and in the Territories. They cross every racial and religious line.* * * Who are they? Animal lovers."

The Christian Science Monitor, March 22, 1957 (editorial): "Most countries in Europe and many elsewhere have adopted laws requiring instruments that render animals insensible before killing." (Reprinted in Columbus (Ga.) Ledger-Inquirer, Sheffield (Ala.) Tri-Cities Daily, Florence (Ala.) Times, State College Centre Times (Pa.), Rome (N. Y.) Sentinel, Charleston (S. C.) News and Courier.)

Cincinnati (Ohio) Post, July 11, 1957 (editorial): "We fail to see how anybody can have a quarrel with the bill requiring humane methods of slaughter for meat processors who sell to the Federal Government."

The Ann Arbor (Mich.) News and others, August 2, 1957, (WNS) by Ann Cottrell Free: "'I have received more letters on this one subject than even on the budget,' one Congressman revealed."

The Nashville Tennesseean, June 26, 1957 (editorial): "There is no longer any sensible argument for these cruel and barbarous methods."

The Louisville (Ky.) Times, June 24, 1957, by Tom Wallace: "There are packers who are unconcerned, or little concerned, or too little concerned about suffering that is inflicted upon animals avoidably. They should be required to abate that suffering, which their religion forbids if they are Americans and practice or profess one of the religions known in this country."

The Miami (Fla.) News, May 2, 1957 (editorial): "Just why the meat industry should oppose this reform is hard to understand. The ammunition used in the stunners costs 2 to 4 cents an animal; carbon dioxide gas around 1 cent." (Reprinted in Springfield (Ohio) News.)

The Pittsburgh (Pa.) Post-Gazette, June 17, 1957 (editorial): "Senator Neuberger summed the issue up well when, in support of pending legislation, he declared that 'cruelty is an evil that should be eradicated from our society, not merely for the sake of the animals but for our own good'."

The New York World-Telegram and Sun, July 15, 1957: "Congress is moving steadily toward adopting measures responsive to demands that the Federal Government compel better treatment for animal life."

My Day, Eleanor Roosevelt column, March 25, 1957: "Other countries have established humane slaughter laws. Such a law requires changes in equipment and in methods of slaughtering making them economically sound as well as humane."

The Daily Sentinel (Colorado), March 1957 (editorial): "If legislation that has been presented to this Congress is passed—and prospects are good for it—all slaughtering of food animals by commercial firms will be done by more humane methods."

San Angelo (Tex.) Standard, May 3, 1957 (editorial): "If it happened to a dog, almost any witness would call the police. But the process is fully as terrifying and painful to a hog as it would be to a dog."

Henry (Ill.) News Republican, May 1, 1957 (editorial): "Many years ago, say 20, we went on a tour of Chicago Stockyards. It was an experience which made vegetarians of us for 2 or 3 years."

Salisbury (N. C.) Post, May 12, 1957 (editorial): "* * * bloody and brutal practices of slaughter archaically followed in most packinghouses."

Waukegan (Ill.) News-Sun, July 13, 1957 (editorial): "American slaughterhouses often cause needless pain and fright, jerking animals up by a hind leg, cutting their throats, and letting them bleed to death."

Camden (N. J.) Courier-Post, July 18, 1957 (editorial): "Humanitarians are united behind this legislation."

Lake Worth (Fla.) Herald, July 11, 1957 (editorial): "It, therefore, seems that such a bill should be overwhelmingly adopted when it comes up for a vote, for it has the endorsement of all people interested in a better, more humane, more considerate world."

Saginaw (Mich.) News, July 9, 1957 (editorial): "When a man or a nation acts in a needlessly brutal way toward any form of life, a twofold offense is committed. Man's God-given stewardship over the lower forms of life is dishonored, and he himself is debased."

Erie (Pa.) Times, July 8, 1957 (editorial): "We feel confident that Congress will respond to the demand for the legislation and pass the bill."

Knoxville (Tenn.) News Sentinel, May 24, 1957 (editorial): "Man's inhumanity to man is repugnant. His inhumanity to the animals whose flesh sustains him is hardly less so. Mandatory humane-slaughter legislation now pending before both Houses of Congress should be passed."

Columbus (Ohio) Citizen, May 22, 1957: "The prevalent practice of shackling the hind leg of a pig and yanking it aloft, conscious and squealing, to have its throat cut, may be outlawed."

The Hoosier Day, Frank A. White column, May 14, 1957: "Our slaughtering methods have been so revolting that at long last there is a well-defined public movement in the United States of America to stop the barbaric methods used." (Also in the Rushville Republican, Sherryville News, Rushville Telegram, Ellwood Call-Leader, Connersville News-Examiner.)

Stamford (Conn.) Advocate, May 2, 1957 (editorial): "What is needed now is a humane slaughter bill by the National Government which would make it mandatory for all livestock and poultry to be rendered insensible."

Brooklyn (N. Y.) Advertiser Digest, Brooklyn Record and Advertiser, and others, April 18, 1957, Lou Terras column: "The Honorable WILLIAM A. DAWSON has said 'That the animals' collective screams of pain are heard only by the few does not lessen the general guilt once we have been made aware of the practice.'"

Asbury Park (N. J.) Evening Press, April 13, 1957 (editorial): "The meatpackers should be ashamed of themselves that it should be necessary to pass legislation to force them to behave like human beings."

Gastonia (N. C.) Gazette, April 16, 1957 (editorial): "Cruelty and Americanism are incompatible."

New York Daily News, April 1, 1957 (editorial): "Up to now, meat lobbyists have succeeded in postponing effective humane slaughter legislation on the plea that the subject needs further study."

Vernal (Utah) Express, April 11, 1957: "There has been sufficient study in the matter to know exactly what needs to be done. The time is ripe now to do something."

Miami (Fla.) Herald, July 9, 1957 (editorial): "The meat industry has given a lot of lip service but little action to humane slaughter. Since it evidently won't be put into effect voluntarily, a law seems in order. Americans don't want their food animals to suffer needlessly."

The Bethlehem (Pa.) Globe-Times, July 27, 1957 (editorial): "This bill deserves our support if we want to make amends."

The Youngstown (Ohio) Vindicator, July 5, 1957 (editorial): "'This operation is not only extremely painful for the hog, it also provides considerable danger to the worker. The hogs generally thrash around. Their hoofs are sharp. Workers are often gouged.' Such evidence should be enough to convince Congress—and all Americans—of the need of a law to compel packers to abandon their barbaric, dangerous methods."

Orangeburg (S. C.) Times Democrat, July 3, 1957 (editorial): "In the name of divine justice, these animals should be given a humane death."

Bergen Evening Record (N. J.), March 9, 1957 (editorial): "There is no shadow of reason for deferring compulsory legislation."

EXCISE TAXES ON AUTOMOBILES

Mr. HUMPHREY. Mr. President, one of the bills I have introduced today would repeal the excise tax upon automobiles, and would reduce the price of automobiles by an average of $200 each. It is my opinion this would be a significant stimulant to the automobile industry and sales by the industry.

REGULATION OF THE MEAT PACKING INDUSTRY

Mr. MORSE. Mr. President, in the April 15, 1958, issue of the St. Louis Post-Dispatch there was published an editorial entitled "Wanted—Meat Regulation."

The editorial deals with a bill which was introduced by the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Utah [Mr. WATKINS], which proposed that the Federal Trade Commission exercise jurisdiction over the meat packing industry.

When originally introduced, the bill sought to transfer the antitrust jurisdiction over the meat packing industry

from the Department of Agriculture to the Federal Trade Commission.

There has been great support in this country, Mr. President, for more effective meat packing regulation. I thought the bill, when introduced, was a very much needed bill and I have given it my full support. Since the St. Louis Post-Dispatch editorial was written, the Senate Committee on Agriculture and Forestry has reported the bill, and has recommended there be dual jurisdiction by the Federal Trade Commission and the United States Department of Agriculture.

If by "dual jurisdiction" it is meant that each of such bodies can institute proceedings under its own powers, and not that the two bodies must agree upon any regulation, investigation, or exercise of jurisdiction which one or the other is to engage in, I have no objection to the bill as reported to the Senate.

The Senator from Tennessee [Mr. KEFAUVER] has been one of the most ardent proponents of the bill, and he deserves a great deal of credit for his work in the Committee on the Judiciary and for calling attention to the need for more effective regulation of the meat packing industry. I also pay tribute to the Senator from Wyoming [Mr. O'MAHONEY] for the work he has done on it.

I hope, Mr. President, the apparent compromise bill which has come to the Senate from the Senate Committee on Agriculture and Forestry, recommending dual jurisdiction, is not a compromise which requires any agreement between the two agencies before either can act. On the other hand, if it is what I have been advised is the procedure, namely, that either the United States Department of Agriculture or the Federal Trade Commission will have jurisdiction to proceed on its own initiative, I think perhaps the bill has been strengthened, and I shall then continue to support it.

If it is shown in the Senate debate that a dual jurisdiction procedure has been recommended which would require concurrence on the part of the two agencies before either could act, I shall offer an amendment to go back to the original principle of the bill, which was that the Federal Trade Commission should exercise jurisdiction, because I think it is a problem which is especially befitting of a regulatory agency. The Federal Trade Commission is the regulatory agency in this general field.

That is why, Mr. President, I favored the original bill.

Mr. President, I ask unanimous consent that the editorial which was published in the St. Louis Post-Dispatch be printed at this point in the RECORD as a part of my remarks.

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

WANTED—MEAT REGULATION

The meatpacking industry should be brought under the regulation of the Federal Trade Commission, as proposed in a pending bill, for a very simple reason. Consumers need protection from false and misleading advertising, and from monopolistic price gouges, just as much when they are buying meat as when they are buying anything else. It is merely a triumph of lobbying pressure over good sense that the packers have escaped effective regulation all these years.

More recently the peculiar position of the meatpacking industry with respect to regulation has been increasingly exploited against consumer interests. Businesses which ordinarily would come under FTC regulation have escaped it by taking on meatpacking on the side. This is particularly true of chain groceries. It has been true of businesses as remote from meatpacking as sporting goods.

Meatpacking in some respects is regulated by the Department of Agriculture, under the Packers and Stockyards Act of 1921. But as Senator KEFAUVER of Tennessee says, the Department has "neither the experience, the personnel, or the know-how to cope with discriminatory pricing, false and misleading advertising, market sharing, mergers and acquisitions, and other monopolistic practices."

The bill which Senators O'MAHONEY of Wyoming and WATKINS of Utah have drafted, and which is to be reported to the Senate April 21, would correct these faults. It is a measure which has been due the consumer for more than 40 years.

SUSPENSION OF NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President, earlier today I released to the press a statement relating to the letter of May 9 received by President Eisenhower from Mr. Khrushchev. That statement indicates my reactions toward the suggestion of a technical study as to the possibilities of inspection and detection of nuclear tests.

I ask unanimous consent, Mr. President, that the statement referred to be printed at this point in the body of the RECORD.

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

LET'S PROVE OUR GOOD FAITH—STATEMENT BY SENATOR HUBERT H. HUMPHREY

The United States should immediately act on the apparent willingness of the Soviet Union to set up a joint study of the inspection system necessary to suspend nuclear weapons tests. The President must also make the decision to break up our disarmament package and offer to negotiate separately on the suspension of nuclear weapons tests.

Mr. Khrushchev, in his note to President Eisenhower of May 9, stated in reference to technical studies on inspection that "in spite of our serious doubts * * * (we) are prepared to try out that way as well. The Soviet Government is agreed to have either side appoint experts who should immediately start work on studying the means of detecting possible violations of an agreement to end nuclear tests, with the proviso that work should be completed in the shortest term agreed upon beforehand."

It is imperative for the United States to pursue this significant change in Soviet policy. By doing so, we will know whether the Soviet Union is prepared to accept the necessary inspection for a suspension of nuclear weapons tests. If an agreement on inspection of a nuclear test moratorium could be effectuated, it would give great promise that a beginning could at last be made on slowing down the armaments race.

Although the administration thus far has not accepted or rejected the Soviet acceptance of one of our own proposals, it is unfortunate that the first reaction to it does not come from the President or the Secretary of State, but from the Presidential secretary, James Hagerty. It is also unfortunate that Mr. Hagerty's statement is so hedged. Mr. Hagerty stated: "It is to be noted that the Soviet Union's acceptance of this position relates only to discussion of the single issue of nuclear test suspension and not to the more important elements of disarmament which the General Assembly has endorsed." Since the President has received Mr. Khrushchev's letter 2 days before the Soviet Union made it public, I fail to understand why the United States reaction to it could not be forthright, positive, and give a clear indication that here is an occasion where the Kremlin is appearing to agree to one of our proposals.

The establishment of technical study groups on an inspection system for the detection of tests is a move which I have been advocating for several weeks. In my speech to the Senate of February 4, I stated:

"With respect to the requirements for both the inspection system for a cutoff of production and for a suspension of nuclear weapons tests, I propose that the executive branch appoint two teams of prominent and highly qualified nuclear scientists and weapons experts. One should be charged with making a complete and thorough study of the requirements of inspection for a test ban; the other group for inspection for a cutoff of production. These two groups should offer to meet with comparable scientists and nuclear experts from the Soviet Union in order to devise inspection systems acceptable to both countries."

Now we have the opportunity to create one of these study groups. We should not delay.

I suggest that the President appoint a group of prominent authorities on the question, scientists such as Dr. Hans Bethe, professor of physics of Cornell University. Other members of the group should be qualified in the three main aspects of nuclear tests detection—detection of surface or low altitude tests, detection of high altitude tests, and detection of underground nuclear explosions. In addition to United States and Soviet technicians, it might be desirable to include technicians from other countries. I say this in view of the great interest and concern other nations have in ending nuclear weapons tests under effective safeguards.

This group should meet under the auspices of the United Nations with a member of the Secretary General's staff acting as chairman or rapporteur. Such a procedure would help to pave the way for a multilateral agreement on the suspension of tests. The Soviet acceptance of this proposal brings the President face to face with the decision as to whether a test suspension agreement with inspection should be separated from the other proposals in our disarmament package. Two weeks ago we separated from the package the proposal for mutual aerial inspection over the Arctic Circle.

This was a welcome move. Although the Soviets rejected it in the Security Council, we should not give it up, but we should continue to press for its acceptance. Now we need to separate from the package the proposal for a suspension of nuclear weapons tests. I hope the President can soon come to a decision on this matter. The world is impatient for a first step disarmament agreement.

RECESSION EFFECT ABROAD

Mr. HUMPHREY. Mr. President, one of the great dangers of the current recession which has been weighing on my mind is the possible international repercussions.

Only a few weeks ago Allen W. Dulles, Director of the Central Intelligence Agency, in a brilliant address warned that the struggle between the Free World

and the Soviet Union was moving into the economic arena. Mr. Dulles called attention to the fact that industrial production of the Soviets had risen 11 percent in the past year while our own industrial production in the United States declined by 11 percent. He stated that we cannot afford the luxury of a recession at such a vital time in this momentous struggle.

Last week there was another warning. Prime Minister Harold Macmillan in a speech referred to the risk of a worldwide slump that would require worldwide action to offset it. In obvious reference to the current recession in the United States, the English Prime Minister stated:

We are all too familiar with these depressions over the Atlantic moving eastward.

In reporting on the Prime Minister's speech, the New York Times states:

Europeans are beginning to fear that the American recession may cause a setback to Free World trade and production at the same time that Mr. Dulles warns of an accelerating advance of Soviet production.

These warnings and fears, as expressed by such eminent persons as Prime Minister Macmillan and our own CIA Director, Allen Dulles, demand our thoughtful attention. They cannot be casually dismissed. The stakes are altogether too high to permit this recession to jeopardize the Free World's position.

I ask unanimous consent that the New York Times report of May 11 on the Prime Minister's speech be inserted at this point in the RECORD.

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

EUROPEANS WEIGH RECESSION EFFECT—MACMILLAN FEARS EXPANSION IN WORLD—UNITED STATES EXPERT SEES SOVIET AS CHIEF GAINER

(By Harold Callender)

PARIS, May 10.—In a speech yesterday Prime Minister Harold Macmillan referred to the risk of a worldwide slump that, he said, would require worldwide action to offset it. "Preparations must be made," he said.

"We are all too familiar with these depressions over the Atlantic moving eastward," he added, giving an economic application to a phrase often used in European weather forecasts to indicate storms approaching from the west.

European economists have spoken in these terms of the possible effects of the United States recession, though political leaders have hesitated to do so.

In a recent speech Allen W. Dulles, Director of the United States Central Intelligence Agency, laid great stress on an economic danger that he saw coming, not from the West but from the East. He referred to what he called the rapidly growing productivity of the Soviet Union, which, he said, was advancing in some fields faster than that of the United States. He predicted that the principal struggle between the Soviet Union and the West would be economic, and he considered the Soviet Union a formidable competitor.

Thus, Europeans are beginning to fear that the American recession may cause a setback to Free World trade and production at the same time that Mr. Dulles warns of an accelerating advance of Soviet production.

SINISTER ASPECT CITED

Mr. Dulles appeared to find something sinister in the Soviet productive achievements, which he cited along with military dangers.

Some others in the West would welcome an East-West contest in the economic sphere as an alternative to a trial of force. They would even consider it legitimate for the Soviet Union to try to excel the capitalist world in output and standards of living.

The chances of the Soviet Union in such a competition would appear to be favored if the productive resources of the West should be handicapped by a slump such as Mr. Macmillian and European economists fear.

The latest news from Washington indicates that Congress is not greatly stirred by any such fear. For SAM RAYBURN, Speaker of the House, said on Friday that the Reciprocal Trade Act could not be passed in its present form, as President Eisenhower desires.

The act, up for renewal, would authorize the President to reduce American tariffs in return for similar actions by other countries. It would therefore facilitate somewhat freer trade at a time when a shrinkage of international trade is feared as a result of the recession. It would greatly reassure Europeans, whom the recession would hit through a decrease of United States imports.

Europeans would also be reassured by measures to check the recession, such as the tax reductions long urged on the administration.

POLICY PARADOX SEEN

While the reduction of tariffs by common agreement appears to be resisted in Congress as a United States policy, the United States has strongly urged it upon Europeans by officially backing the European common market, in which six nations plan to reduce tariffs reciprocally until none exists.

It has likewise backed the proposed European free trade area, which would extend this process from 6 to possibly 17 nations.

Ten years ago the United States decided to meet the Soviet challenge on the economic level, where, Mr. Dulles now says, it must again be met. It did so by the European recovery program or the Marshall plan. The theory was that the best way to immunize Western Europe against communism was to give it economic prosperity and restore its former standards of living. It is generally agreed that this policy was highly successful.

Today Europeans are worried lest this great United States achievement, which cost about $13 billion, should be impaired by a worldwide slump spreading out from the United States, as Mr. Macmillan hinted.

Such a slump would entail a shrinkage of world trade and of living standards in Europe and elsewhere in the Free World. It would cause the so-called capitalist nations to display their economic weaknesses just when the Soviet Union, according to Mr. Dulles, is displaying growing economic strength.

Mr. HUMPHREY. Mr. President, it is of grave concern to me, and to a good many others, that the administration has given the impression that it is not actually aware of the frightful possible worldwide implications of this recession. If the administration is aware of such possibilities it has failed to convey such awareness and concern. We need to have more than bland peptalks and a wait-and-see attitude.

Newspaper reports tell us just how serious the recession is. These cold facts cannot be ignored.

Last week, for example, Roy L. Reierson, of the Bankers Trust Co., of New York, warned that this recession may last longer and prove more troublesome than the early postwar adjustments. He added that even after the recession hits bottom he sees little assurance of its making a quick return to long-term growth.

I ask unanimous consent that Dr. Reierson's speech as reported in the Wall Street Journal of May 9 be inserted at this point in the RECORD.

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

BANK ECONOMIST SEES LONGER RECESSION THAN IN 1948–49, 1953–54—REIERSON NOTES LACK OF STIMULUS; CALLS TAX CUTS, TAX INCENTIVES ONE SPUR TO RECOVERY

BOSTON.—Roy L. Reierson, vice president and chief economist of Bankers Trust Co., of New York, predicted that "the present business decline may persist somewhat longer and prove more troublesome than the early postwar adjustments."

He added that after the economy levels off he sees little assurance of its making "a quick return to long-term growth."

Rather, the economist said, "there is the real possibility that the return to conditions of relatively full employment may be slow, that unemployment may remain troublesome, and that business profits may continue under pressure considerably longer than is widely expected."

Dr. Reierson gave his views in a talk before a national conference of the National Association of Mutual Savings Banks. "It may well take until the 1960's before the economy regains sufficient thrust to push industrial production to sustained new peaks," the economist said.

The New York banker admitted that his appraisal "runs counter to much of the economic thinking of our times which takes for granted a dynamic economy and a quick return to long-term growth." But he argued that with business at present overexpanded and consumers overborrowed and overbought, the economy lacks a stimulus such as spurred recovery in the 1948–49 and 1953–54 dips; for example, consumer-goods industries, home building, and capital investment by business.

Dr. Reierson said for the economy to get set again for growth, management, labor, and Government would have to reshape some of their policies "in light of the different environment." One impetus for recovery, he said, would be a general Federal tax reform, consisting of across-the-board tax cuts, tax relief for business, and tax incentives to encourage foreign investment by United States companies.

Another speaker, A. L. Mills, Jr., a member of the Federal Reserve Board, noted that while the main impact of Federal Reserve monetary policy is on commercial banks, "there is little question but that" such policy "profoundly influences the investment of mutual savings banks, savings and loan associations, and insurance companies."

Mr. Mills seemed to be addressing himself to critics of the Nation's money-management machinery who contend that financial institutions other than commercial banks should be made as directly responsive to Federal Reserve policies as is now the case for commercial banks.

The Federal Reserve Board Governor noted that changes in Federal Reserve discount rates—the fees charged by Federal Reserve banks for loans to commercial banks—are heeded by other financial institutions "as a significant guide to money-market conditions and the direction of System policy," thus affecting their investment decisions. Mr. Mills noted also that when commercial banks buy Government securities with additional reserves made available by the System some of these securities come out of the portfolio of savings banks and insurance companies, releasing funds to these institutions for reinvestment in other channels.

Mr. HUMPHREY. Mr. President, I also invite attention to an analysis of this recession's severity as prepared by Dr. Geoffrey H. Moore, of the National Bureau of Economic Research. Dr. Moore finds that the recession is becoming worse, but at a slower rate. He finds no signs of an upturn.

I ask unanimous consent that the results of Dr. Moore's study as reported in the New York Times of May 11 be inserted at this point in the RECORD.

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

LEADING INDEXES STILL POINT DOWN—FIGURES THAT TEND TO SIGNAL FUTURE BUSINESS TRENDS CHARTED BY DR. MOORE

(By Burton Crane)

Business seems to be getting worse more slowly. Thus far there are no signs of an upturn. Again, our 1957–58 recession is worse than the dips of 1948–49 and 1953–54 but can't play in the same league with 1929–30, 1937–38 or 1920–21.

These are the preliminary results of a new statistical study by Dr. Geoffrey H. Moore of the National Bureau of Economic Research. This study uses "leading indicators" developed by Dr. Moore over several years. In studies going back to 1920, they have been shown to foreshadow important changes in the course of business by at least 4 months.

There is also a study of the behavior of important segments of the economy in each of the recessions since World War I.

Dr. Moore recognizes important differences between our present economy and that before World War II. Unemployment insurance and Government willingness to aid are important elements.

SHARPEST POSTWAR DIP

The peak in 1948 came in November, the peaks of 1953 and 1957 in July. How were we doing in unemployment 8 months after the peak, in March, 1958? We stood at about 7½ percent of the labor force, about ¾ percentage point worse than in 1949 and 1½ points worse than in 1954.

The gross national product had slipped a little more than in either of the two preceding recessions. So had industrial production, industrial stock prices, freight carloadings, retail sales, the length of the average workweek, the factory hiring rate, building and new incorporations.

Seven months after the peak, the layoff rate in manufacturing, though improving, was still worse than in 1954 or 1949.

In three items—personal income, liabilities involved in business failures and the prices of 22 basic commodities—the present recession stood between the preceding ones.

In only 1 of the 19 statistical series did this recession stand above the 2 former ones: wholesale prices exclusive of farm products. The economists must decide for themselves whether it is an advantage for prices to be higher at such a time.

FORECAST INDEXES

For some years now Dr. Moore, who is associate director of research at the National Bureau, has been working on the "leading indicators" concept. He and his staff examined 800 statistical series, determining which moved concurrently with the economy as a whole, which moved later and which moved earlier. The last, of course, were the most important for businessmen.

After a good deal of trial and error the 8 "leading series" chosen were (1) the liabilities involved in business failures, (2) industrial stock prices, (3) new orders for durable goods, (4) the square footage involved in new contracts for residential construction, (5) the square footage in new contracts for commercial and industrial construction, (6) the average workweek, (7) the number of new incorporations, and (8) the price index of 22 basic commodities.

Fundamentally, these were plotted by counting the number rising and the number falling in any month, but Dr. Moore adopted the practice of averaging 3 months, so that a small change in 1 month would not contradict a basic trend. Thus, January, February, and March would be averaged to find the February figure for any 1 of the 8 series above.

Accompanying this article is a new curve showing the action of the eight leading indicators. Since there are 8, and upward or downward movement of each is represented by 12½ percent, if 6 rose and 2 fell, the gain for that month would be 50 percent. Beginning at 50 percent in 1945, Dr. Moore began adding and subtracting these percentages. They not only show the direction which the economy is moving but (by the last few entries) the direction in which it is likely to move for another month or so. Perhaps they also show how far up or how far down it is.

This new curve was calculated from December 1945, which was given a value of 50. As each month passed the plus or minus score for the leading indicators was added or subtracted.

The peak in this curve for the boom preceding the present recession came in August 1955, when it reached a total of plus 362.5. There was a very gradual decline in the leading indicators thereafter. By October 1956 the curve had dropped to 262.5. Thence it slipped month by month to April 1957, recovered a bit in May, June and July, and then started to slump in August. Thus by last February the cumulated indicators stood at minus 68.7.

Mr. HUMPHREY. Mr. President, the Labor and Commerce Departments last week reported that manufacturing employment dropped by 271,000 from mid-March to mid-April. The average factory workweek fell from 38.6 hours in March to 38.3 in April—the lowest since 1940.

I ask unanimous consent that this report on the rise in jobless workers in April, as contained in the Wall Street Journal of May 9, be inserted at this point in the RECORD.

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

FACTORY JOBS FELL 271,000 IN MONTH TO APRIL 15, MOSTLY IN DURABLE GOODS—TOTAL EMPLOYMENT ROSE IN PERIOD—LAG IN REHIRING CITED BY AGENCIES

WASHINGTON.—Manufacturing employment droped by 271,000 to 15,095,000 from mid-March to mid-April, despite an overall rise in job totals, the Government reported.

Almost 70 percent of the decline was in durable goods industries, hardest hit by the recession, and unemployment in those plants grew worse, the report showed.

The Labor and Commerce Departments issued the report to add detail to the brief summary of April idleness which the Commerce Department released April 29. That statement showed total unemployment fell by 78,000 to 5,100,000 and employment went up 600,000 to 62,900,000.

But the breakdown showed the number of workers in manufacturing plants was 1,700,000 below the April 1957 level of 16,795,000, with durable goods accounting for 1,400,000 of the loss.

A continuing lag in rehiring, particularly in the hard-goods industries, also helped set a postwar record for long-term unemployment, the Government's term for workers who have been out of jobs 15 weeks or more.

Of the 5,120,000 unemployed, 1,900,000 have been idle at least 15 weeks, the highest figure since 1941, the report said. And 60,000 of those have been out of work at least 6 months.

Commerce and Labor Department statisticians gathered their information in the week ended April 12. Separate weekly reports on the number of persons drawing unemployment compensation have declined since then, indicating the situation may have improved.

The average factory workweek fell from 38.6 hours in March to 38.3 in April, lowest since 1940, the Government said. Average weekly earnings of factory workers declined by 64 cents to $80.81.

The number of workers on part-time weeks declined from 2,300,000 in March to 2,100,000, but the agencies said this was due to a union-management agreement in the auto industry to employ a smaller work force on a full week instead of a larger force on short weeks. The United Auto Workers asked that the policy of spreading the work around be changed, so that some employees would be on full pay and the others could draw unemployment compensation and supplemental unemployment benefits.

Mr. HUMPHREY. Mr. President, it is further reported that freight carloadings in the week ended May 3 fell 25.9 percent below a year ago—the sharpest decline from the previous year since the 26.4 percent decline in the week ended November 30 when a holiday cut into loadings.

I ask unanimous consent that this drop in freight carloadings as reported in the Wall Street Journal of May 9 be inserted at this point in the RECORD.

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

RAIL LOADINGS TUMBLE SHARPLY FROM 1957 WEEK—ASSOCIATION OF AMERICAN RAILROADS CALLS DROP IN ORE VOLUME OF 77.9 PERCENT BIG FACTOR IN DEEPEST DECLINE SINCE NOVEMBER

WASHINGTON.—Revenue freight carloadings by United States railroads in the week ended May 3 fell 25.9 percent below like 1957 levels—the sharpest decline from the previous year since the 26.4 percent decline in the week ended November 30 when a holiday cut into loadings, the Association of American Railroads reported.

Loadings in the latest week totaled 533,004 cars, a decrease of 185,982 cars from the like period of 1957.

A spokesman for the Association of American Railroads said a drop in ore loadings contributed heavily to the decrease in the May 3 week. For that period, ore loadings were down 77.9 percent from the like 1957 week. The Association of American Railroads official said this was partly due to a lower demand for steel and a resulting low volume of ore traffic.

Loadings of all commodities for the May 3 week—the 38th successive week of decline from year-earlier levels—were down 720 cars or 0.1 percent from the preceding week.

Loadings of the various commodities compare as follows:

Commodity	May 3	April 28	1957 week
Coal	86,634	−4,455	−45,976
Miscellaneous freight	291,774	+4,470	−59,217
Less than carload lots	45,531	(1)	−9,937
Grain	48,056	−1,296	−91
Livestock	6,255	−100	+61
Forest products	33,256	−287	−5,889
Ore	16,498	+484	−58,253
Coke	5,000	+264	−6,862

[1] No change.

Mr. HUMPHREY. Mr. President, I also invite attention to the fact that

auto sales in April fell from March sales—from a daily average of 14,020 cars to 13,950. April sales were down 29.7 percent from April of 1957.

Auto sales in the first 4 months of 1958, broken down by sales of the Big Three, show a decline from the same period of 1957 as follows: General Motors down 19 percent; Ford Motor Co. down 37 percent; and Chrysler Corp. down 44 percent.

I ask unanimous consent that the report on car sales as contained in the Wall Street Journal of May 9 be inserted at this point in the RECORD.

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

APRIL AUTO SALES FELL FROM MARCH, JANUARY, BUT EXCEEDED FEBRUARY—FAILURE OF VOLUME TO REACH HOPED-FOR LEVEL IN LAST 10 DAYS OF APRIL CITED FOR DIP

DETROIT.—April sales of new autos fell short of both the January and March totals. They were ahead of February.

The Nation's 38,000 dealers delivered 362,800 cars in the month for an average of 13,950 cars in each of the 26 selling days. This was a decline of 29.7 percent from the average daily sales of 19,825 cars in April 1957.

March sales averaged 14,020 cars a day and January volume averaged 14,650 cars a day. Only in February, when daily sales dropped to 13,375, were 1958 sales slower than last month.

SALES IN LAST 10 DAYS OF MONTH

Failure of April's final 10-day period to show the hoped-for improvement over the second 10 days was mainly responsible for the month's showing. In that period sales averaged 14,400 cars a day for a rise of only 1.9 percent from the mid-month average of 14,125. Between the like 2 periods of 1957, the gain was 7.5 percent.

One possible explanation for this was given by an economist for one of the Big Three. He said: "I'm not sure just how much of an effect it had, but both Ford and Chevrolet are beginning sales contests this month. There's a tendency on the part of dealers to hold back on reporting sales in the late part of the preceding month, so they can throw them in as sales during the contest month. With Ford and Chevy selling half the cars in the country, that could account for the fact late April sales didn't rise as much as expected."

The April total also seemed to demonstrate a lack of effectiveness of the two-hundred-odd Auto Buy campaigns conducted across the country last month.

MATTER OF DISPUTE

This is a matter of dispute within the companies themselves. "We tell ourselves that, without the Auto Buy drives, our sales would have been even worse," explains the general manager of one large car-making division. And his sales manager adds: "The results have differed from town to town—some places good, other places fair, and still others not good. But we think that it's at least had the effect of getting people interested in cars again. Stories are being written in the papers and people are starting to talk cars."

On the other side of the fence is a researcher for a competing company who says, "Frankly, I've always doubted that sales campaigns add any net sales to the industry. They may help one division gain at the expense of another, or shift sales that might be made later into an earlier month. But I doubt they increase the overall total."

Statistics on April registrations released by the Detroit Automobile Association seemed to show the drive helped sales somewhat in this hard-hit auto capital. Total registrations for April were down only 29 percent from the April 1957 level, while in the first quarter sales lagged 45 percent from a year earlier.

April registrations in Wayne County (Detroit), moreover, showed a 12-percent gain over those in March. In 1957, registration declined 21 percent in the same interval. The gain was not, however, enough to make the outlook for local dealers for the next few months any better. In fact, with auto employment certain to drop to much lower levels between now and September, their plight may well worsen.

DEPLETION OF DEALERS' STOCKS

The one bright spot in the auto-sales picture is the depletion of dealers' inventories of unsold new cars. On May 1, such stock amounted to 809,000 cars—a drop of 26,000 from the April 20 figure and down about 56,000 from April 1.

On a total basis, stocks are now below the levels of the same months of 1956, when they last constituted a serious problem for dealers and manufacturers. On the basis of daily supply, however, they are still at burdensome levels. Based on the April selling rate, present stocks equal a 58-day supply—against desirable level, in the eyes of automen, of about 30 days. But even this factor has a favorable aspect: The obvious ability of the industry at this time to withstand a lengthy strike is regarded as a major source of strength to the auto makers in their collective-bargaining sessions with the United Auto Workers.

Unofficial estimates of the sales of the Big Three for the first 4 months are as follows:

	1958	1957	Decline
			Percent
General Motors Corp.	755,000	933,000	19
Ford Motor Co.	389,000	617,000	37
Chrysler Corp.	223,000	399,000	44

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that an article from the Wall Street Journal of May 9, which reports that automobile production for the week ended May 10 was estimated to be off from the prior week, and down by 39 percent from a year ago, be inserted at this point in the RECORD.

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

AUTO OUTPUT OFF THIS WEEK FROM LAST—18 PLANTS SHUT, CURTAILED—AMERICAN MOTORS, THUNDERBIRD-LINCOLN PLANTS ONLY ONES WORKING MORE THAN 5 DAYS

DETROIT.—United States auto producers are scheduled to build an estimated 76,903 cars in the week ending midnight tomorrow, off slightly from the 78,311 units built last week, and off substantially from the 125,914 turned out by the industry in the like week a year ago.

At week's end, domestic plants will have built 1,691,139 cars since the first of the year, down from the 2,536,377 built in the corresponding period of 1957.

Eight assembly plants in the industry are down for the week this week and at least 10 others are working a short workweek. However, American Motors Corp.'s assembly plants at Kenosha and Milwaukee, Wis., and Ford Motor Co.'s Lincoln car assembly plant at Wixom, Mich., will work 6 days this week. The AMC plants are building Rambler cars, and the Lincoln plant is assembling Lincoln and Ford Thunderbird cars. These are the only auto plants in the industry working more than 5 days.

RAMBLER PRODUCTION INCREASED

American Motors this week again stepped up production of Rambler cars. During the past 30 days, the company has boosted production from 600 to about 750 units daily. Some 400 workers were scheduled to be added this week to work forces at the company's Wisconsin plants.

American Motors this year is the only producer to build more cars than it did in the opening months of 1957. Thus far in 1958, the company has built 63,093 Rambler cars, compared with 35,090 Ramblers, 2,499 Nash, and 1,051 Hudson cars in the year-ago period. Nash and Hudson cars no longer are in production.

Closed for the week this week are Chrysler Corp.'s main Dodge plant and its DeSoto division plant in Detroit and the Plymouth assembly plant at Evansville, Ind. Ford division assembly plants are closed this week at Atlanta, Dallas, Dearborn, Mich., Long Beach and San Jose, Calif. A Ford division assembly plant at Kansas City is down for the day today.

Also working 4 days are General Motors Corp.'s main Buick plant at Flint, Mich.; its Pontiac division main plant at Pontiac, Mich.; Studebaker-Packard Corp., at South Bend, Ind.; and the Atlanta and Los Angeles plants of General Motors Chevrolet division. All other Chevy plants are working 5 days this week.

SOME PLANTS FINISHING INVENTORIES

General Motors announced that only 2 of its 7 Buick-Oldsmobile-Pontiac assembly plants around the country will work a full week this week. B-O-P assembly plants at Arlington, Tex., and Framingham, Mass., will work 5 days. Finishing inventory taking this week and working curtailed schedules are the Atlanta plant, 4½ days; plants at Kansas City, Linden, N. J., and Wilmington, Del., 4 days; and the South Gate, Calif., assembly plant, 3 days.

All 7 Buick-Oldsmobile-Pontiac assembly plants are scheduled for 5 days next week, the corporation said.

After a 1-week shutdown last week, Studebaker-Packard is scheduled to build 1,060 Studebaker and 40 Packard cars this week. Four Mercury car assembly plants also returned to production this week, scheduling 3,873 cars.

Despite a short workweek this week, Buick, Oldsmobile, and Pontiac divisions are stepping up production over last week. Production by each division this week compared with last week is Buick, 4,154 and 3,131; Oldsmobile, 6,416 and 3,910; and Pontiac, 4,100 and 2,503. Ford division cut back this week to 12,275 cars from 19,849 last week.

Output by makes

	This week	Last week[1]	Year ago week	To date	
				1958	1957
Chevrolet	27,000	27,122	30,933	535,458	585,752
Ford	12,275	19,849	29,180	387,565	608,606
Plymouth	7,000	8,024	15,405	146,104	271,798
Oldsmobile	6,416	3,910	7,321	138,960	178,521
Rambler	4,350	4,177	2,142	63,093	35,090
Buick	4,154	3,131	7,861	105,677	192,241
Pontiac	4,100	2,503	6,777	96,855	156,115
Mercury	3,873	42	6,547	48,333	138,252
Cadillac	3,200	3,209	3,395	57,592	62,893
Chrysler	1,400	1,353	2,930	22,166	54,215
Studebaker	1,060	30	1,336	12,512	23,048
Dodge	600	3,210	7,282	36,959	123,428
Edsel	560	604	0	6,280	0
Lincoln	475	357	784	12,335	18,765
Imperial	350	277	1,076	6,386	17,900
DeSoto	50	513	2,638	13,551	59,807
Packard	40	0	76	1,313	5,968
Nash	0	0	163	0	2,499
Hudson	0	0	48	0	1,051
Total[2]	76,903	78,311	125,914	1,691,139	2,536,377

[1] Revised.
[2] Total include 428 Continental cars in 1957 and 20 in the year-ago week.

Mr. HUMPHREY. Mr. President, it is also worthy of note that department store sales in the week ended May 3 were reported down 8 percent from a year ago. I note, in particular, that such sales were down 6 percent in Minneapolis, down 11 percent in Duluth-Superior, and down 16 percent in St. Paul.

I ask unanimous consent that the drop in department store sales as reported in the New York Times of May 11, along with the New York Times Economic Indicators of the same date, be inserted at this point in the RECORD.

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

Economic indicators, week ended May 10, 1958

	Last week	Prior week	1957
Commodity index	84.8	84.2	88.1
Money in circulation	$30,659,000,000	$30,518,000,000	$30,589,000,000
Commercial-industrial-agricultural loans	$30,174,000,000	$30,252,000,000	$31,450,000,000
Steel operating rate (percent)	[1] 50	47.8	[2] 86.7
Steel production (tons)	1,350,000	1,289,000	2,220,000
Motor vehicle production	94,638	96,258	148,122
Daily oil production (barrels)	6,227,035	6,288,385	7,529,465
Freight car loadings	533,004	533,724	718,986
Electric power output, kilowatt-hours	11,251,000,000	11,206,000,000	11,286,000,000
Business failures	336	329	297

[1] Estimated.
[2] Not comparable because of lower capacity.

NOTE.—Statistics for commercial-industrial-agricultural loans, steel, oil, electric power, and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	April [1]	Prior month	1957
Employed	62,907,000	62,311,000	64,261,000
Unemployed	5,120,000	5,198,000	2,690,000
	March [1]		
Consumer Price Index	123.3	122.3	118.9
Industrial production	128	130	145
Personal income	$341,400,000,000	$341,700,000,000	$340,200,000,000
Exports	$1,556,800,000	$1,344,900,000	$2,050,800,000
Construction contracts	$2,721,228,000	$1,344,900,000	$3,077,997,000
Manufacturers' inventories	$52,100,000,000	$52,500,000,000	$53,300,000,000
Money supply	$123,900,000,000	$132,100,000,000	$134,500,000,000
	February		
Imports	$961,500,000	$1,095,300,000	$993,000,000

[1] Figures shown are subject to revision by source.

NOTE.—Commodity index and Consumer Price Index, based on 1947-49=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1947-49=100. Manufacturers' inventories and personal income, at annual rate, are reported by the Department of Commerce. Construction contracts are reported by the F. W. Dodge Corp. Imports and exports are compiled by the Foreign Trade Division of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc.

DEPARTMENT STORE SALES TREND

The Federal Reserve Board reports the following percentage comparisons of department store sales by districts with last year's:

District	1 week ended— May 3	1 week ended— Apr. 26	4 weeks ending May 3	Jan. 1 to May 3
Boston	−6	+5	−10	−3
New York	−7	+8	−7	+1
Philadelphia	−6	+12	−6	−3
Cleveland	−10	−5	−11	−5
Richmond	−10	[1] −7	−12	−5
Atlanta	−1	[1] +9	−5	−3
Chicago	−14	0	−11	−6
St. Louis	−15	−5	−11	−5
Minneapolis	−10	−2	−10	−2
Kansas City	−4	+1	−5	−1
Dallas	−5	+9	−6	−3
San Francisco	−4	[1] +8	−1	−2
United States total	−8	+4	−7	−3

[1] Revised.

The United States weekly index, without seasonal adjustment, follows (1947–49 equals 100):

1958:	
Apr. 5	134
Apr. 12	110
Apr. 19	125
Apr. 26	136
May 3	132
1957:	
Apr. 6	121
Apr. 13	131
Apr. 20	138
Apr. 27	131
May 4	143
1956:	
Apr. 7	113
Apr. 14	124
Apr. 21	123
Apr. 28	129
May 5	136

Percentage changes in department store sales from last year's volume by cities for the weeks indicated:

	Weeks ended— May 3	Weeks ended— Apr. 26
Akron	−7	−6
Atlanta	−3	+27
Augusta, Ga.	−6	[1] −6
Baltimore	−15	−5
Birmingham	−3	+5
Boston [2]	−6	+2
Buffalo	−12	−2
Chicago	−8	+6
Cincinnati	−6	+2
Cleveland [2]	−8	−2
Columbus, Ohio	−13	−12
Dallas	−9	+12
Denver	−5	+6
Detroit	−22	−8
Duluth-Superior [2]	−11	−14
Erie	−12	+3
Fort Worth	−10	+7
Houston	−4	+2
Indianapolis	−16	−10
Jacksonville	−4	−4
Kansas City [2]	−3	−7
Little Rock	−14	+6
Los Angeles area	−4	+7
Los Angeles downtown	−7	+4
Los Angeles West Side	−7	−25
Louisville	−19	−5
Memphis	−27	−10
Miami	+5	+8
Milwaukee	−14	−7
Minneapolis	−6	0
Newark	−14	+7
New Orleans	−6	+4
New York [2]	−10	+3
Oakland, Calif.	−5	−1
Oklahoma City	−3	[1] −4
Philadelphia [2]	−4	+15
Pittsburgh	−11	−4
Portland, Oreg.	−3	+5
Rochester	+1	−1
Salt Lake City	−1	+2
San Antonio	−2	+14
San Diego	−1	+8
San Francisco	0	+12
Seattle	−9	+4
Spokane	−5	−9
Springfield, Mass. [2]	+2	+41
St. Joseph	−4	−9
St. Louis	−10	−5
St. Paul	−16	−2
Syracuse	−11	−1
Tulsa	0	+16
Washington	−7	[1] −11
Wichita	+2	−2

See footnotes at end of table.

[1] Revised.
[2] Cities: Those not indicated by reference 2 are metropolitan districts.

THE SENIOR CITIZENS AND THE RECESSION

Mr. HUMPHREY. Mr. President, as I believe my colleagues are aware, I recently called attention to the fact that the economic slump which we are now experiencing is, in point of truth, a planned recession. It is in large measure the direct result of the administration's economic and fiscal policies, including the so-called tight money policy.

Let me call attention to a corollary fact: If a recession can be planned, it is obvious that we can also plan prosperity.

Ever since we returned to Washington in January we have been busy seeking out ways to halt the recession and to reverse the disastrous downward business trend which already has idled more than 5 million workers, according to the Secretary of Commerce.

Mr. President, there has been a great deal of discussion as to how to block the current recession and attempt to reverse the disastrous downward business trend which has already idled more than 5 million workers, not counting those who have been forced into only part-time employment. It would be well to stop and consider the potential purchasing power being denied to the ever increasing number of senior citizens.

The proportionate number of our aged is increasing over three times as rapidly as that of the rest of our adult population. In 1947 those 65 years and over totaled 10,641,000, but in 1956 they totaled 14,293,000, an increase of 3,652,000, or 34.3 percent of the total population.

Their share of income remains static. In 1952 their share of money income by persons 65 and over was 8 percent, in 1956 it was only 7.6 percent. Therefore, despite the present type of social secu-

rity system, the income position of the average American continues to decline, in old age.

To avoid depressions we need the purchasing power of all our people.

Mr. President, several bills are pending before the Congress which would not only aid senior citizens, but help restore the whole economy to health by increasing and sustaining purchasing power. Amendments to the Social Security Act, particularly S. 1793, the Humanitarian and Old-Age Rights Act, which I introduced on April 4, 1957, are among these proposals. So are the bills like H. R. 7086 which incorporate the principles of the Townsend plan.

The most interesting set of statistics has just recently been released by the Townsend Legislative Bureau concerning population increase in the adult age group with the income position of the aged of the United States from 1947-56. These tables show in a graphic form what an important and useful thing it would be to place purchasing power in the hands of the aged people in this country. Today these people can serve as agents of prosperity. They are entitled to a fuller measure of economic justice. I urge the Congress to act on increasing the insurance benefits and pensions of our senior citizens.

I ask unanimous consent that the table I have mentioned be printed at this point in my remarks.

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

POPULATION INCREASES IN ADULT AGE GROUPS, UNITED STATES, 1947 THROUGH 1956—INCOME POSITION OF AGED, 1947 THROUGH 1956

INCREASES IN NUMBERS OF PERSONS

A. Aged 14 and over

1. 1947:	
Men	52,459,000
Women	54,953,000
Total	107,412,000
2. 1956:	
Men	56,591,000
Women	61,304,000
Total	117,895,000
3. Increase (9.8 percent)	10,483,000

B. Aged 14 through 64

1. 1947:	
Men	47,403,000
Women	49,368,000
Total	96,771,000
2. 1956:	
Men	50,014,000
Women	53,588,000
Total	103,602,000
3. Increase (7 percent)	6,831,000

C. Aged 25 through 64

1. 1947:	
Men	35,578,000
Women	36,919,000
Total	72,497,000
2. 1956:	
Men	38,905,000
Women	41,205,000
Total	80,110,000
3. Increase (10.5 percent)	7,613,000

POPULATION INCREASES IN ADULT AGE GROUPS, UNITED STATES, 1947 THROUGH 1956—INCOME POSITION OF AGED, 1947 THROUGH 1956—Continued

INCREASES IN NUMBERS OF PERSONS—Continued

D. Aged 65 and over

1. 1947:	
Men	5,056,000
Women	5,585,000
Total	10,641,000
2. 1956:	
Men	6,577,000
Women	7,716,000
Total	14,293,000
3. Increase (34.3 percent)	3,652,000

Share of money income by persons 65 and over

	Percent
1947	[1] 7.0
1952	[1] 8.0
1953	7.3
1954	7.7
1955	7.9
1956	7.6

[1] Social Security Bulletin, February 1954, article by Jacob Fisher.

The proportionate number of our aged is increasing over three times as rapidly as that of the rest of our adult population. Their share of income remains static. Therefore, despite our present type of social-security system, the income-position of the average American continues to decline, in old age.

Source: Current Population Reports, Consumer Income of Persons, Department of Commerce.

Mr. HUMPHREY. Mr. President, in conclusion, I hope Congress will not adjourn this year without doing something constructively to improve the insurance and pension programs of our needy aged citizens. This is one place where we can take a forward step in terms of combating the economic decline and, more importantly, to offer some semblance of economic and social justice to those who are in need, and who by their work and their participation in our society have earned such economic justice.

FUNDS FOR VOCATIONAL EDUCATION AND FOR MUNICIPAL WASTE TREATMENT PLANTS

Mr. SPARKMAN. Mr. President, in June of 1957 President Eisenhower in his speech at the National Governors' Conference held in Williamsburg, Va., recommended that there be established a Joint Federal-State Action Committee to study and make recommendations regarding Federal grant-in-aid programs. Following this recommendation, a joint committee was established consisting of ten Governors and seven representatives of the executive branch of the Federal Government.

In December 1957 this Joint Federal-State Action Committee submitted to the President progress report No. 1. Among other things, this report recommended the elimination of Federal funds for vocational education and for municipal waste treatment plants, to become effective in fiscal 1960.

In addition, the committee recommended "that the Federal tax on local telephone service be changed so as to provide a 40-percent tax credit to those States enacting a 4-percent local telephone tax, not counting taxes already levied prior to the adoption of the credit device."

According to an article that appeared in the Memphis Commercial Appeal on December 7, 1957, a motion was made at a meeting of the Managers of the Council of State Governments which was held in Hot Springs, Ark., December 6, 1957, that the proposal of the joint committee be immediately adopted. According to the Commercial Appeal, the vote on this motion was defeated 35–7.

In January 1958, President Eisenhower in his budget message to Congress—pages M–28 and M–29—recommended that the proposal of the Joint Federal-State Action Committee be put into effect beginning in fiscal 1960.

This means that the President has recommended that Federal funds for vocational education and waste treatment plants be eliminated beginning with the fiscal year 1960.

This recommendation by the President was made before the proposal of the Joint Federal-State Action Committee was formally presented to the Governors of the several States.

It is hard to understand why the President jumped the gun in making such recommendation before one important party to the joint committee, the governors of the several States, had opportunity to study the plan and make their recommendations. Is the President receiving bad advice from members of his palace guard?

On page 577 of the Budget of the United States Government for the fiscal year ending June 30, 1959, there appears the following language dealing with the appropriation for the promotion and further development of vocational education:

> Grants are made to the States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia on the basis of different formulas for training students and teachers in agriculture, home economics, trades and industry, distributive occupations, practical-nurse training, and the fishing trades and industry. Additional grants for vocational education are provided through a permanent appropriation.
>
> While the budget recommends continuation of these programs at the 1958 level, it is expected that by the end of 1959 the Federal Government and the States will have had an opportunity to act on the recommendations of the Joint Federal-State Action Committee that the States assume this function entirely. Therefore, it is anticipated that no funds will be required in the 1960 budget for this purpose, should these recommendations be accepted as practicable by the Congress.

Mr. President, I cannot believe that a majority of the governors at their national conference, which will be held in Miami, May 18–21, will approve the proposal of the Joint Federal-State Action Committee. The reason I believe this is because the proposal is not sound and not fair to many States. A majority of the governors will recognize it as a scheme designed to make rich States richer and poor States poorer.

Let me briefly review the proposal.

First. It is not a plan to help the Federal budget. It proposes to give up to States $148 million annually in Federal

telephone taxes and to eliminate a total of $84,479,000 for aid to States for vocational education and waste treatment plants. This would cost the Federal Government $63,521,000 annually.

Second. Almost 70 percent of the $148 million from telephone taxes would go to the 12 largest and wealthiest States. These same States are receiving only about 41 percent of the Federal funds under existing laws for vocational education and waste treatment plants. The proposal—purposely or unwittingly—is a plan to favor large wealthy States and at the same time cripple and destroy our nationwide program of vocational education at the expense of the Federal Government and poor States.

Let us compare—using a few States—the financial effect on rich and poor States should this scheme be put into operation:

Mississippi would receive $1,309,388 less money than she now receives from existing laws, while New York would receive $12,408,000 more than she is presently receiving.

Alabama would stand to lose $668,000 annually, while Illinois would gain $7,120,000.

Third. The home States of all the members of the Joint Federal-State Action Committee would profit financially under the proposal—except the States of New Hampshire and Idaho.

I am told on good authority that the joint committee sought no advice from vocational authorities as to the effect on vocational education should the committee's proposal be put into operation.

I have further been advised that vocational leaders from all parts of the Nation—from rich States and poor States alike—are unanimous in their opinion that the elimination of Federal funds for vocational education would destroy the program in poor communities and seriously cripple it everywhere.

Much of America's outstanding record in productivity on the farm and in industry has come about as the result of vocational education in the public schools of the Nation. Vocational agriculture teachers, and their coworkers in the field of agriculture extension, have played a most important role in increasing the productive capacity of our farm people. The farmers of the United States have established an enviable production record. In the history of mankind, no nation has been able to establish such an outstanding record of production per man, and production per unit, as have the American farmers.

Our industries have excelled in the production of manufactured goods. This has come about as the result of the efficiency of the millions of skilled workers in our manufacturing plants. Vocational education has played an important role in the training of our skilled work force. Vocational education has also made a great contribution to our distribution system through its program of distributive education.

The health of our people has contributed to their productive capacity. Through vocational home economics education the masses have received training that has contributed much to our Nation's wonderful health program. Girls enrolled in home economics classes are taught on a practical basis the dietary needs of an individual. Through this phase of vocational education a very high percent of our people come to have an understanding and appreciation of the nutritional values of various foods. Many of our greatest scientists in nutrition, soils, and animal and plant breeding received their start in these fields through vocational education in agriculture and homemaking.

All my public life I have supported programs to educate our youth in accordance with their abilities and needs. In this regard I have been and am now an ardent advocate of vocational education.

In 1956 I successfully advocated that the Democratic platform include support for this program. The platform stated:

> We commend the 84th Congress for voting the maximum authorized funds for vocational education under the Smith-Hughes Act for the first time in the history of the act. We pledge continuing and increased support of vocational training for youth and adults, including aid to the States and localities for area technical-vocational schools.

It is perfectly silly to think of taking steps that would jeopardize our Nation's program of vocational education.

It is my sincere hope that the governors in their forthcoming meeting in Miami will overwhelmingly defeat the Joint Federal-State Action Committee proposal and will thus bury the idea of eliminating Federal funds for vocational education once and for all.

TAX REDUCTIONS

Mr. SPARKMAN. Mr. President, I was very much pleased to note an item in the Washington wire section of the Wall Street Journal for last Friday, May 9. The lead article in that section was entitled "Tax Cut Talk Takes a New Turn, Toward a GOP Democratic Compromise." The article states that Treasury Secretary Anderson has been quietly discussing with Congressional leaders the form which a tax cut should take.

It is especially gratifying that the article mentioned that small business would get a special break. I hope that Secretary Anderson will note that S. 3194, the small business tax adjustment bill of 1958, already has the support of 37 Members of this body. The necessary adjustment to our tax system for small and growing concerns would be properly developed by this measure.

The fact that such a high administration official has begun to talk, even quietly, about the form of tax relief, rather than continuing to speak against a tax cut, is a step in the right direction. I believe that the other items noted in this article are worthy of the attention of Senators, so I ask that it may be printed at this point in my remarks.

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

WASHINGTON WIRE—A SPECIAL WEEKLY REPORT FROM THE WALL STREET JOURNAL'S CAPITAL BUREAU

TAX CUT TALK TAKES A NEW TURN, TOWARD A GOP-DEMOCRATIC COMPROMISE

The result would be less tax relief than once expected, if the deal works. Here's the direction: Treasury Secretary Anderson would quietly sit down with House-Senate leaders. They'd decide what taxes to cut, then crack the whip to hold rank-and-file lawmakers in line. The administration already quietly drops its demand for straight extension of present corporate, excise rates.

Anderson probably would favor faster depreciation deductions for business as a substitute for lower corporate rates. Excises would be reduced, at least on autos, freight transportation. Small business would get a special break. Key House tax strategists now lean toward cutting excises as part of the rate extension bill. Small business relief would come in a separate measure. House leaders would leave the individual-corporate relief question for later.

FREEDOM FOUNDATION AWARDS

Mr. SPARKMAN. Mr. President, every year the Freedoms Foundation at Valley Forge conducts the Valley Forge pilgrimage honoring schools for outstanding programs in citizenship education. This annual pilgrimage includes visits for representatives of the honored schools, the winning student, and his teacher to Valley Forge, Philadelphia, and Washington.

In each of these cities, a full day's program is planned to see freedom's shrines and to review the events and sacrifices that forged the independence of this Nation and built a foundation on which we have become great.

"Eternal vigilance," though, "is the price of liberty." This is a principle imperative to our survival as a strong nation. Indeed it is imperative to the survival of Western civilization. Thus it is gratifying when organizations like Freedoms Foundation encourage programs of citizenship education.

I am personally delighted that an Alabama school—Indian Springs School, Helena, Ala.—was one of the 36 in the entire United States chosen to send representatives to the pilgrimage this year. Both Mr. James H. Mason and Mr. John H. Heacock, Jr., teacher and student respectively, of the school, are to be congratulated on their outstanding work that led to this widely sought-after award.

Indian Springs School is a private preparatory high school for male students, grades nine through twelve.

I am advised that another Alabama school, McNeil School of Bessemer, Ala., was also chosen as among those doing outstanding work in citizenship education. Due to the fact that this school has previously made the pilgrimage, it was not selected to send representatives this year.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, in accordance with the previous order, I

move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 45 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, May 14, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 13 (legislative day of May 12), 1958:

FEDERAL HOME LOAN BANK BOARD

Ira A. Dixon, of Indiana, to be a member of the Federal Home Loan Bank Board for a term of 4 years expiring June 30, 1962. (Reappointment.)

IN THE NAVY

Maurice H. Manahan, midshipman (Naval Academy), to be ensign in the Navy, subject to qualifications therefor as provided by law.

James L. Denny, midshipman (Naval Academy), to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

The following named (Naval Reserve Officer's Training Corps) to be ensigns in the Navy, subject to qualifications therefor as provided by law:

Franz Euler III
Robert C. Higbee
James W. Lakey

The following-named (civilian college graduates) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Charles R. Harper
Robert L. Hargrave

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

LIEUTENANT

Sheldon H. Barnes	Dale L. Larson
Wendell W. Batchelder	Donald R. Lintner
	Jerome A. Logan
James M. Brown	Jay W. McRoberts
George E. P. Buxton	Lawrence Marinelli, Jr.
Donald W. Gauthier	Alva L. Mayes, Jr.
Benjamin J. Gilson	Alfred C. Moon
Stanley L. Goodwin	Joseph T. Mullen
Roger G. Hauser	Donald Reid
Arnold D. Hoekzema	Wilbur C. Rust
Luman H. Hughes, Jr.,	John E. Schanberger
Harold R. Hunt	Myron I. Varon
Bernett L. Johnson, Jr.	William W. A. Walker
	Joe E. Whetsell
Charles R. Johnson	William B. White
Jack D. Kortzeborn	David L. Williams

LIEUTENANT (JUNIOR GRADE)

Hugh O. deFries	William A. Rack
Russell F. Mading	Rolf W. Steyn

The following-named Reserve officers to be lieutenants in the Medical Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law:

Hugh O. deFries	William A. Rack
Russell F. Mading	Rolf W. Steyn

Hampton Hubbard, Reserve officer, to be a lieutenant commander in the Medical Corps of the Navy and to be promoted to the grade of commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

John W. Plummer (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named Reserve officers to be grades indicated in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

LIEUTENANT

Robert J. Adams
Donald C. Hauck
William R. Hiatt

William F. Argue, Reserve officer, to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named Reserve officers to be lieutenants (junior grade) in the Dental Corps of the Navy and to be promoted to the grade of lieutenant when their line running mates are so promoted, subject to qualifications therefor as provided by law:

Lewis S. Earle
Charles D. Joyner, Jr.
Walter P. Leonard

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (engineering duty), subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

LIEUTENANT

George A. Hume

The following-named for permanent appointment:

LIEUTENANT

Clayton R. Adams

LIEUTENANT (JUNIOR GRADE)

"J" Richard Gauthey
George A. Hume

Charles E. Stalzer, Reserve officer, to be a permanent lieutenant in the line of the Navy (aeronautical engineering duty), subject to qualifications therefor as provided by law.

Mary Super, Reserve officer, to be a lieutenant commander in the Nurse Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law.

Edward W. McMillan, OCSA, USNR, to be a lieutenant (junior grade) in the line of the Navy (special duty only, law), subject to qualifications therefor as provided by law.

The following named to be ensigns in the line in the Navy, limited duty only, classification "deck," for temporary service, subject to qualifications therefor as provided by law:

Dawson Alexander, Jr.	Philip J. Kennedy
Harold R. Anderson	Windolan W. Kesterson
Frederick W. Bence	
Roy H. Boehm	Charles "H" McCoy
Earl C. Clark	John H. McEachin
Don C. Craft	Leonard M. Moore
Lewis N. Davis	John J. Mullin, Jr.
Ralph A. Devenger	James F. Newell, Jr.
John T. Doherty	William T. Nichols
Walter L. Elliott	Jay E. Richards
Richard L. Golson	Roy L. Rickman
Raymond L. Good	William D. Roberts
James L. Goodwin	Charles D. Smith
James "J" Guthrie	Wallace H. Smith
Elliott M. Hamilton	James G. Tallant
Clyde D. Hawkins	Lewis D. Turner
George A. Johns	Elbert E. Wheat
Ralph W. Jones, Sr.	James E. Williams
Jordan Kele III	Patrick H. Williams

The following named to be ensigns in the line in the Navy, limited duty only, classification "ordinance," for temporary service, subject to qualifications therefor as provided by law:

Donald W. Barnes	George L. Day
Robert D. Blatchley	Charles E. Duggan, Jr.
Charles E. Burns, Jr.	Dewey L. Gann
James A. Callahan	Lahon H. Grimes
Bertram P. Chase	Carl G. Haesloop, Jr.
Everett L. Johnson	Thomas E. Richards
Ronald G. Johnson	Paul M. Schultz
James S. C. Kramer, Jr.	Raymond Slizewski
	Frederick K. Sorrell
Robert L. Lane	John C. Thomas
Elliott L. Mathis	James J. Tomko
James J. McDermott	Robert J. Trask
William J. Pritchard	Dodson D. Walker, Jr.
Basil R. Rhodes	Edward C. West

The following named to be ensigns in the line in the Navy, limited duty only, classification "administration," for temporary service, subject to qualifications therefor as provided by law:

Robert E. Banman	Axel L. Lindstrom
Harvey R. Blackler	George B. McDonald
Claremont J. Clifton	Walter E. McLaughlin
William E. Clower	George F. Nottoli
Charles W. Cockrell	Dominick Onorato
Elmer J. Cook	Louis E. Pentz
James F. Dawson	Russell O. Perkins
Francis P. Doe	Cecil O. Rhodes
Thomas F. Dougherty, Jr.	Joel T. Roberts
	Arthur Roy
David R. Eartman	Edward E. Schaefer
Vernon M. Franks	Allen L. Shapero
Earl W. Guffey	Gordon D. Shibsted
Mattison H. Hoskins	Kenneth A. St. Michel
Robert A. Hutchinson	Joseph J. Vettese
William L. Jones	Robert White
Robert S. Kelly	Claude E. Williams
John R. Lawson	Robert M. Wold

The following named to be ensigns in the line in the Navy, limited duty only, classification "engineering," for temporary service, subject to qualifications therefor as provided by law:

James B. Batton, Jr.	David E. Long
Villard Blevens, Jr.	Bryan M. Lorts, Jr.
Bruce P. Brown	Walter Machowski
Harry D. Brown	Frank A. Maviglia
Edward P. Cortesini	Raymond A. McCoole
Carl M. Courtney	Herbert E. Menzel, Jr.
Rudolph W Damken	John A. Miller
William A. Demchak	Clarence E. Mitchell
Donald G. Disney	Eugene S. Oakey
Howard F. Downey	John T. O'Donnell
Carroll L. Doyle	Jackson K. Parker
Robert M. Duncan	Charles L. Pederson
Ira L. Durbin	John R. Petrin
Floyd L. Elmore	Emil Popa
James C. Finley	Leonard H. Rawcliffe
George H. Flavin	Lloyd S. Redding
Marshall J. Frankford	Bernard J. Reynolds
Henry I. Fuller	William H. Rigdon
Richard D. Gearhart	Carl I. Sellden
John S. Ghiselin	Richard F. Smith
Edward P. Green	Howard W. Sorensen
William T. Gunn	William L. Street
Edward J. Guntrum	Roy E. Surrells
John W. Hagen	Ernest F. Susalla
John C. Holdorf, Jr.	Ben R. Tew
Charles R. Jensen	Durwood O. Thompson
Frank R. Johnson, Jr.	Norman J. Tomcavage
Archie T. Kellems	John A. Tucker
Charles W. Kelly	Nick N. Vardakis
William F. Kenney	Edwin E. Weber
James W. King, Jr.	Willie Westberry
George W. Kirby, Jr.	Thomas A. Whalen
Jesse L. Laseter	James L. Whitehead
Benny V. Latorra	John C. Wilcox

The following named to be ensigns in the line in the Navy, limited duty only, classification "hull," for temporary service, subject to qualifications therefor as provided by law:

Richard B. Brewer	Albert M. Penta
Billie L. Delanoy	Dennis H. Rice
Eugene J. Dougherty	Robert J. Schultz
Vernon E. Hazard	Gordon M. Smith
John E. Hubitsky	Tom R. Smith
Joseph U. Jones, Jr.	John J. Zimits
Thomas E. O'Malley	

The following named to be ensigns in the line in the Navy, limited duty only, classification "electronics," for temporary service,

subject to qualifications therefor as provided by law:

Wallace T. Ashley
Francis X. Atwater
Vernon W. Bacon
Kinnon W. Barnes
Norman R. Barr
Theodore T. Bateman
Richard G. Glass
Charles E. Buselenlehner III
Robert R. Caggiano
William D. Clendenon
Gayle V. Collins
Clyde M. Conway, Jr.
Hugh R. Crane
Harry B. Dawson
Raymond E. Dietz
James Drake
Alan L. Dunsmore
James L. Durham
Vonnie D. Estep
Harold W. Fancher, Jr.
Richard P. Furry
Jesse T. Graham
Louis F. Guimond
Frederick I. Hammond
James H. Hawkins, Jr.
David E. Heggie
Jack K. Hensley
Austin W. Harrick
John P. Hewell
Glendon E. Hill
"J" "V" Hood
Paul O. Hord
Robert J. Hula
Walter E. Knight
Joseph R. Lipman
Paul N. McGrath
Kenneth E. McLaurin
George G. Melonson
Delbert S. Metzger
Ora M. Moffett
Jack L. Murray
William L. Myers
Howard M. Novak
Donald A. Olson
John J. Porter
Carl A. Prebeck
Raymond J. Raczek
Theodore T. Reilmann
Albert F. Rikli
Arnold H. Ringler
Gerald H. Rounds
Robert D. Schloemer
Charles F. Schoen
William A. Sheets
Kenneth H. Sisk
Clare E. Skrukrud
Kenneth M. Smith
James H. Suit
LeBurn A. Thompson
Robert W. Tisdale
Edgar G. Trayer
Norman E. Trickel
Harris O. Turner
John P. Walker
Lemuel E. Walker
Orville R. Whaley, Jr.
John B. Wilcox
Philip R. Wilcox
Samuel M. Wiles
William A. Williams

The following named to be ensigns in the line in the Navy, limited duty only, classification "aviation operations" or "photography operations," for temporary service, subject to qualifications therefor as provided by law:

Harry A. Boomer, Jr.
William M. Bowman, Jr.
Broder M. Erichsen
Charles E. Faulkner
Robert B. Fentriss, Jr.
Roger L. Ferguson
Romauldo C. Ferraro
Francis J. Gallagher
John G. Graf
Donald W. Hamblin
Roger G. Jenkins
Gordon E. Kinney
Eugene R. Klipp
Marvin J. Kufahl
Bruce E. Martin
Robert F. McElroy
William L. McIntosh, Jr.
Truman J. McLaughlin
William J. North
Eugene E. Oliver
Dale V. Orgill
Allen L. Parker
Robert P. Price
Wilfred P. Rathbun
Ralph L. Siqveland
Arthur C. Thomas
Albert R. Thompson
Thomas P. Van-Wormer
Herman G. Walker
Alfred N. White
Dale H. Williams
Thomas E. Young

The following named to be ensigns in the line in the Navy, limited duty only, classification "aviation ordnance," for temporary service, subject to qualifications therefor as provided by law:

Robert M. Bickel
William T. Blakemore
Robert L. Brake
Elvin F. Brown
Robert C. Carrington
George Clark
Donald E. Ethell
Joseph A. Gauthier, Jr.
Richard H. Graham
Joseph A. Hamernik
James H. Hayden
Charles R. Hayes
Joseph F. Heisler
Doyle W. Hensley
Harold C. Humphrey
Melvin L. Jones
Robert E. Loker
James A. Mackey
Russell L. Marcoux
Richard G. McKee
Clinton J. Mickle
Francis J. Miller
James L. Morgan
Kenneth R. Morgan
Henry S. O'Connor, Jr.
Albert C. Oker
Roy C. Olsen
Giles R. Phillips
Glen C. Porterfield
Byron C. Pratt
William C. Scarbrough, Jr.
Roger A. Smith, Jr.
Glynn Surles
Ronald R. Swanson
James D. Tripp
Matthew W. Voll
William C. Williams
Harold I. Wilson
George L. Worel
Mario J. Zuffinetti

The following named to be ensigns in the line in the Navy, limited duty only, classification "aviation maintenance," for temporary service, subject to qualifications therefor as provided by law:

George R. Archibald
Henry B. Askey
Marvin L. Baggett
Chestley M. Benton
Clyde L. Betts
Joseph F. Binczak
Chesney O. Bissell
Robert J. Bowery
Edward J. Bradley
Harold F. Buchberger
Francis R. Burns
William G. Camp
James B. Capps
George W. Carter
Calvin J. Cline
Thomas L. Cox
Albert J. Cyr
Arnold D. Dorriety
James D. Dowling
Harry A. Dunlap, Jr.
Augustus T. Elison, Jr.
William L. Elliott
Robert O. Funderburk
Austin L. Gilbride
Robert J. Goodie
Thomas S. Goth
Fiore Grande
Robert J. Grasmuck
William E. Guy
Joseph H. Hammett
Ernest L. Hedgepeth
Robert A. Henry
James P. Hildabrand
Tom B. Hite
Harry H. Hudgins
Alton R. Hudson
Thomas H. Hume
Richard E. Jastremski
William E. Keays
Harry W. Kennedy
Frank J. Koch
Harry C. Lane
Edward T. Lazor
Arthur R. Lee
Robert C. Lee
Richard C. LeVaugh
William E. Malina
James F. Manley
Troy H. Martin
Edward A. Miller
Wayne W. Miller
Charles M. Mills
Irving J. Morrison
Laurence A. Napolis
Benjamin F. Newlon
Walter E. Parshall
William R. L. Pass
Bill B. Rice
William F. Reid
Roy W. Rische
Roland H. Ronken
Cornelius M. Rowley
Benard J. Rubel
Thomas A. Smotherman, Jr.
Robert W. Street
Harvey M. Teagle
Edgard A. Thomas
George E. Toy
Derry E. Tucker
James W. Walker
Robert H. Weir
Eugene H. West
James F. West
Orville M. Williams
Willis T. Williams

The following named to be ensigns in the line in the Navy, limited duty only, classification "aviation electronics," for temporary service, subject to qualifications therefor as provided by law:

Thomas J. Abraham
Virgil E. Albert
Clarence E. Aldrich, Jr.
Francis O. Barker
Walter H. Bayer
Herbert E. Black
Olin E. Boling
Nathan E. Branch
Gerald J. Burns
"V" "O" Campbell
Bernard W. Carr
Robert D. Carroll
Thomas H. Conley, Jr.
Morris E. Coon
William R. Cotton
Elwood A. Cowart
Marvin P. Daugherty
Dan A. Davis
Edward B. Dorsey
Charles G. Dukes
Don N. Elliott
James M. Epley
Dovard J. Evers
Donald E. Francis
Judson D. Fulghum
Vernon L. Garner
Kirby L. "B" Gee
Carl E. Gengenbach
Russell E. Gilmore
Eugene D. Griggs
Glen L. Gruel
Albert G. Hallowell
Leonard J. Hansen
John J. Harkins
Donald A. Harlen
Robert W. Herman
Norman L. Humiston
Albert C. Jeanguenat, Jr.
Carl D. Johnson
Jenus "B" Jones
Robert W. Leake
Robert S. Lipske
Walter L. Loonam
Hans W. Lunder
Carl M. Martin
Glenn R. Martin
Richard W. Martin
Richard Martyniak
Herman L. McCarty
Albert E. McBee
Francis C. McLocklin
George L. McMasters, Jr.
Robert C. Meixell
James S. Moore
William B. Morse
Walter J. Nollan
Joseph P. Norris
Robert E. Ogden
Paul A. Paradis
Bunyan Payne
Frank M. Petraccoro
James S. Piper
Robert Poole
Donald R. Porter
Norman R. Quelland
Maury E. Redford
William T. Robbins, Jr.
Robert J. Sause
Edwin P. Setterberg
David R. Shoquist
Charles E. Slater
Thomas A. Smith
Lorne H. Smyth
Everett A. Summers
James T. Talmadge, Jr.
Walter T. Taylor
William L. Thomas, Jr.
Harold C. Treptow
"N.T." W. Wall
Lloyd E. Wenn
Robert F. Wingo
James H. Withsosky
John L. Youmans
Bobbie R. Young

The following named to be ensigns in the line in the Navy, limited duty only, classification "aerology," for temporary service, subject to qualifications therefor as provided by law:

David N. Brown
William F. Brown
James H. Bryant
Jack F. Bullington
Donald L. Clark
Jasper R. Cutter
William A. Dotson
Robert C. Forsberg
John A. Gassner
Gene B. Haynes
Wayne H. Ledbetter
Jake G. LeGrande, Jr.
Waylon A. Livingston
Donald A. MacNintch
Anthony Mangiafico
David L. Reuscher
Oscar O. Spindler
Adrian A. Tingle
James B. Wharton

The following named to be ensigns in the Supply Corps in the Navy, limited duty only, for temporary service, subject to qualifications therefor as provided by law:

Raymond B. Allen
Guy F. Baxley
Charles D. Bounds
William W. Bryant
Thomas R. Cali
John J. Cash
Benjamin H. Clark
William H. Fogle, Jr.
Hugh R. French, Jr.
Robert L. French
Robert B. Giles
Roland A. Goss
Richard A. Granucci
Kenneth R. Gregory
Roy L. Johnson
Stephen Jubinski
Earl D. Judd
Ronald L. Langlais
Jerome C. Lund
Billy J. Merrell
Willis A. Mitchell
Eugene E. Nagele
Gordon E. Pierce, Jr.
VanLear L. Reeder
James E. Rosenblum
Lawrence J. Roth
Joseph P. Schrank
Alan D. Sells
Troy W. Simmons
Sonny J. Wachter
Eugene G. Walker

The following named to be ensigns in the Civil Engineer Corps in the Navy, limited duty only, for temporary service, subject to qualifications therefor as provided by law:

Johnny Perez
Howard K. Rowan
Don G. Windle

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "deck," for temporary service, subject to qualifications therefor as provided by law:

Robert W. Hetzel
Albert P. Koontz
Adam W. Reis
Louis "M" Tew

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "ordnance," for temporary service, subject to qualifications therefor as provided by law:

John F. Hayes
Virgil C. Kagy
Frederick H. Michels

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "administration," for temporary service, subject to qualifications therefor as provided by law:

George I. Bower
Irwin G. Newman
William J. Laux
Robert Fritz, Jr.

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "engineering," for temporary service, subject to qualifications therefor as provided by law:

Robert A. Brett, Jr.
Floyd R. Coburn
Ralph L. Dillin
Joseph L. Fitzgibbon
Kenneth D. Hummell
Jack A. Munsen
William E. Walsh, Jr.

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "hull," for temporary service, subject to qualifications therefor as provided by law:

John L. Heath
Wiley B. Parrish

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "electronics,"

for temporary service, subject to qualifications therefor as provided by law:

Louis M. Laterza
John V. Prestil
Chester J. Skjod
Bryant K. Smith
William D. Spencer

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "aviation operations" or "photography operations," for temporary service, subject to qualifications therefor as provided by law:

Edwin L. Fogel
Joe Usher, Jr.

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "aviation ordnance," for temporary service, subject to qualifications therefor as provided by law:

Edward A. Baron
Rabon D. Brown
Charles M. Deveaux, Jr.
Donald L. Meritt

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "aviation maintenance," for temporary service, subject to qualifications therefor as provided by law:

Robert T. Feiro
James R. Hice
Irving P. Martin
George E. Moore
John A. Roberts
Dale L. Wagner

The following named selected as alternates to be ensigns in the line in the Navy, limited duty only, classification "aerology," for temporary service, subject to qualifications therefor as provided by law:

Caloway H. West
Jimmy Whittemore

George Moss, WO, USN, selected as an alternate to be an ensign in the Civil Engineer Corps of the Navy, limited duty only, for temporary service, subject to qualifications therefor as provided by law.

The following named (Naval Reserve aviators) to be ensigns in the Navy, subject to qualifications therefor as provided by law:

Gerald G. Atkinson
Peter A. Banks
Paul D. Barrish
James S. Bassett
Charles V. Briegel
Daniell M. Brown
Donald R. Brown
Donald E. Canada
Everette D. Deweese
Lucio Diloreto
Sterling J. Farr
Thomas E. Friedrich
Leo J. Gaffrey
Robert L. Hogue
Leon P. Kawalkowski
Paul G. Kilpatrick, Jr.
Charles H. Kinney
Donald E. Kuehler
Richard J. Lanning
Forrest A. Lees, Jr.
Charles W. Middleton
Jon K. Morrison
Ronald P. Raeymaeckers
Stephen R. Slack
John N. Stanley
Henry H. Strong, Jr.
Pete J. Theodorelos
Richard D. Widen
Richard L. Zerwas

The following named (Naval Reserve aviators) to be lieutenants (junior grade) in the Navy, subject to qualifications therefor as provided by law.

Richard A. Barnes
Richard E. Beck
Kenneth I. Bergstrom
Edgar A. Breland
Braden R. Briggs
William L. Bush, Jr.
George W. Cobb
Carroll O. Crain
James T. Daulton
Donald C. Drennan
William G. Eason
David L. Elam
Roger H. Ensign
Gene O. Evans
Russell E. Fredrick
Gary J. Gehring
Neil D. Gerl
James M. Gleim
James R. Gore
Peter J. Groff
Robert Haberman
James D. Hannan
Edwin E. Hanson
Claude F. Hendrickson, Jr.
Ronald K. Hess
Donald M. Hindorff
Richard P. Howard
Samuel P. Huhn
Alan D. Johns
Billie D. Johnson
Constantine C. Keller III
Ural W. King
Valarius E. Kugler
Russell G. Lambert
John E. Laye
Dennis B. Lee
Gerald K. Loeb
Brendan P. Marshall
Jack A. McClure
Thomas R. McKinnon
Robert W. Miles
Charles H. Noss
Daniel E. O'Connell
Herbert F. Person
Stewart G. Powell
Jerome J. Redington
Robert P. Rice
Alvin R. Riddell
Richard A. Rinkel
Robert E. Robinson
Anthony P. Ruotolo
Terry D. Saville
Orren A. Schadewitz
Victor A. Schoen
John R. Scott, Jr.
Markley R. Seibert
James J. Selgrath
Richard A. Smithhart
Barry W. Spencer
David H. Utter
Peter M. Wanbaugh
George A. Wickwire, Jr.
Gordon R. Williams, Jr.
Joseph V. Wood
James L. Yarnell

The following-named officer in the Medical Corps of the Navy for temporary promotion to the grade of commander, subject to qualification therefor as provided by law:

Hampton Hubbard

The following-named line officers of the Navy for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law:

Reginald D. Burgert
Bert W. Johnson

Darrell K. Pastrell (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 13 (legislative day of May 12), 1958.

DEPARTMENT OF THE NAVY

Rear Adm. James W. Boundy, Supply Corps, United States Navy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, term of 4 years.

THE TAX COURT OF THE UNITED STATES

The following-named persons to be judges of the Tax Court of the United States for terms of 12 years from June 2, 1958 (reappointments):

Bolon B. Turner, of Arkansas.
John Gregory Bruce, of Kentucky.
Russell S. Train, of the District of Columbia.
Bruce M. Forrester, of Missouri.

ASSAYER OF THE UNITED STATES ASSAY OFFICE

Howard F. Johnson, of New York, to be Assayer of the United States Assay Office, New York, N. Y., to fill an existing vacancy.

IN THE ARMY

The nominations of Billy J. Abel and other officers for promotion or appointment in the Regular Army, which were received by the Senate on May 1, 1958, were confirmed today and may be found in the Senate proceedings of the CONGRESSIONAL RECORD for May 1, 1958, under the caption "Nominations," beginning with the name of Billy J. Abel, which is shown on page 7863, and ending with the name of Robert S. Zambon, which appears on page 7867.

IN THE REGULAR AIR FORCE

The nominations of William M. Brown, Jr., and 464 other officers for promotion in the Regular Air Force, which were received by the Senate on April 25, 1958, were confirmed today, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD of April 25, 1958, under the caption "Nominations," beginning with the name of William M. Brown, Jr., which appears on page 7388 and ending with the name of Palmer P. Pierce, which is shown on page 7390.

IN THE NAVY AND MARINE CORPS

The nominations of John W. Adams and 3,750 other officers for appointment in the Navy and in the Marine Corps, which were received by the Senate on April 30, 1958, were confirmed today, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD for April 30, 1958, under the caption "Nominations," beginning with the name of John W. Adams appearing on page 7733, and ending with the name of David S. Holben, appearing on page 7742.

IN THE MARINE CORPS—PERMANENT APPOINTMENTS

Maj. Albert F. Schoepper, for permanent appointment in the grade of lieutenant colonel.

Dale L. Harpham, for permanent appointment in the grade of captain.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 13, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Romans 8: 9: *Now if any man have not the Spirit of Christ, he is none of His.*

O Thou God of our spirits we are coming unto Thee in prayer to have our doubts dispelled, our wrongheartedness corrected, our sorrows healed, and our sins cleansed away.

Inspire us to be more eager to accept and act upon the gracious words which came from the lips of our blessed Lord.

We humbly acknowledge that we are so frequently content to live on a lower level and to walk in a less lofty way.

May we consider that we only belong to Him and are following Him when we have His spirit of love and good will.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11470) entitled "An act 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."

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

URGENT DEFICIENCY APPROPRIATIONS, 1958

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1716)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,000,000"; and the Senate agree to the same.

CLARENCE CANNON,
ALBERT THOMAS,
ROBERT L. F. SIKES,
JOHN TABER,
CHARLES R. JONAS,
Managers on the Part of the House.

CARL HAYDEN,
ALLEN J. ELLENDER,
LISTER HILL,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
WILLIAM F. KNOWLAND,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER I

Independent offices

Amendment No. 1: National Science Foundation—Appropriates $1 million for the Antarctic program instead of $2,400,000 as proposed by the Senate. An overall amount of $2 million is approved for such program, the balance to be financed by regular appropriations available to the Foundation.

CHAPTER III

Military construction

Amendment No. 2: VIII Olympic Winter Games, 1960—Restores House language which provides that the sum of $3,500,000 made available for this activity be derived by transfer from funds presently available to the Department of Defense, instead of making a new appropriation as proposed by the Senate.

CHAPTER V

Legislative branch

Amendment No. 3: Appropriates the usual gratuity to the widow of a deceased Senator.

CLARENCE CANNON,
ALBERT THOMAS,
ROBERT L. F. SIKES,
JOHN TABER,
CHARLES R. JONAS,
Managers on the part of the House.

Mr. CANNON. Mr. Speaker, with the concurrence of the gentleman from New York [Mr. TABER], I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

NATIONAL RIVERS AND HARBORS CONGRESS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, beginning tomorrow, Wednesday, May 14, the National Rivers and Harbors Congress begins its 45th annual convention. The first order of business is the handling of committees headed by some of our colleagues from this Congress. On Thursday the convention itself formally gets under way and on Friday it winds up with a luncheon meeting with outstanding speakers from Government and civilian industry.

Under the constitution and bylaws of the National Rivers and Harbors Congress every Member of the House and Senate is an ex officio member of the National Rivers and Harbors Congress. You need no special invitation as you can attend these meetings in your own right and be with the delegates from your home districts for this purpose. I hope that every Member of the Congress who believes sincerely in reclamation, flood control, river and harbor development and utilization of our water resources will take advantages of this convention in Washington at the Mayflower Hotel and will meet with an associate with the delegates of this convention. The program for the National Rivers and Harbors Congress provides an opportunity for the delegates from your district and State to visit with you during the course of the convention.

STORY OF FREE ENTERPRISE

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, foreign aid, called mutual security, has bedeviled Congress for many years as we endeavor to explain a program that has grown like topsy. The many faceted programs of aid to friends, to neutrals, to possible enemies find us like the man Lincoln described "So busy in letting rooms in one end of his house that he can't stop to put out the fire that is burning the other." In our case, we are providing lodging free, and failing to safeguard our economic base which is based on only one foundation—a sound dollar. Economic collapse via Federal overspending and inflation of our money, will not solve the problems of needy countries. We do not strengthen others by weakening ourselves.

While one group of proponents says "we unselfishly want to help others," another group says, "we are doing this as a subsidy to ourselves, hiring thusly 600,000 people. It is an antirecession measure." Both groups say these diametrically opposed aims each prove respectively that the additional sum—despite approximately $9 billion in pipeline—must be authorized. This is like the threat of the highwayman who with pistol to your ear, declares, "Stand and deliver, or I shall kill you; and then you will be a murderer." Aid to Tito, now approaching $1,000 million, is reminiscent of the earlier scrap iron shipped to Japan. It may be returned to us. The United States in helping Tito reminds me of Abe Lincoln's story of the barber who stuck his finger in his customer's mouth to make his cheek protrude, but while shaving he cut through the fellow's cheek and cut off his own finger.

THE LATE JOHN T. EIKER, JR.

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I would like to pay tribute to an outstanding public servant and member of my staff who devoted 37 years to assisting my predecessor and me to carry out our duties in the House of Representatives and in the Senate. I speak of John T. Eiker, Jr., who passed away suddenly last week.

It was my privilege to have the benefit of his presence on my staff since the day I came here in 1951. Prior to that time John Eiker had served for 18 years with my predecessor in this body, the Honorable James W. Wadsworth, Jr., and for another 12 years with that estimable gentleman in the Senate, from 1915 to 1927.

No Member received better support from a staff member than John Eiker gave to Senator Wadsworth and myself. His great practical knowledge of the workings of our Government, both in legislative and executive matters, was rooted in his long and varied experience. His intense loyalty to me and the Congress flowed from his outstanding Christian character. His initiative, competence, and personal modesty won him

the respect, admiration, and friendship of all who worked with him.

In his position John Eiker helped an incalculable number of persons in New York State and in the 39th Congressional District. But most of these people are unaware of their debt to him because of his self-effacing manner.

This body and our Government was made better by the contributions of John Eiker. All of us who knew him will miss him greatly. His wife and family have the sincere sympathy of us all.

FAST ACTION URGED ON POSTAL PAY INCREASE

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, a few days ago, on the floor of this House, I expressed my disappointment at what appeared to be dilatory tactics of the conferees considering the postal pay and rate increase legislation. The conferees met yesterday and I am advised accomplished nothing. I understand they are to meet again tomorrow and at the risk of being repetitious, I again urge that the conferees considering this important legislation proceed with all speed to reach an agreement and report back to the House and Senate for appropriate action. Every day's delay not only works additional hardship on these deserving postal employees, but also jeopardizes essential retroactive features of the legislation. This pay increase is already a year late and certainly should be made up at least in part by a reasonable retroactive provision.

Mr. Speaker, it is a great honor to be a Member of this, the greatest legislative body on earth, and I feel a justifiable pride in being a part of this House. As such, I urge the distinguished Members of the House to join me in a positive and dynamic effort to break this slowdown or stalemate. For my part, I intend to leave no stone unturned to prevent having again to return to my District and report again to the postal employees: "Too little and too late."

MUTUAL SECURITY ACT

Mr. RAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Speaker, I have reached the conclusion that public interest requires a vote for the Mutual Security Act—H. R. 12181. The President says that our mutual-security programs have been, and will continue to be, vitally important to our own security as well as to the other parts of the world which are not under Communist domination. There have been some mistakes in administration and undoubtedly there will be others. They have been and will be corrected as they develop. In addition to the President, the Secretary of State, the Chairman of the Joint Chiefs of Staff, and many others whose views I respect, have all supported the program vigorously. These are the experts whose advice I choose to follow. Insofar as I have been able to get facts and form an opinion of my own, my judgment confirms theirs.

Mr. Speaker, I expect to vote for H. R. 12181 and against amendments of which I have knowledge at this time.

CALL OF THE HOUSE

Mr. ADAIR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 56]

Abbitt	Denton	Morris
Addonizio	Dies	Moulder
Anderson, Mont.	Dooley	Norblad
Anfuso	Eberharter	Powell
Auchincloss	Everett	Rhodes, Pa.
Ayres	Fallon	Riehlman
Barden	Flood	Rodino
Barrett	Fogarty	Rogers, Tex.
Baumhart	Granahan	Saund
Blatnik	Grant	Scott, N. C.
Bonner	Green, Pa.	Scott, Pa.
Buckley	Gregory	Sheehan
Burdick	Gross	Sheppard
Byrd	Healey	Shuford
Celler	Hébert	Smith, Miss.
Chelf	Hillings	Staggers
Christopher	Horan	Teague, Tex.
Coudert	James	Utt
Cramer	Jenkins	Watts
Davis, Tenn.	Jensen	Westland
Dawson, Ill.	Kilburn	Wharton
Dent	McCarthy	Willis
	McCulloch	Zelenko

The SPEAKER. On this rollcall 354 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1958

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12181, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, if we assume that our Nation is the greatest nation in all the world, and then recall that we have a national debt of some $280 billion, and that a move is on foot to take off any limit, we must then also assume that there has been mismanagement somewhere. We either are not collecting enough money or we are spending too much. Our Government is inefficient.

If we support this bill we must further assume that our resources are not unlimited but even so we must sometime decide as to where we want to spend this surplus money—if we have surplus money.

So to me it boils down so far as the Fourth Congressional District of the State of Michigan is concerned, and I think in the rest of the State, that it is about time we take into consideration the situation as it actually exists. Shall we take care of the immediate needs of our own or shall we provide spending money for peoples abroad?

Due to the fact that the Big Three in the motor industry and Brother Reuther, who has been assisting in managing the business, the automobile business in Michigan, we have some unemployment there. Reuther and the Big Three went along on the theory that they could raise wages and prices indefinitely—that the people would buy and pay. The people decided they would do neither. Well, Reuther and the Big Three ran into a surplus of some 850,000 cars that they cannot get rid of, so—unemployment. Reuther has agreed that he will reduce and he has reduced the wages of the boys who work in the unions that belong to him, the UAW-CIO. They will take less money for their current activities—that is, employees of the union, not of the companies—except that group which under the bargaining contracts are paid by management. There is a little difference there. If Reuther's outfit pays them, they will take a reduction, but if private industry pays them, they just will insist on the current wage. There being some 400,000 unemployed in Michigan and the unemployment benefits being practically exhausted, something has to be done about it. Is the remedy spending more abroad? Letters are coming in, some days maybe a hundred, saying our people want jobs. Note—they want jobs. They are not asking for unemployment compensation. They are not asking for any kind of a dole. They just want an opportunity to work and they are not so particular about the wage. That being the situation in Michigan, naturally you can expect our people or some of them at least to object to this, what is accurately called a giveaway.

I listened yesterday with a great deal of interest and profited somewhat from the Federal-aid-to-education program that was put on here by two Members of the House.

Mr. Chairman, I was talking about this demonstration on this Federal-aid-to-education show of yesterday. I was wondering. I was dreaming last night and then I was awakened by the noise outside where they are building this tunnel, but I was wondering, as these gentlemen went on yesterday, whether they were registered lobbyists. They spoke as earnestly as professional lobbyists. I understand that last year the Government paid for their trip.

Well, that was all right, I assume, because they wanted to know, that is, the committee wanted to know the merits, if any, of the plan so they went out on a sort of public poll. They also wanted the public to know their version of the plans and how it operated. But this time, as I get it, some outsiders paid the Congressmen's expenses. You recall when someone wanted to give a Senator a little money in connection with an educational program about pending legislation about oil legislation, and because of that the President vetoed the bill. Now why should outside organizations employ two Congressmen—employ is the wrong word—well, anyway, obtain the services of two Congressmen to go out and preach what they thought the people should believe?

If industrial education or information was the purpose, why did they not take along my colleague the gentleman from Michigan [Mr. BENTLEY] or the gentlewoman from Illinois [Mrs. CHURCH], both members of the committee? Why did they not divide the membership of the committee so that people could get the other side of the program?

Here is the issue: Do we want to take care of the people of the United States or do we want to spend our billions abroad—let our people go without—furnish others with spending money?

Some of us recall when, before the Second World War, that we were here talking about our aid to Britain; all aid to Britain, short of war. At that time the President was getting us into war by having our ships destroy German submarines. The net result of our effort was World War II—the ascendancy of Russia as a world power.

What is going to happen now? Is this to keep us out of war? Will it aid in doing just that?

When I was a kid I had 20 or 25 hens. The income belonged to me. I was in business. Once in a while I would set an old hen on a clutch of eggs; and sometimes, when the eggs were fertile, we would get some good chickens. But once in a while we got a batch of eggs that were not fertile, and the result was rotten eggs. From the ticker at this moment, after spending some $170 billion, I note the chicks which have hatched today. I quote:

MAY 13, 1958.

CARACAS.—Rioters spat on NIXON as he arrived at the airport from Colombia, and then hurled tin cans and rocks at his car in downtown Caracas.

One youth grabbed Mrs. Nixon as she sought to enter the car, and yelled, "Little Rock, Little Rock."

A Negro man shouted at NIXON: "Democracy. You don't like Negroes there."

Youths in the crowd shook their fists at the Nixons, crying: "Get out. Get out."

Besides NIXON, Oscar Garcia, the Foreign Minister, and other Venezuelan authorities were spat upon. The Foreign Minister was livid with fury.

Today's incident occurred just as the NIXON caravan of Cadillacs swept from the broad four-lane highway leading from the airport into the narrow streets of the city limits.

A mob of about 150 hoodlums closed in on the cars. Shaking their fists and waving signs saying, "Go home Yankee dog."

The mob spat upon the cars and ripped American flags from both the cars in which the NIXONS were riding.

The Venezuelan flag also was torn from NIXON's car by the mob which was throwing eggs, tomatoes, and rocks.

Because of the incident, the official caravan proceeded directly to the United States Embassy residence, omitting a scheduled stop at the National Pantheon where NIXON had been scheduled to place a wreath on the tomb of South American liberator, Simon Bolivar.

How many years has it been since we began sending our money down there? What did we get? I do not know exactly. I saw in the paper yesterday, or a day or so ago, about the treatment that NIXON got down in Peru. He got a rock, and they spit on him. Then I read the next day about the burning of our library in Lebanon. You must have read what just happened in Caracas? Is there anyone in this House who still thinks that any one of the nations which, over the years, has been receiving our money, any single one of them, would come to our aid or go along with us if their representatives thought it would be better for them to go the other way?

What did they do with reference to the Suez Canal? They do not pay any attention to us or respect our desires except when they want money. So it is my theory that we have just been wasting almost all of our money spent abroad. We are not getting anywhere except into bankruptcy. We have not bought any friends—that is, not friends when we needed them. They will not come to our help, when really needed, so why should we keep on helping them while here at home our own people, if what the papers print is right, and I think it is, some of the older ones are actually in need of the necessities of life. Why should we do it?

If Russia wishes to destroy us it can do so not only through war but by causing us to spend our essential resources—those which are necessary to enable us to defend ourselves.

Not long ago the Defense Department told me that we had more than 900 military bases outside continental United States. Does anyone believe for a moment that the United States is big enough, strong enough, has enough allies to protect all those 900 bases throughout the world should war come? Should war come how many of the 900 would fall? How many American men, women, and children would become prisoners of war? If communism is as bad as we are told it is, and in my opinion it is worse, will it not ultimately destroy itself, if we keep our noses out of the affairs of other nations.

A map was given me a few days ago which showed Russia, and all around it were red dots showing where we had military installations. We have Russia surrounded. What do you think would happen if Russia would put in stations down in Mexico, or just across from Alaska, or in Canada if Canada would allow them? What would happen if they attempted to ring us in as we have hemmed in Russia? Would that be aggression? Why are we always looking for trouble? Why attempt to direct the thinking—the doing of all other peoples?

I think our distinguished Senator from Michigan, Senator Vandenberg, was right when he was the sole individual in the other body to vote against recognition of Russia. Of course you will say he changed his mind. He did. He did. He went along for a time with the one-world advocates but when the final days of his life drew near he learned that he had been deceived. He became disillusioned and he was back where he started when his thought was:

"The United States of America first." That is where I stand. My country—the people's welfare, the national security first. That is no more, no less, than self-preservation.

Tell me where we have profited by all the billions we have spent abroad. Oh, I know the answer. This is it: "If I had not taken an umbrella out with me this morning it would have rained." They always tell us that some terrible thing might have happened if we had not done this, that, or something else. The danger from which we have been saved is never named—always described as something that might have happened.

F. D. R. said we had nothing to fear but fear itself.

And ever since we have been living in fear.

One thing that I know has happened. We have had trouble throughout the world, we have trouble today, and all because we have attempted to tell other people how to live—what to think, and we have an increase in our national debt that calls for more than $8 billion interest, money for which we get nothing.

Sure, I am supporting the President, but not on this one; and you will recall that he said he did not want any rubber stamps here in Congress. I am with him on that one.

Mr. MORGAN. Mr. Chairman, I yield 12 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, first of all I want to express appreciation to the gentleman from Pennsylvania for giving me these 12 minutes. I may not have quite time enough to finish the remarks I wanted to make, but under leave to extend my remarks I will insert them in full.

Mr. Chairman, during the past few years, the annual debates on the mutual security program—both the one that takes place in the public press, and the one on the floors of the Congress—have centered upon an increasingly academic issue, while the real, remediable problems are pushed into the background.

The unrealistic question which seems to occupy so much of our time is this—should the mutual security program be continued or terminated? I believe, personally, that there can be only one answer to this question.

We hear repeated time and time again that the Soviet challenge presents a real and present danger to our very existence as a nation and a people. There is no argument about this. To deal with this danger I believe we must employ every worthwhile device at our disposal,

including military and economic assistance programs overseas.

If we accept, as I think we must in the face of world conditions, the fact that the mutual security program will have to be continued, it strikes me as somewhat futile to debate that question. Moreover, such debate diverts attention from the highly important issues which arise out of the operation of the program. If it be granted that the Congress should not deny the executive branch such a program, we are still entitled to assurances that it is being operated in the best possible way. Indeed we have a responsibility to see that it is so operated, notwithstanding such high-powered sales arguments as we heard yesterday which seemed bent on belittling the billions of dollars of costs while exaggerating dubious and unprovable claims of accomplishment.

Now, I am thinking not only of economy and efficiency of operations, but effectiveness as well. Is the program accomplishing what it is supposed to accomplish? Could the job be done better? What actions can the Congress take to insure that it will be done better?

When attention is centered upon the false issue of the program's continued existence, the road of the critical supporter of the program becomes an extremely difficult one. There is an air of "For me or agin' me." I would note that the International Operations Subcommittee, which I have the privilege of chairing, has been one of the most persistent and vocal critics of the operation of the program. Our members are drawn from both sides of the aisle and of varied political viewpoints, but our reports in this and previous Congresses, based on factual investigations—not theoretical flights of fancy—have been unanimous, and have received the unanimous endorsement of our parent committee before being presented to this House. But despite our justified criticisms, I have been advised that our voting record in support of the mutual security legislation of the past several years has been greater percentagewise than the House as a whole. It is possible, then, to support the program, and still to criticize it.

It is no answer to the questions our investigations have raised to say, "Yes; this may all be true, but the program is essential. Anyway, waste and extravagance are inevitably in a program of this sort. It involves vast sums, and we have never attempted anything like this before."

To the argument that the program is essential, I reply that I, too, believe it is. However, just as the President has asked that the program not be thrown out simply because it contains some deficiencies, so I suggest that we should not ignore the deficiencies simply because the program is essential. This is particularly true since these deficiencies are wasting millions of dollars annually.

I cannot accept the argument that waste and extravagance are inevitable. This program is no longer new. It has been going on since 1950, and some experience was gained from the other programs that preceded it. Its size is no impossible obstacle to efficiency. This Government has run large programs before, and runs large programs today, with proper care. I can find no valid excuse to permit continuation of the freewheeling administration that is now going on, and it disturbs me to find that some of my colleagues advocate uncontrolled administrative discretion in the face of serious deficiencies in operation.

Now just how can we here in the Congress help to bring improvement about? I certainly agree with the Foreign Affairs Committee, which stated in its report that "there are limits on the extent to which legislative action can bring about improvement in administrative action and procedure." However, I do not believe any of us knows just where those limits are, and I think we are justified in pushing our efforts at improvement just as far as we may think necessary and desirable.

With, of course, a few exceptions, it has been my broad observation that the people who administer this program are a hard-working and devoted group of public servants, perhaps sometimes overzealous and perhaps sometimes with too much authority and too little judgment. If we make it clear to these people what we intend for them to do, I believe generally they will try to carry out that intention. But, first, we have to know and understand how they are interpreting the authorizing legislation. Are appropriated funds being used in the way Congress intended them to be used? For example, how are defense-support funds being used? The language in the act gives the impression that defense-support money is going to be used primarily to support the military in the various foreign countries when it is applied. Only a portion of these funds goes into direct support of military budgets, troop payrolls, and so on. Actually, the greater part of it is spent for economic or political purposes. How is this justified? Well, if you look at ICA's budget presentation books for this year, or for last year, you will see that they have left the door open for using defense-support funds on a sort of a triple-play basis. Use of these funds for economic purposes, like building highways and factories, is justified by ICA on the basis that economic stability is necessary for political stability in certain countries, and that without political stability they could not maintain the military effort required for our mutual strategy. Now, this is a plausible argument, and in some instances it may be sound.

But what bothers me is that ICA and the Department of State unlimber this same defensive blunderbuss every time they are caught wasting money on projects and programs of little or no economic or military value. The standard reply in justification of obvious waste and inefficiency is political expediency. And we are expected to accept that excuse and inquire no further. Actually, in most cases political expediency is nothing more than camouflage for fuzzy thinking, lack of planning, and other administrative deficiencies.

In this connection I note improvement in this year's bill that I am delighted to see. It is so in line with the consistent recommendations of my subcommittee that it makes me feel that perhaps we do get through at times. This is the provision in section 517 of the act which requires ICA to be somewhat more thorough in its preliminary planning than it has been heretofore, prior to any commitment of funds. I like this provision, but I am not sure it goes far enough. Maybe what we will have to do here is just see how it works out for a year.

I also note that in the committee bill, H. R. 12181, there has been a certain rearrangement of chapter and title headings. The category of "Defense support," which used to be grouped with "Military assistance," is now moved under chapter II, entitled "Economic Assistance."

I believe this represents, for the committee and for the executive branch, a forward step toward accurate labeling. Defense support is economic assistance, and it is properly paired with other categories of such assistance, instead of with military hardware as heretofore. This purely formal change does not, however, meet my chief objections, nor those of the International Operations Subcommittee, which are directed to the practically uncontrolled use made of defense-support funds. These objections cannot be met with semantic corrections alone, since they go to the very substance.

In prior years, executive branch presentations to the Congress on mutual-security legislation, and statements made on the floor of this House by Members in a position to be better informed than most of us, have often left the impression that funds authorized and appropriated under the defense-support heading would be applied directly to the support of the military budgets and payrolls of our allies. Careful inquiry by my subcommittee has indicated that this is not exactly the case. As I have already stated, these funds are frequently expended for political reasons or, in the economic sphere, for long-range projects having no immediate or foreseeable future connection with the ability of these foreign economies to support a given level of military forces. Our findings are reported in H. R. 1374, "Use of defense-support funds for economic and political purposes," and documented in the accompanying hearings.

The placing of defense support this year under the overall economic assistance heading gives at least an appearance of candor to this year's bill. The following facts, however, are not changed by this purely formal modification:

First. Only a portion of defense support funds are employed in direct support of host country military budgets. A large share of these funds are used for the general economic benefit of the country concerned, including long-term capital development.

Second. Last year, the act was amended to provide that defense support funds were for the purpose of "assistance specifically designed to sustain and increase military effort." The new and magic word was "specifically," and the Congress was led by the executive branch to believe that this would have a limiting effect. In fact, however, there has been no real change in the kind, form or content of defense support expenditures, and Mr. Douglas Dillon informed our subcommittee that literally any use was legal if some official had in mind that it contributed to the defense support.

Third. This year there is a new magic word, "significant." Defense support funds will be provided only to foreign countries maintaining "significant" military establishments. This exercise has not resulted in any savings but has merely removed three countries—Libya, Morocco, and Ethiopia, from the defense support column. ICA has put them down for equivalent amounts from the so-called special assistance fund.

Fourth. Our subcommittee has diligently attempted to determine just how the so-called levels of aid—that is, dollar amounts—are determined for the defense support programs. It has not been possible to ascertain, for any single country, for any single year, just why a particular amount of dollars was required rather than some other amount. This forces us to depend blindly on the judgment of the administrators of this program. The inquiries of the International Operations Subcommittee have not indicated the existence of any solid basis for such confidence in their judgment. Nor is our confidence increased by the inability of the administrators to explain the process by which the determinations of dollar amounts were made.

Fifth. Now it is not the job of my subcommittee to formulate policy for our foreign-aid program. As a Member, however, I must vote on policy and I like to know pretty clearly what it is. In subcommittee, we are concerned with a review of the operations of the program, and our judgment on those operations must certainly be made against a background of clearly expressed and clearly understood policy. The existing definition of defense support—and this objection, it seems to me, might be made to other categories in the mutual-security program, is so imprecise as to make the job of evaluating performance by ICA extremely difficult.

Now what can be done about this program? I do not believe that piecemeal amendments of the legislation will fully accomplish the needed reforms. What is probably needed is a restudy and complete rewriting of the entire act. I am fully aware of the magnitude of this task, and I know that the able members of the Foreign Affairs Committee have spent much time each year seeking to improve the language of the act. I believe most of them would agree that further improvements are desirable, but none of us believes a major revision can be accomplished satisfactorily here on the floor.

Pending such a rewriting, however, there are further steps we can take to improve the operations of the mutual-security program. At a proper point I will introduce an amendment to require ICA in its annual budget presentation to fully justify and explain the levels of aid, that is dollars amounts, it has programed for each country. This has been a continuing recommendation of our subcommittee, and would permit the Congress to know, before providing funds instead of after, just how the ICA administrators interpret the language of the Mutual Security Act.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I want to express my appreciation to the gentleman from Ohio for the opportunity to take this time.

Mr. Chairman, I confess to a sensation of deep disquiet and concern as I listened to the joint presentation in this House on yesterday by the gentleman from New Hampshire [Mr. MERROW] and the gentleman from Missouri [Mr. CARNAHAN].

This disquiet arose in part, I suppose, from the realization—not as full a realization at the moment as it has become since—that what we were witnessing was a staged demonstration, a command repeat performance, duplicating a presentation made by these 2 colleagues in 88 platform appearances in 39 cities in 27 States, plus long and short versions rendered in 33 TV programs, 31 radio programs and 29 press conferences in support of foreign aid.

The disquiet would have been even greater, I am sure, had I known during the course of yesterday afternoon's debate that in arranging and authorizing this staged performance it was suggested in a committee of the Congress that the demonstration—as it described—might be accompanied by some loaded questions from members of the committee, presumably so that the act would appear all the more realistic and true to life.

While apparently this proposal was abandoned—at any rate it was not followed yesterday—I could not help but observe that subsequently in the debate when Members of this House, not engaged in a demonstration, not engaged in play-acting, sought to secure an extension of time for speakers in order that they might in all earnestness and as a part of their legislative responsibility, raise specific, sincere, and nonloaded questions with respect to this authorization bill, they found that no extension of time or at most only a single minute's extension of time was forthcoming.

It was not for these reasons that I was so deeply disturbed. Nor yet was it because of the arguments so artfully marshalled, the statistics so skillfully charted, the conclusions so categorically rendered in duet, the deep anxieties regarding this program so lightly dismissed, or the fervor of the evangelical bipartisanism which left those of us with lingering doubts in the unenviable light of fighting against God and of spurning the admonition "Inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto Me."

All of this could and would, in ordinary circumstances, have abundantly explained and justified my disquiet.

But in this instance it arose from other considerations—from considerations even more fundamental. It arose from considerations which I would be most reluctant to discuss save for the fact that they relate to the basic responsibilities of this very House.

Never knowingly would I abuse the privilege of this floor by questioning the motives or even the judgment of a colleague.

I do not do so now.

I have too much respect for these two distinguished colleagues and for all of my colleagues ever to do that.

But I have an even greater respect for this House, for its role—as I understand it—in the tremendously vital processes of our Government. And I have an even greater concern to do my share, to the best of my ability, to preserve that historic and Constitutional role for the future of America and as a shining example to all the world.

The deep concern which I felt revolves around a single word—and its variants—used to explain the planning and arrangement of the remarkable tours on which our colleagues have been engaged in recent weeks—the word sponsored.

The gentleman from Missouri [Mr. CARNAHAN], in response to the inquiries of the gentleman from Wisconsin [Mr. O'KONSKI], told the House:

> The trips we made were sponsored and arranged for by many organizations in the country: the American Association for the United Nations, League of Women Voters, Junior Chambers of Commerce, different service clubs, the Organization of University Women, various church groups—there is a long list of them.

And he added:

> There are plenty who seem to be getting the other interpretation from the figures and making the other explanation, which is their privilege, and we might wonder who financed their operations. It would be interesting to know.

But, and this is the significant point, there was not, to my recollection, any suggestion by the gentleman from Missouri, or anyone else yesterday, that the financing of these operations of opposition to foreign aid involved expense accounts or payment of travel and other expenses for organized tours for Members of Congress.

I note that the gentleman from New Hampshire [Mr. MERROW], who did not raise the question of opposition presentations, also stated that—

> The arrangements for the first two tours were made under the auspices of the American Association of the United Nations and cooperating local agencies, as an educational endeavor, as my colleague has said.

And he made a point of adding, perhaps having in mind last year's tour of educational subcommittee hearings:

> I would like to emphasize that the expense of the tours cost the taxpayers nothing.

With respect to the same matter, I turn now to the printed hearings of the Committee on Foreign Affairs, for the morning session of March 13. On page 918

we read the testimony of our colleague, the gentleman from New Hampshire [Mr. MERROW]:

I think Public Relations Research Associates, Inc., downtown, with Ray Miller and Bob Miller at the head of it and some of the folks who raised the money for the tours are having these reprinted, about 10,000 copies.

He was, as I understand it, referring to the printed brochures containing the material presented in these educational lecture tours.

We might wonder, in the words of the gentleman from Missouri [Mr. CARNAHAN] "who financed these operations." We might wonder as to the identity of "some of the folks who raised the money for the tours."

We might especially wonder, in the words of the gentleman from Missouri [Mr. CARNAHAN] "who financed these operations," since they involved Members of Congress. We might well wonder as to the specific identity and the degree of financial participation of "some of the folks who raised the money for the tours."

I refer to another matter mentioned in the committee hearings at the same session—the reference of the gentleman from Minnesota [Mr. JUDD] to the 8 or 10 teams which toured the Nation during the summer of 1943 in support of the Ball-Burton-Hatch-Hill resolution calling for a world organization. There was no mention of the sponsorship—financial or otherwise—of this earlier bipartisan crusade. There might well be an historic interest in this point as well.

Of course I do not quarrel with the right asserted yesterday by the gentleman from Missouri [Mr. CARNAHAN]—"the right" of the American people "to invite anyone they want including Members of the Congress to explain the issues confronting our people."

But I suggest that we here confront a vastly different and delicate and difficult problem when it comes to a systematically planned and engineered schedule of tours by Members of Congress, during a session of Congress, under the auspices and sponsorship—and financial support—of organizations and pressure groups which in some instances may be totally anonymous and unidentified.

Of course there is not the slightest suggestion or implication of improper motives or improper actions on the part of my two distinguished colleagues.

Of course, there is no question as to the sincerity of their zeal for the cause they espoused under this sponsorship.

Certainly there is no question as to the skills of their presentations—though there may be profound differences of judgment as to the validity of all of their conclusions. But the validity of either the alleged facts or of the conclusions is completely incidental and even irrelevant to the problem I am here posing.

It is not my purpose or my right to search the conscience of any other colleague.

But with respect to myself and with respect to the overall responsibilities of this House in fulfilling its roll in this Government of ours, I think some very searching questions can with propriety be raised.

For myself I do not see how I could accept the sponsorship for such a campaign of organizations devoted to actively influencing the decisions of Congress and of myself as a Member of Congress and hope to subsequently completely divest myself of that sponsorship in my actions and votes on the floor of this House—least of all convince the people I am elected to represent that I have so divested myself.

In that connection, let me say that in this present instance 2 of the 4 organizations specifically mentioned—the League of Women Voters and the American Association of University Women—have, as is their lawful right, registered Congressional lobbyists here in Washington.

For myself, I do not see how, if this practice of accepting such sponsorship with respect to a campaign of support for pending legislation were to become general, we could escape a transformation—however gradual and imperceptible the outset—of the very character of this House. I should not want to see myself or my colleagues identified, not as the gentleman or gentlewoman from a given State, but as the gentleman from the national association for the United Nations, or as the gentleman from the CIO, or as the gentleman from the chamber of commerce.

I recall with what shock, during the heat of debate on the school aid bill, I heard a distinguished Member of this House referred to by a colleague as the representative of the United States Chamber of Commerce. I have been disturbed by suggestions that certain Members of Congress owe their election to the CIO—not, of course, that I am so naive as to fail to recognize the political potency of this organization in some areas, but I deplore any implied possibility that these colleague, if there be such, are sitting in this House as representatives of the CIO. I hope this is not to be a trend in the history of this great House of Representatives—and I hope that such a trend shall never find encouragement from the Members of this House, however unwitting or unintentional.

If it is in the public interest to require those who are paid to contact us as Members of Congress in behalf of legislation to formally register themselves as lobbyists, so that both we and the people may identify the interests they represent—however legitimate—may it not be equally in the public interest that Members of Congress who accept organizational sponsorship for participation in organized campaigns to rally public support of or opposition to specific pending legislation likewise disclose that sponsorship and the form and extent of such sponsorship? I merely raise the question.

I would ask myself—and myself only—what the acceptance of such sponsorship involves—or in the public mind implies—in the way of personal obligation to accept and support the sponsoring organization's legislative program in toto.

Certainly, I am sure, if a group of organizations favorable to the nautral gas bill should schedule a series of public rallies around the country in behalf of that legislation, and should thereafter invite me—with expenses paid by the sponsors—to speak at those rallies in behalf of the legislation—an unlikely procedure since I voted against this bill—I am sure I would both consult my conscience and carefully gage public reaction before accepting.

But, it may be contended, this is an unfair comparison with the cause of foreign aid.

Let me say only I am not so sure that there are not those who have a vested interest in the perpetuation of this massive outpouring of America's wealth abroad fully as great financially as any alleged vested interest in enactment of the natural gas bill. But the point is—where shall we draw the line?

And once begun where shall such a practice of accepting sponsorship for such activities end?

What will be the effect upon the necessary business of this House?

Are we to have some gentlemen's agreement, or some working arrangement, whereby the quorum necessary to the transaction of the incidental business of debate, deliberation and legislative action will at all times be assured as increasingly Members beg to be excused to fulfill the commitments for speeches arranged or called for by their sponsors?

The matter goes far deeper.

Never was the need greater or more urgent for careful, calm, thoroughly exhaustive discussion, debate, and genuine deliberation on the floor of this House on the crucial issues of our day—of which this is indeed one.

Never was it more imperative that this House be made the effective forum for such debate.

Never were Members of Congress subjected to such scientifically planned and executed pressures from those who openly boast that their role is to be engineers of public opinion and private viewpoint.

Never was it more important and imperative that we with whom the critical decisions so largely and fatefully rest insulate ourselves in some measure, at least, from the pullings and haulings of special-interest pressure groups with their well organized, engineered, and financed campaigns, so that we may have some hope at least of hearing amid the organized and systematized clamor the still small voice of conscience and sober judgment.

Are we, as Members of Congress, now in turn to join the clamor, enlist in the pressure efforts, and contribute to our own confusion and uncertainty?

I would hope not.

Already we are hampered in the performance of our duties not alone by propaganda but by the pressure of our multitudinous areas of Federal activity and intervention, hampered by the impositions of secrecy—sometimes unavoidable, to be sure—hampered by the restrictions of time for floor debate perhaps unwittingly imposed by so-called bipartisan unity which sharply limits, as in this instant case, the time allocated to the minority of opposition.

And while I am speaking of those influences which add to our burdens and tend to encourage uncritical acceptance of proposals which come before us, may I direct attention to a remarkable documentation inserted by the gentleman from Pennsylvania [Mr. FULTON] in the March 13 record of hearings of the Committee on Foreign Affairs, on pages 920 and 921?

This insertion cites the votes by which mutual-security legislation and conference reports thereon have been passed by this House since 1952. The emphasis placed upon the very substantial majorities with which this legislation has passed seems to suggest—and I hope it was not the intent—that this ought to reduce, at least to a whisper under a very limited allocation of time, any critical reaction to subsequent proposals in this field. I know of no argument or attitude more hampering to free debate of foreign aid as a continuingly current problem and issue.

Let us not add the further hampering influence of acceptance of sponsorship which may well identify us as new and inflexible partisans of pressure groups and causes.

To me there is a double designation for each Member of this House which ought adequately and totally to define our sponsorship.

It is the designation Representative Doe, Democrat. It is the designation Representative Roe, Republican.

This double designation signifies the only sponsorship which, in my judgment, we need or ought to possess. As Representatives in Congress we have the sponsorship of the majority of the voters of our respective districts. As Democrats and Republicans we have the sponsorship of the majority of the voters in our respective great political parties.

Ought we not, as the custodians of these two great sponsorships—these two sponsorships legitimatized by the Constitution and by statute—guard jealously against the intrusion of any lesser or rival sponsorships?

Mr. Chairman, so far as I am concerned, to ask the question is to answer it.

Mr. CARNAHAN. Mr. Chairman, I yield 12 minutes to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, due to the illness of the chairman of our Committee on Foreign Affairs, Hon. THOMAS GORDON, the committee this year has been under the leadership of Dr. THOMAS MORGAN. Under Dr. MORGAN'S guidance the hearings on the mutual security authorization bill have been extremely impartial and very thorough. I am quite certain that Chairman GORDON is pleased that he will leave the leadership of the Foreign Affairs Committee in such competent hands.

To Chairman GORDON I express my good wishes, and I hope that he may enjoy many years of pleasant retirement.

At this time I would like to express my personal appreciation to the gentleman from Ohio [Mr. VORYS], who also is retiring at the end of this session. He has performed a tireless and outstanding job as a member of the Committee on Foreign Affairs. I trust that every happiness will be his in the future.

Mr. FULTON. May I join with the gentleman in his statements.

Mr. SELDEN. Mr. Chairman, no bill coming before the House demands more careful scrutiny than the mutual security bill. There are several reasons for this. It involves a large sum of money. It affects, directly and indirectly, our foreign relations in every part of the world. It supports a program that is the most difficult to measure in terms of accomplishments.

If a domestic program falters, our constituents immediately let us know, and justifiably so. But in the mutual security program, the means of measuring success or failure is not quite so simple.

In the overall strategy of our mutual security efforts, there have been reverses in the past and there will continue to be reverses in the future. Just as in physical conflict, temporary reverses do not mean that the war itself has been lost. In a worldwide effort, such as the mutual security program, progress is often imperceptible. In fact, there are instances where the maintenance of the status quo—simply holding the line—is in itself a mark of success.

It would be a mistake, however, to underestimate the strength or the ambitions of the Soviet Union either in the economic or the military field. Public opinion in the Soviet Union constitutes no formidable obstacle to the Soviet leadership, and decisions can be made and implemented quickly.

Today the entire periphery of the Soviet Union is being flattered and cajoled by Soviet offers of aid. Instead of a frontal military attack, the Soviets have embarked—at least for the time being—upon an economic and political penetration to whittle away the non-Communsit world. What is involved for America is the whole future of our economic relations with the world. The success of our economy depends upon its vitality, not simply to perpetuate itself, but to grow. The solvency of our economy is dependent upon our access to raw materials and to markets. To illustrate our dependence upon other free nations for raw materials—a dependence which grows rather than decreases—I call your attention to the chart on page 901 of the mutual security hearings.

Recent testimony of Adm. Felix B. Stump, Commander in Chief of the Pacific, before the Committee on Foreign Affairs further illustrates this point. He said:

> The United States consumes roughly 50 percent of the world's minerals. A great many of these come from southeast Asia and, were they to be lost, would require replacements by costly synthetics or development of costly resources elsewhere.

I mention this matter of our economy for several reasons. The mutual security program is frequently misrepresented as a handout—something we do as charity or because we are at a loss for more effective cold war strategy. If this were the only, or even the primary, consideration, I would not support this bill. I am an elected trustee of public funds, held accountable by my constituents for my decisions. I have no right to vote their tax money simply to satisfy my sense of doing good.

Several years ago the slogan "trade not aid" was made popular. The inference was that the development of trade would of itself increase the dollar earnings of underdeveloped areas and in turn make possible eventual elimination of our aid. There is much logic in the thought. But the significant development that we are witnessing today is the coordinated approach of the Soviets to aid and trade. The Soviets, recognizing their complementary aspects, are now combining aid and trade to wage open economic warfare with the nations of the Free World. Soviet aid is paid for in trade. In simple economic terms, this means barter—barter which they expect will increasingly isolate the Free World from the basic commodities and raw materials essential to our economic survival. Our memories cannot be so short that we forget how Hitler's Germany used this device to pick off, one by one, the nations of Central and Eastern Europe.

This is the Soviet strategy that is unfolding before us. This is the meaning of Khrushchev's challenge:

> We declare a war. We will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system.

This bill carries more than $1,300,000,000 for economic assistance in one form or another. It is my opinion that, wisely administered, this part of the program may in the long run play a more decisive part in determining the outcome of the present struggle than much of the military money we have spent in the past or will spend in the future.

Yet the arena of combat with the Communist world has not shifted so decisively to the economic side that we can neglect the military. The committee's report outlines concisely the military picture today.

> The Reds have 395 line divisions, including 175 Soviet and 220 Communist bloc. The United States has only 14 divisions. Russia has the largest air force in the world, although we consider ours to be the best. We have the largest and best surface Navy in the world. The Russian navy has over 500 submarines. Both the United States and Russia have A-bombs and guided missiles.
>
> The United States has one asset Russia does not possess—a string of over 250 army, air and naval bases and installations strategically located around the world. Russia has no comparable system of bases and there is no possibility of her achieving such a system of bases so long as our mutual security system is effective. We have small forces on these bases and mobile air and naval forces ready to get to bases to defend them against sabotage, infiltration, or sudden attack. When we help these countries defend their own soil and keep these bases ready for instant use in case of emergency, we contribute to our mutual security.

The opponents of the mutual security program would jeopardize this advantage. The loss of these strategic bases which encircle Russia would place us in the position of reliance upon our own men, our own soil, and our own resources.

Those who assume that money would be saved if the mutual security program

were ended ignore the fact that additional funds necessarily would have to be spent for our own defense effort. General Twining, Chairman, Joint Chiefs of Staff, made this point in a recent statement before the Committee on Foreign Affairs:

> The annual defense cost to the United States without the foreign aid program would far exceed the sum total of our present foreign aid program plus our defense appropriation. My hesitancy to attempt a dollar answer stems from the fact that, without our foreign aid program and the military strength that it adds to our forces in men, material, and bases, we would have to devise a whole new military strategy. This strategy would almost inevitably be of the fortress America type. Not only would such a military strategy cost a great deal more money, but even with the additional expenditures, I could not guarantee for it the same amount of security which our mutual security system now brings us.

I concede that honest disagreements can arise over the question of whether we should put more emphasis on the military or the economic side of the program. This is a matter of judgment. The important point, however, is that it would be extremely dangerous to abandon either of these programs at this juncture in world affairs.

It is a consideration of these factors that has led me to support the mutual security program. It does not mean, however, that I accept uncritically the method of its administration or the amounts requested.

The committee has been increasingly aware of accusations of poor administration. This year it started its hearings with testimony from officials who had examined the many phases of the program's operations. The committee heard Members of Congress who had looked into some activities. And it heard private citizens whose testimony ranged from criticisms based upon factual material to criticisms that proved to be in the realm of fiction.

The committee has brought to the attention of the executive branch of the Government all charges that have been made against the operation and administration of the mutual-security program. A list of 96 specific charges was submitted to the Executive with the request that a full explanation of each of them be given. The charges and the answers to those charges consume 55 pages of the printed record of the committee's hearings.

Except in a few cases where the problem raised is in the process of correction, none of the errors have gone uncorrected. Some charges were pure fiction or did not involve the mutual-security program in any way. The majority of charges were errors in fact or misinterpretation of facts or judgments involving honest differences in interpretations.

While Congress cannot administer the mutual-security program, it should continue to examine very carefully its operation. When allegations are found to have a basis in fact, then Congress should expect prompt corrective action to be taken.

Mr. Chairman, I recognize there are honest differences of opinion as to the amount that is necessary to effectively operate the mutual-security program. After many weeks of hearings and additional weeks of careful study, the Committee on Foreign Affairs reduced by $339 million the amount originally requested by the Executive. All of these reductions I either initiated or supported in the committee. It was my amendment, as amended, that cut defense support by $60 million. The amendments to reduce special assistance by $27 million and the contingency fund authorization by $100 million were offered by me and supported by a majority of my colleagues on the committee. None of these reductions will impair the program. In each instance sufficient money is authorized to carry out the program.

I therefore support the committee bill which authorizes $2,958,000,000 for the mutual security program for the next fiscal year. At the same time, however, I reserve the right to vote for further reductions when the appropriation bill reaches the floor of the House, provided additional reductions can be justified.

Mr. Chairman, I invite the attention of the Members to title VII of the report entitled "Separation of Military From Economic Assistance." It has been my contention for some time that these two programs should be presented to Congress in separate measures. Such an approach would permit Congress to weigh the merits of each program and to vote separately on them.

The present bill does not achieve that objective, but it comes closer to it than any previous measure. An amendment I introduced in the committee reorganized the executive draft of the bill. As a result, the bill before the House distinguishes more clearly the economic from the military program.

It is also pointed out in the report that the Foreign Affairs Committee contemplates an independent examination of the issues and problems involved in this broad question. At the same time, the report recommends that the executive branch do likewise.

Mr. Chairman, the issues that confront our Nation today in the international field must be met with imagination, resolution, and speed. Through the Mutual Security Act, Congress provides a means by which many of these issues can be met. It is the responsibility of the executive to supply the leadership.

Mr. CARNAHAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, on July 16 of last year, I stated on the floor of this House that we cannot continue to give away the wealth and resources of our country without waking up one day to find our own Nation faced with economic bankruptcy. I repeat that statement here today. Since that time, I have not seen any evidence on which a valid change of opinion could be based. In fact, substantial evidence points out the fact that if we do not cancel the so-called mutual-security program, or at least make substantial reductions this year, it will seriously endanger not only our domestic economy but our relations with other nations.

The report of the Special Committee To Study the Foreign Aid Program—Report No. 30, 85th Congress, 1st session—pointed out that the objective of our aid policy is to help create conditions in the world which will permit the termination of foreign-aid programs, to the end that they will no longer constitute a burden on the American people. Nevertheless, we have not seen any sign of any reduction of foreign aid to any country. Under the Marshall plan in 1948, foreign aid was given to 14 countries. Assistance is now being extended to 67 countries and from all indications the list will continue to grow unless we stop this wasteful, extravagant means of dollar diplomacy on which our foreign policy has been based. It is indeed the duty of this House to put a stop to this uncontrolled and grossly mismanaged public error that has developed out of what began as a humane, sympathetic, good neighborly American approach to help those people of the world who need such help.

It seems to me that the objective of this foreign-aid program has drastically changed and at the present time it appears that we are caught in a trap and the objective seems to be to see whether we pay more for the favors of other countries than the Soviet Union.

I appeal to the Members of Congress to study this bill carefully. Is the mutual security program as we know it today really necessary? I insist that it is not. It is merely a means whereby our foreign policy as enunciated by the State Department no longer relies on intelligent statesmanship but rather on the amounts of dollars the agreement will cost. Whenever the Secretary of State attends a conference, one of the first press releases we hear is that the United States has agreed to release several million dollars for some country or countries attending the conference. A few years ago the recipients were grateful. Today they say that is not enough. In the words of another Democrat, "How long America, Oh how long" can we support the world? Must we continue to rely on our alleged wealth and dollars to buy friends and influence people? I repeat, we must return to a sane realistic approach. We must realize that the easy approach is to hand out money, but I insist this is not the best approach for it does not solve the basic problem, it only aggravates and confuses our problems.

I respectfully submit that our basic problem has been our inability to fully understand ourselves as well as other citizens of the world. In other words, we are woefully weak in the field of human relations. We have been taught to work for what we want. If we see something we think is needed, we simply consider the cost in dollars. We forget that people in the rest of the world have not been raised in that atmosphere. Instead of pursuing the approach of exemplary standards of conduct in national and international affairs, we now resort to making our influence felt in a material sense by buying or subsidizing governments that allegedly are friendly toward us at the moment.

I want to emphasize that in our present struggle, which is commonly referred to as the cold war, this battle for the control of men's minds cannot be won by dollars in so-called mutual security. Rather it must be won by appealing to the highest good in men—appeals to his heart and mind on a basis of common understanding and warm sincere friendship. We certainly have not sold ourselves to the people of those 67 countries nor to the rest of the Free World by displaying our money around the conference table and luring the leaders into a false sense of security and well-being.

Daniel Webster once said, "We are too much inclined to underrate the power of moral influence, the influence of public opinion, and the influence of the principles to which great men—the lights of the world and of the present age—have given their sanction." That statement is as true and valid today as it was in the time of Daniel Webster. We now consider this Nation to be a world leader, but is it only because we have purchased that leadership with money? I am afraid the answer is yes. Honored Members of this House, we must develop a constructive philosophy of diplomacy and statesmanship which the free nations of the world will recognize as true adherence to democratic principles.

At the present time, we are subsidizing leaders of countries who are opposed to true democratic principles and for all we know they are using American foreign aid dollars to suppress freedom in their own country. I need not point out such instances. You are aware of them.

We are told that we are faced with a dilemma, that if we do not help these countries, the Soviet Union will, which in turn will deprive us of needed military bases. But I say to you, we have created this situation through this program and its mismanagement. Thus we see that the only apparent reason for subsidizing governments which are actually hostile to true democratic principles is that we allegedly need military bases in that country.

Like Daniel Webster, we underrate the power of moral influence. Can we morally justify such actions? Colleagues, we cannot do so in good conscience. I say to you, we have compromised our basic principles. We have adopted the false notion that the good will of the people of the nations of the world can be purchased in the market place. We seem to think that public opinion in all the nations of the world can be "formed" into a pattern, favorable to this Nation, by helping to keep certain men in power in their respective countries. Such maneuvering is not sound statesmanship nor intelligent leadership.

There is no need for me to recite to you the evils that have been the result of the mutual security program, nor the instances of waste and mismanagement, for such are carefully documented in the records of the proceedings of appropriate committees of the Congress. However, there was one news item published in the front page of the Washington Post last Sunday, May 11, 1958, which is somewhat representative of what is happening. The article to which I refer reported that Dominican Lt. Gen. Rafael Trujillo, Jr., whose strong man father recently received $1.3 million in foreign aid from the United States, has shelled out $28,000 for fancy foreign cars for certain big name Hollywood stars and himself. This reminds me of another incident that occurred within the recent past where a leader of a country expressed his appreciation for a huge handout in foreign aid by giving away cars and other expensive gifts to some of his American benefactors.

I repeat, this program has gone far enough. We are rapidly riding for a fall from which it will be most difficult to recover. We cannot afford to continue this program, for we have made entirely too many mistakes by adhering to a completely fallacious and illogical concept of foreign aid.

I respectfully submit that the sound and constructive policy we must adopt at this time is one which will accentuate our positive virtues and exemplify the true basic principles on which this Nation was founded and by which we attained our rightful place among the nations of the world. We must remain internally strong and we cannot do so by continuing to pour good money after bad. The amount of money we have given away in foreign aid amounts to 25 percent of our national debt. I repeat, we cannot afford to continue this negative approach.

There has been some talk that a vote to cut the overseas aid bill is a vote to increase unemployment at home. Mr. Speaker, that statement is the most absurd and nonsensical remark I have heard in years. I refuse to be trapped into such an either-or proposition, for it is the same logic which the proponents of foreign aid have employed in their foreign policy and that is the logic which I strongly and respectfully say is wrong. That type of logic is the cause of our present dilemma. Let us use that money here in the United States on vital projects which are so badly needed not only for our own military security but for building a stronger nation and a better place to live. Such projects include the building of needed post offices, public roads, veterans' hospitals, constructing needed inland waterway projects, and giving tax relief to the overburdened American taxpayer. Charity begins at home. There is enough work to be done here in the United States to provide employment for the 5 million who are presently unemployed. I say to you, that a vote for this bill may be a vote to continue rising unemployment statistics inasmuch as rising unemployment is occurring at a time when foreign aid handouts are at a high peak.

I repeat what I said in this House last July 16, we cannot continue to give away the wealth and resources of our country without waking up one day to find our own Nation faced with bankruptcy. Let us reexamine our position, and our thinking, and carefully consider the consequences of our action today. In this battle for men's minds, let us depend more on the American missionaries who are sent out by the great churches of this country. I tell you they can accomplish more in their humble way than all the military might of all the nations of the world. For theirs is the constructive and sound approach which is eternal. The concept we have adopted in administering mutual security funds is flimsy and of doubtful value. We must have the mutual respect of the free people of the world but this cannot be achieved by continuing the present illogical approach. We can only earn and maintain their respect by adhering to our time-tested basic principles on which this Nation was founded. In the interests of our national heritage, I appeal to you to vote with me against this Mutual Security Act.

Mr. VORYS. Mr. Chairman, I yield 12 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, this is the sixth year that it has been my privilege to serve on the House Committee on Foreign Affairs. Like my colleagues, I could not speak on this bill without referring first to the kindness and capability of our retiring chairman, the gentleman from Illinois [Mr. GORDON], whom we shall miss; and to the understanding and courtesy of our acting chairman, the gentleman from Pennsylvania [Mr. MORGAN] I know of no year when long detailed hearings protracted discussions and friendly disagreements have been carried on so pleasantly for the minority as well as the majority. And, Mr. Chairman, I do consider that important, being one of those who signed the minority report.

I had wished also that I might follow the gentleman from Virginia [Mr. HARDY], in order that I might commend him for the work that his great committee has done in exposing the weaknesses of the administration of this act. I had planned, when I spoke on the floor, to include much of the information that he gave the committee.

In paying tribute to all of these, including our retiring member, the gentleman from Ohio [Mr. VORYS], who has been very gracious, I also would like to pay especial tribute to that small band of five, who in equal honesty, voted against reporting this bill in its current form to the House; and particularly, to the four who signed the minority report.

Mr. Chairman, the minority report is a symposium. It contains all the reasons why any 1 of the 4 voted against the bill; and all 4 signed it as an indication of our common belief that, as has been said: "There is more faith in honest doubt, believe me, than in half the creeds."

Mr. Chairman, I subscribe to no Fortress America concept, nor, I assure you, does anyone of the minority. I subscribe to no theory that the United States should, or possibly could—though I would hate to admit that—defend itself alone. I belong to that group that believes in mutual security. I merely hold, Mr. Chairman, that the security must be both mutual and real.

I referred previously to the minority report. It was at my suggestion that the gentleman from Michigan, who spoke late yesterday afternoon, included with his remarks this report in the CON-

GRESSIONAL RECORD. I hold no brief for its expression. I remind you again that it is a symposium rather than the total expression of reason for any one of us.

Mr. Chairman, I would like to point out just a few things about that report and then tell you what I think is most significant in our criticism. It is true, Mr. Chairman, that billions have been spent. It is true that billions remain to be spent. It is true that Congress has lost control of the program and in losing control of the program has lost control of basic foreign policy. And I would remind you, Mr. Chairman, that although constitutionally the making of foreign policy rests with the executive branch, the responsibility for paying for the implementation of the foreign policy rests in the hands of Congress. In this sense, Congress has been historically responsible for implementing and in this way partially determining foreign policy.

Mr. Chairman, I could point out the misapplication of the program, and the waste, but that is not what concerns me most, even though one instance of misapplication does distress me greatly. This situation I tried to correct through amendment that failed in committee. I refer to and bitterly resent the sending of military assistance anywhere, under circumstances that permit arms given for common defense in case of aggression, to be instead used for reasons of aggression against a friendly country, as happened in Tunisia. Such misuse should be prevented. We should also find legislative means to prevent the use of military equipment, sent for hemisphere defense, against the innocent people of a dictator's country.

Mr. Chairman, none of these constitute my main reason for voting no to reporting out this bill. It is true, of course, that there has been laxity in administration of the program. It is true that we need a more decisive and consistent policy. It is true that we need better programing. And yet that is not what concerns me most, Mr. Chairman.

I do not deny, in fact I reaffirm and reemphasize, the Communist menace in this world. And I speak from first-hand experience, Mr. Chairman. I have been a very fortunate member of the House Committee on Foreign Affairs. I have traveled twice to Asia, once around the world, and twice to the Middle East; and this year I went into the heart of Africa. Mr. Chairman, no one could fly over the lonely sands of Asia and listen to Radio Moscow without knowing that the menace we face is real. No one could fly over the equally lonely undeveloped sands of Africa and listen to the hatred expressed by Radio Cairo without knowing that we have to take steps to meet a threat. Accordingly Mr. Chairman, my objection to this program is that the security we have sought is not in substance and strength what we have hoped it would be, or what the American people have sacrificed to provide. Most of all, we have failed to produce a common purpose among the peoples of the world—and this is my basic objection to the program. We have failed to produce among the peoples of the world what I would call a consciousness of common interest, a consciousness of common danger.

Now, very frankly, I think that the American people would pour out their billions as they have poured out the lives of their sons over and over again, to protect their freedom. I feel that even those who object to the spending in this program might find an argument for spending, if we were satisfactorily meeting the menace. I think that then we could overlook some maladministration, although I would still condemn it. I think that then we could be indulgent as regards bad programs. I think that we could even look with some leniency upon failure to secure all our goals if we had secured the basic one, Mr. Chairman, of persuading the peoples of the world that we were standing together and must want to stand together as free men—seeking what? Something so simple and so typically American. Seeking peace, freedom, the right of people to live in independence, to live free, humanly free, in individual dignity and mutual respect. That is the American dream.

I was distressed yesterday, again, in listening to the colloquy between the gentleman from Missouri and the gentleman from New Hampshire, to have even the very learned gentleman from Missouri, whom I respect, say, and I quote:

> We have not been very effective in telling our story.

Mr. Chairman, it is this ineffectiveness with which I take issue. When you sit as we have sat for weeks in earnest consideration of these problems, your sensation of danger grows no less, your sensation of need for defense grows no less, your sensation of the need for allies grows no less; but above all, if you are honest with yourself, you face just one question: Is the program working?

I went home last night and wondered whether I should speak today. For a moment I attached such importance to my very unimportant self that I wondered if what I might say concerning the ineffectiveness of the program might seem to be giving what is traditionally known as aid and comfort to the enemy. But I listened to the broadcasts that showed the gravity of the Communist intrigue. I heard with shock the report of the stoning of the Vice President of this great Republic. Mr. Chairman, I could not keep silent. What we are facing is real. What we are facing is urgent. We must realize once more that we are citizens of no mean country, if I may quote Paul of Tarsus. We have an obligation, we have an obligation to keep our own freedom. We have an obligation beyond ourselves to those who would be free.

Whether or not you think there is not enough money in this program, I would say to the House, whether you think there should be more money, whether you think there has been maladministration, or whether you think there has been poor programing, whatever you think, the basic question for the Congress today, and I hand it to you as citizens of a great country, is not how much shall we spend, or even how has it been spent, but whether we are meeting the need of a free people to preserve our own freedom, and fulfilling our dedicated purpose to prove to the world that freedom is the essential prerequisite for life itself.

Mr. Chairman, these are intangibles, and people may say, "What good are intangibles in the face of a relentless atheistic ideology and aggressive enemies seeking world domination?" In times of crisis, Mr. Chairman, it is often only the intangibles that hold the power to survive.

Mr. Chairman, I would very humbly say that there must be new ways to improve our story—although indubitably the story does not need improvement, but only the telling of it. There must be better ways in which we can ensure our strength. I am beginning to think there is some merit in the contention of those who hold that we should build more strongly those who believe with us and share our common faith, that perhaps we have reason to better bolster their courage and their purpose. All that I say today is this: We must reappraise the programs; we must revise the administration; we must reestimate the basic policy. We must seek new avenues of effort, and with fresh emphasis. As the minority report states: Merely voting more dollars is not enough. At another time I would develop this point further.

But whatever we think or whatever we do, the question now we must ask ourselves concerning this legislation and the program is: Is this good enough, because for this very great country and for a people born to a heritage of freedom nothing is good enough except final success.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I listened with deep interest and much emotion to the words of my colleague, the gentlewoman from Illinois, the charming and brilliant Mrs. CHURCH. With much that she said, I find myself in complete agreement. With her conclusions, I am not in the same agreement.

I do not think this program is being perfectly administered, but to be perfect is beyond human capacity.

I do not think we have yet reached into the hearts and minds of peoples in all the lands as we wish and as I think we some day will reach.

But then, Mr. Chairman, when we reach out for the objective of peace we have, which is the objective of all Americans and the subject of the prayers of all Americans, should we abandon in despair our effort because the approach has not kept the timetable of our dreams? I think not.

Rather, I would say it is a matter of holding to faith in ourselves and in our country. In that we will have the assurance that if our motivation remains pure the errors that have slackened our pace will find their correction in widening experience. Our dedication is to the task of building with other nations of similar dedication a world of peace and contentment in fulfillment of what I hope is the

destiny of this generation. Backward steps are not part of the American heritage and only in forward steps will we continue to give inspiration in the reaching of great goals. Attainment of world peace and understanding is such a goal.

This is a time when we must temper the vanities of personal opinion with love of country, which is the sentiment that binds peoples of the same associations, the same aspirations, the same interests. In our representative democracy, decisions and the actions that result come from the matching and eventually the compromised merging of the personal opinions of many individuals. That is as our forefathers planned it, as we have wished it and as we have practiced it. There are times, however, when differences of personal opinion, however sincere and noble, quickly must be resolved in love of country.

Love of country is not a quality of baseness. It is a quality as unstrained as love of family. There may be differences in a family. There may be little differences of opinion, but when serious illness comes to menace the welfare and happiness of a family, all these vanities of personal opinion, of individual differences, are resolved in a common concern for the recovery of a dear one.

So it is with nations. Conceivably this is a period of one of the great crises of history. Our nation has the burdens and the responsibilities of leadership in a world of problems, of troubles and of dangers. At home we are beset with economic problems. The bite of unemployment has awakened us from complacency on the homefront as fully as the bite of the sputnik into outer space shattered complacency on the world front. If the recession should develop into depression, the tragedy would exact a toll second only to that of the tragedy of war. No one can tell with certainty what is ahead. Whatever happens, we must meet its challenge.

At such time can I indulge in the vanity of personal opinion and refuse to consider on its basic merits any program because it is not being administered exactly as I would administer it? This is no time for me to argue, as at the beginning in 1949 I argued, that a race of armaments inevitably ends in destructive warfare. The hour is too late. This is no time for me to point an accusing finger at the administration of a vast program because in places there had been waste and in places there had been mistakes.

It is no time to throw pebbles at shadows when there are mountains to be climbed and heights to be gained.

The administration of the mutual security program has not been perfect. It is not within human capability to be perfect, but I know of no one who would take the chance of ending abruptly this program. Certainly not Eugene W. Castle, the most severe in his criticisms of the administration of the program of all the witnesses before our committee. Yet Mr. Castle testified that in his opinion the United States could not afford at this time to terminate the program itself.

To Mr. Pilcher he said "Anyone who has travelled the world as I have couldn't be an isolationist; it is impossible"—page 1417 of the hearings.

To Mr. Selden's question, "Do you think it would be disastrous at this time to discontinue the program?" he replied: "I think it cannot be discontinued at this time"—page 1413 of the hearings.

Mr. Castle has had wide experience in the foreign field, strongly supported President Truman's point 4 proposal, has thought the administration of the present program was veering too far from the original intent, was not hitting the target of international good will and was wasteful. Mr. Castle, sincere in his convictions, has written two books on the subject and at his own expense appeared before the committee to stress his points. In a sense he could be regarded as spokesman of numerous Americans who connect some forms of foreign aid with waste of the dollars of the American taxpayers.

What is important to note is that Mr. Castle testified that in his opinion the United States could not afford to terminate the mutual-security program at this time. He foresaw the catastrophe that would ensue, with the Free World in chaos, if there were an abrupt end to a program that affects not only our own country but as well all other countries with which we are allied in a common effort for security, welfare, and understanding.

Mr. Chairman, I have said that this is a time for the abandonment of the vanities of personal opinions and the reuniting of Americans in an all-embracing love of country. Mr. Castle has set an example. Doubtless he will go on, as is his right and duty as an American citizen, pointing out wherein he thinks the administration of the program can be improved, but as to ending abruptly the program itself, throwing into the void the country of his affection, of that he will have none.

It is well enough to oppose this bill, even on a rollcall to vote against its passage, when one knows that it all is a gesture. There is not a person in this House who does not know the perilous position in which the United States would be placed if the 85th Congress failed to pass a mutual-security bill. There is no one in this House who does not know also that a bill mangled by amendments would be as bad as no bill at all. I doubt there is a Member in either body who would vote in opposition to this bill if that Member knew with certainty that his one vote would bring the program to an abrupt termination.

Ninety-two witnesses testified at the hearings of the Foreign Affairs Committee. There was no phase of the foreign program that did not come under the closest scrutiny. The witnesses were men and women with specialized knowledge in the matters that they discussed with candor and frankness. Their interests varied, some putting the emphasis on defense and some putting the emphasis on the economic, their viewpoints were not always similar but they all had a keen sense of the many problems attending the administration of a vast program in a field where there were no blueprints for our guidance. Not one of the 92 witnesses advocated the withdrawal of the United States of America.

The members of your Committee on Foreign Affairs, with the exception of only four, are united in the support of the bill. The committee cut the authorization about one-third of a billion dollars. Every cent that was taken out was taken out with a reason. There was a study. There was an analysis. With four lone exceptions, the committee recommends the bill exactly as presented to you. It is our well considered judgment that every dollar further cut from the authorization will be at danger to our country. That, Mr. Chairman, I believe.

The world is on the march. We cannot halt its progress. We can go forward in leadership for the attainment of the things for mankind that all peoples hold dear. Or we can give up and accept for our country and our children whatever fate may have in store for them in a world rebuilt by others. That is the determination we are making in our vote on the pending bill. It is just that simple. We have looked with hope to a world of peace in which we could trade with mutual advantage with the other nations, and we have sought to help those nations in a development enabling them to buy our products as well as to raise living standards of their own peoples closer to our own. Meanwhile, we have sought to assure our security, to surround ourselves with the protective walls of an international chain of bases, until our objective of peace has been reached. The defeat of the mutual security bill of 1958 means the collapse of all this.

Mr. Chairman, I shall continue to hold to my ideals and I shall continue to hold to faith in my country. This is the hour of portendous decision. In the making of that decision, the vanities of personal opinion must be resolved in love of country and faith in its purpose under God.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I gladly yield to the distinguished gentleman from West Virginia.

Mr. BAILEY. I am very much impressed with the gentleman's sincerity. I note you make the statement that a vote against this authorization would be a mere gesture and might carry out one's idealism. May I remind the gentleman from Illinois that in the State of West Virginia we have only 34 percent of the labor force employed. I am wondering if the gentleman could suggest some way that we could have West Virginia declared a foreign territory so that we could get a little help.

Mr. O'HARA of Illinois. I appreciate and admire the gentleman so much that I am just a little surprised and maybe a little bit hurt that at such a time he should ask such a question. There is no relation at all to this particular matter we now have under discussion.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I am happy to yield to the great acting chairman of our committee.

Mr. MORGAN. Following the suggestion of the gentleman from West Vir-

ginia [Mr. BAILEY], if this bill is not passed, instead of the unemployment being 38 percent it will be about 48 percent.

Mr. O'HARA of Illinois. That very well could be the fact.

Mr. HOFFMAN. Will the gentleman yield?

Mr. O'HARA of Illinois. I gladly yield to my dear friend from the land in Michigan where I was born.

Mr. HOFFMAN. You know there are not any better friends in the House than you and I. If you voted against the bill you had reason for it, but the gentleman over there is simply guessing at it. Maybe he does not have that unemployment. Certainly I cannot take care of any blond until I have taken care of my wife.

Mr. O'HARA of Illinois. I would remark to my beloved friend that all the wives of America might rejoice if through our perseverance in going through with what we have undertaken we reach our objective, a world of peace and contentment for their children and their children's children. I daresay the brunettes will be just as happy as the blonds. I yield back the remainder of my time.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, having served on the Foreign Affairs Committee for 12 years, and having been associated during all that period with two of the members, the chairman, the gentleman from Illinois [Mr. GORDON], and the gentleman from Ohio [Mr. VORYS], who are both retiring this year, I am painfully aware of the great holes which their departure will leave in our committee, 1 on the majority side, 1 on the minority side, that no one can fill.

It is too bad that Mr. GORDON, with his wonderful spirit, his deep loyalty and attention to duty has been compelled by ill health to give up this heavy burden. Our affection and good wishes go with him.

As to JOHN VORYS, I do not know anybody in the Foreign Affairs Committee, or in the Congress, or in the United States who has a greater knowledge of our foreign relations, and particularly the role of the mutual assistance program, than does this man. There just is no one else who has his experience and knowledge—and especially when we need some help on events in the past. He has an elephant's memory. Often when we are wrestling with some current problem he will come up with, "Back in lend-lease we had a comparable situation," or whatever other program it may have been in the last 20 years since he has been in Congress. He not only remembers the occasion, but he also recalls all the details, and they are generally very pertinent to our particular situation. One cannot but admire and envy his diligence, his industry, and the imaginative suggestions he contributes. His capacity to retain figures and facts and to marshall them convincingly are unsurpassed. His leaving will be an irreparable loss to our committee.

Another retiring Member whom we will miss greatly is Mr. LECOMPTE, of Iowa. He has been on our committee a shorter time but his faithful attendance and loyal support of constructive measures have made him a most valuable member.

The only redeeming feature of these losses is that the acting chairman this year, and our new chairman next session—if worst should come to worst and his party be kept in control at the next election—my friend and fellow physician, Dr. MORGAN, of Pennsylvania, has already demonstrated to us in the committee, and I think to everybody in the House, his extraordinary ability, his keen grasp of essentials, his fairness, his good judgment, and his capacity to give effective leadership.

Mr. Chairman, it is hard to know just what things it is most important to discuss in a debate of this sort. Almost every item has already been touched upon. The problems we face today are just the same as we faced in previous years only more aggravated and perhaps more advanced.

The first fact is that the Communist conspiracy against human freedom still exists. Its target, of course, is still the United States of America. If it can pull other countries away from the United States, if it can weaken us either militarily or economically; in short, if it can isolate, weaken, and destroy the United States, it will have control of the planet. This is a hard and continuing fact. I wish it were not so, but we cannot deny or duck it.

There is a second fact. Since we live on the same planet with that conspiracy and since we do not care to be subjugated by it, we have to resist it. That conflict is the cold war. Some people talk as if the cold war were something that a President or a Secretary of State under this or a previous administration dreamed up as a nice foreign policy. No, it is the price of our survival. Nobody in the Free World likes the cold war but we cannot escape it if we would be free.

There is a third hard fact: We cannot call this conflict off except on the Communists' terms—and their terms are surrender. Not necessarily all at once—they are quite willing to accept our surrender step by step, conference by conference. Just now they are agitating for a conference at the summit, supposedly to relax tensions; but, of course, it must be on their terms which specify, among other things, no discussion of the single biggest cause of the tensions; namely, the enslavement of 900 million human beings, politically and economically. If we were to agree to a summit conference on such terms, it would be a mockery and a well-nigh fatal defeat for the Free World.

A fourth hard fact is that we cannot continue the cold war indefinitely. We are not that patient a people; and besides, it costs too much. We know that if we do not spend more and more this year and the next for our own defenses and for those of our allies, we court insecurity—and disaster. But we also know that if we do continue to spend these terrific amounts for defense, we are inviting inflation, insolvency—and disaster. Either way, disaster. No wonder Mr. Khrushchev when in his cups drools in anticipation over what he has already announced as the impending victory over us by the Communists.

Well, if the threat still exists, and we cannot escape the cold war, and we cannot call it off except by surrender, and we cannot continue it indefinitely, then the only course left is to try to win the cold war.

We have to confront them with such unity and sustained firmness and strength—military strength, economic strength, and moral strength—that they dare not start a hot war now, because they could not win it. And we have to hold on and on and on until the disintegrating forces that are plainly at work behind the Iron Curtain so weaken them at home that they cannot start a hot war.

At this point some new facts enter the picture which were not recognized so clearly in previous years and which require some changes in our thinking. The first is that we have never really tried to win the cold war; we have just tried to prevent a hot war. Why have we failed to try our best to win the cold war? I think it is largely because we Americans, in our usual self-confidence in our own energy and ability, just took for granted that if we could prevent a military struggle, we would, of course, win any nonmilitary struggle; we would, of course, win an economic struggle; we would, of course, win any scientific struggle or educational struggle. But we are not so sure today. We have an economic downturn here that has shaken our allies. In contrast, the Communists have made some undeniable economic gains and they have achieved some sensational victories in the fields of science and education that have jarred us. These can be of great benefit to us if we learn the lesson from them, if we see that this is not a contest of which side can outsit the other; but of which side can outwit the other. It is not a contest of which side can outwait the other; but of which will outwork the other—outthink, outsacrifice, and demonstrate the tightest discipline.

Now, although the Communists have made these gains, of which we are painfully aware, the United States still has one superasset. It is described in the middle paragraph on page 25 of the committee report, which to me is the most important paragraph in the whole report. The United States still has access to a string of bases—Army bases, naval bases, airbases—all around the world. Russia does not have any such bases. And, most important, there is no way she can get such a string of bases so long as our mutual security system is strong and effective. The one ace we have—and we must never forget it—the one superiority the Soviet Union and Red China cannot match with their sputniks, manpower or anything else, is our string of forward bases. We have these only because of this mutual security program.

Probably there is considerable agreement with what I have said thus far. The disagreement comes on how best to deal with the changed problem; how best to win the cold war before we ourselves are broken in the process.

Some still put faith in making new agreements with regimes that make a virtue of bad faith. Whenever the Communists offer new proposals, they grasp at them as a drowning man at a straw.

Some would say put faith only in our own power. They argue that these other countries are weak and perhaps undependable. They would let the rest of the world collapse and try to go it alone.

But most of our people, I am sure, believe that our best hope is to continue this mutual-security program, recognizing fully all its shortcomings, its difficulties, and its weaknesses, and working harder and more intelligently than we have to correct those weaknesses.

Perhaps our differences of views as to this program arise from differences in emphasis. Some concentrate on the remarkable achievements of this program, and they are listed at the bottom of page 3 and the top of page 4. What has been accomplished in these 10 years is beyond, I think, anything we dreamed would be possible when we started it 10 years ago. The prospects seemed dark indeed. And, the fact that we have been able to succeed in so many ways is the surest promise that we can succeed in the future, if we work hard to improve, correct, modify, and push ahead.

Others concentrate more on the failures. We have heard a good many talk about them during the debate thus far. There have been plenty of failures, plenty of mistakes in judgment. Often we have tried to do too much too fast; we have spread ourselves too thin. Often we have had less than the most competent personnel. It is difficult to get high-grade persons to bury themselves in these out-of-the-way places. How many of us would be willing to quit our jobs here at home and go out to work at lower salaries in these backward, uncomfortable areas, with bad climate, bad sanitation, endless frustrations, and disappointing inability to achieve spectacular results?

It is hard to get the very best top-flight personnel to go. Sometimes we have sent people who were technically proficient but who were too insensitive to the fact that this program is most of all a matter of dealing with persons. We build dams and dynamos and fertilizer plants, not just for their intrinsic value, but because of what building them will do, we hope, to the morale, the sense of confidence, the will to resist, the unity of peoples around the world who are still free and who want to stay free.

The real test is not whether there have been mistakes, but what are we doing about the mistakes? Are our efforts the very best that can be made under the very unideal circumstances?

Let me take some of the criticisms that have been made by various Members during the debate and give what I think are the right answers to them. Maybe I can at least put the issues in better focus or perspective.

It has been charged that each year the Committee on Foreign Affairs says that this bill will be the last. Mr. Chairman, under the Marshall plan for Europe we did have a 4-year program and there was reason to believe that it would end then. It could have, if only Europe had been threatened. But the Reds started a war in Korea. We can hardly be made responsible for that. Checked in Europe by the Marshall plan, they moved east into Asia, and later south into the Middle East and Africa. They made it perfectly clear that the Communist conspiracy is a world problem, a world threat. We did not like that but we could not escape it. I have not heard anybody from the Committee on Foreign Affairs, since Korea, say "Just give us 1 more year, and that will be the last." For myself, I never made such a statement. I have said in the past, and I say today, that we can stop this program only when we have succeeded—and that will be when the Communist problem has been solved, which means when it is ended.

We have had a program of aid to the American Indians for 175 years. When is it going to stop? Well, it is not going to stop until we solve the problem of helping the American Indians to adjust to present-day society, so they can handle themselves and their problems more satisfactorily in today's world.

We have a program, larger each year than this program, to aid American agriculture. What will be the last year for that? I do not know. It will be only when the problems of agriculture are solved.

It seems rather pointless to spend much time talking about whether this is the last year for mutual security or how many more years it will have to go on. Please God, it will not be too long; but it has got to be until we win, unless we prefer to surrender, and, of course, we do not.

Another statement made is that we do not need to appropriate more funds because of the billions of dollars in the pipeline. There are several things to say about that. I wish you would look at the section on pages 12, 13, and 14 of our committee report, in which we deal with that at some length, more adequately perhaps than in any previous report.

The first thing to note is that the pipeline in the foreign-aid program is not unique. All other agencies of Government with purchasing programs have a pipeline. It consists of unexpended balances for goods and services contracted for but not paid for because not yet delivered. The agency with the largest pipeline is the Department of Defense. The biggest pipeline or carryover we ever had in mutual security was $10 billion in the fiscal year 1953. Because of the Korean war, we had to expand mutual security that year for obvious reasons. That same year, the pipeline for the Department of Defense was $62 billion for the same reasons.

At the end of this fiscal year of 1958, it is estimated that the pipeline for mutual security will be $5.1 billion. For the Department of Defense it will be $32.1 billion. With the necessity of ordering missiles and new superweapons, the Defense Department carryover, or pipeline, is bound to increase again. I think we can hold it down for mutual security.

The pipeline for the Department of Agriculture at the end of this year will be $4.5 billion. All the agencies of the Government combined, excepting only mutual security, have a total carryover of $64 billion.

Now why do not Members argue that we do not need to appropriate new funds this year for any of these other agencies, such as the Department of Agriculture and the Department of Defense, and just use their pipelines instead? Of course, that would not make sense. The funds in a pipeline are not free. They are obligated. They are at work. They are waiting to be spent, to be paid out just as soon as the goods and services contracted for are delivered.

The second thing to note is that the reduction from a high of $10 billion carryover to a low this year of about $5 billion has largely been made by reducing the military pipeline. We reduced it by $800 million in this last year. That is discussed on page 16 of the committee report. We are going to get it down by the end of next year to about $3 billion, and we were told frankly—I cannot dispute it, I think it is correct—that they cannot operate this kind of a program with a much smaller pipeline than that. If they tried to, they would not have the maneuverability and the continuity to be efficient and economical. No money is wasted by being in the pipeline. It has to be there to be spent when the expensive items that take a long time to manufacture are delivered.

Then there is the argument against the economic aid portion of the bill that funds have not been authorized for specific projects in the same way that we require when we pass authorization bills for navigation and flood-control projects. This is perfectly true. But there were two good reasons for it. One was the shortage of time; heretofore these authorizations and appropriations have been on a year-to-year basis. When our engineers make a study of proposed projects in my district or yours, they are given certain initial grants for planning, for surveys. They study the project very carefully, evaluate it from all angles, and establish benefit-to-cost ratios. Most of the factors—political, economic, psychological—are fairly discernible. Even so, it generally takes a year or more. But when working in other countries with all sorts of unfamiliar and unknown factors, it takes a still longer time. Yet under present procedures, the project has to be studied, evaluated, negotiations completed with the other government, and funds obligated—all within less than a year, or else the funds revert to the Treasury.

A second good reason is that in dealing with other governments, there are special political difficulties that we do not have in domestic projects. When we negotiate with other governments regarding projects there, as we must before we can make firm plans, or even make a study, it inevitably raises hopes in those countries.

You will readily realize what it would do to those governments—and many of them are new, some only 10 years old, and very shaky—and to their peoples' confidence in those governments and in us, if we were to raise their hopes and

then not be able to go through with the projects, because the time had expired or we had changed our minds, assuming, of course, that the projects proved sound.

We all know the disappointment that follows when the engineers make a favorable report on projects in our districts, and then the Congress waits years to provide funds—or perhaps never provides them. The disappointment, and the political risks to our foreign relations, are much greater when dealing with projects in other lands. Their governments hardly dare to stick their necks out to make the firm commitments we require of them for projects to produce power or fertilizer or build roads to help their economy, unless they have pretty reasonable assurance that our part of the project is going to materialize also. To raise their hopes and then to dash them—again, in the absence of some overwhelming reason—would weaken the other governments, whereas the major objective of the program is to strengthen those governments.

The Development Loan Fund is an effort to reduce this difficulty by permitting longer range planning. The Fund does not have to meet the fiscal year deadline in obligating its funds. Each year it will have to come to the Congress with its budget, like all other Government corporations. The Appropriations Committee and the Congress will examine its budget and if it appears to be getting off the beam, we can reduce its funds. We can even veto individual projects. But the Fund should go a long way toward avoiding the special risks and difficulties inherent in the year-to-year pattern of the past, and thus improve our prospects of achieving the objectives that all of us want.

It is interesting to note that some of those who object most to the system of voting authorizations for projects abroad that are sometimes not as fully studied in advance as projects at home, are the same persons who object also to the Development Loan Fund, which is the best means we have yet devised for curing the difficulty of which they complain. What means do they propose for dealing with it?

There is a new section in the bill this year—the gentleman from Virginia [Mr. HARDY] spoke about it—section 517, which will require the agency operating the mutual security program to delay obligating funds for projects which require substantial technical surveys and planning and which require legislative action by the recipient country, until the plans are completed, a firm cost estimate made, and the agency is reasonably sure that the recipient country will complete the necessary legislative action within 1 year. This section is a further attempt to take care of the legitimate objection that has been raised regarding past procedures. We want to be sure that both parties—the other governments and our own—are prepared to go ahead, before either gets in too deep on a given project.

The commonest criticisms of the mutual security program are the charges of waste. Some of them are true. But they are only part of the picture. Frequent mention is made of a cement plant in Korea. Undoubtedly, as we look back on it, some mistakes in judgment were made and the total cost of the project was much higher than anticipated. But look at the Korean program as a whole. Not too many people had much hope for Korea as late as 2 years ago, but today the good results of years of discouraging effort are becoming apparent. The currency has been stabilized for 16 months, although some thought it never could be stabilized. Korea is far nearer self-support than seemed possible. The local opposition to our programs, which was bitter, has largely disappeared because the results are now visible to all. In fact, Korea is becoming a showcase of what can be done, even in a divided country under constant threat of war, by cooperation between that country and ourselves. The contrast is dramatic between free Korea and Communist Korea—and even Communist China with its hunger and unrest.

It is never more than 10 percent of the program that is complained of—generally less than 3 percent. Should we, therefore, condemn or knock out the 90-plus percent which is producing remarkably good results?

I was going to report similarly about the gains for the Free World in Laos, despite the incredible difficulties there and the relatively high cost of keeping the country free and independent, as we have been able to do. But time does not permit.

Another criticism is of our aid to the neutrals. It is said we should not help any who will not stand up and be counted. But why will they not stand up? We must think of the situation that they face. Generally, it is not because they are pro-Communist. It is because they are afraid. Afraid, first, of the Communists, both the Soviet Union and Communist China. They are closer to those countries than we—and they are less able to defend themselves. Second, they are afraid of the United States—in a different sense: they are not sure of our steadfastness. They hear Americans advocating, in and out of the Congress, that we stop our aid program. They hear other Americans urging us to make a deal with the Kremlin, even at the price of accepting its conquests of other peoples. They do not forget Yalta. They fear they may be next. If they were to stand up and be counted on our side, declaring themselves openly against the Communist side, and then the Congress unfortunately were to do what some are advocating that we do, they would, indeed, be out on a limb, having invited the disastrous reprisals they would face. They are sure of the Communists; but they are not quite sure of us.

It is said the neutrals will not be of help to us in winning a war. That is correct. But our main purpose is not to win a war; it is to prevent a war. And the neutrals are of very great help to us in preventing a war just by preserving their independence. If they do not grant us bases, at least by maintaining their neutrality they deny bases on their soil to the enemy. What they want most of all is to maintain their independence. They do not want to be under European control, or under American control, or under Communist control. The very fact that they are determined to hold on to their newly won independence is exceedingly useful to us. We ought to do our level best, in my opinion, to try to help them keep their independence.

It is said that we have not won friends by this program. But its primary purpose is not to win friends; it is to give other nations increased will and capacity to defend their independence. Its objective is to establish a mutually beneficial partnership, in order better to maintain their independence and ours. They cannot maintain their independence without us as a partner; we can maintain our independence more easily and cheaply and surely if we have them as partners. We hope they will also like us as friends. But that is not the primary objective of this program.

It is said charity begins at home. Of course charity begins at home. But who can contend that this is charity? It is not philanthropy for others; it is survival for the United States. We need them quite as truly as they need us. The justification of the program is not because it does good to others, although it does do that when well handled; its justification is that it does good to and for us.

It is said that we are spending billions of dollars abroad. No; 78 percent of the dollars are spent right here in the first instance. And all the dollars have to be spent in the United States in the end. Why do people all over the world want American dollars? Because of the things those dollars will buy in the United States. Over 700,000 Americans have jobs today, growing and making the things or providing the services these dollars buy.

It is said this program, in fact, our whole budget, is too big for peacetime. Of course, it is. But who can seriously contend this is peacetime in any real sense?

It is said that if we were to cut down this program drastically, we could have that much more money for public works, housing, hospitals, schools, social security here at home. We could take better care of our own people. But could we? The fact is that to cut down this program would weaken our allies and require us to spend far more additional money for our Military Establishment than the amount saved. We would have less to take care of our own people, not more.

I had hoped to speak also of several improvements this year's bill makes in the program. I can only mention them: First, the overall audit that has developed as a result of the finding of the Hardy subcommittee and the General Accounting Office studies; second, the separation under different titles of military and economic aid, although we recognize that almost all military aid serves to protect economic freedom, and almost all economic aid serves a military purpose, and certainly all aid under this program, both economic and military, is olitical; third, incororation of the Development Loan Fund to make it conform more to our established pattern for Government lending agencies; and, fourth,

ICA's inauguration of longer and more comprehensive training and orientation for its personnel before being sent abroad. These are all forward steps.

Mr. Chairman, there have been many mistakes in these 10 years. But overall, the mutual-security program has been brilliantly successful; it has kept the Free World free. Let us carry it on—only better.

The forces of freedom are stirring mightily—especially behind the Iron Curtain. They will weaken, divide, pin down, and ultimately pull down the Communist tyrannies—if only we do not build those tyrannies up, and if we steadfastly and skillfully assist all those who resist our common enemies by striving to maintain their freedom and independence.

This is the way to victory and peace.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. FASCELL].

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. FASCELL. I yield.

Mr. HOFFMAN. The news ticker out there says that they just threw some stones at Mr. NIXON and his wife in their car.

Mr. FASCELL. I hope they catch whoever did it.

Mr. HOFFMAN. Can that be construed as evidence of good will?

Mr. FASCELL. The gentleman from Michigan can construe it any way that he wants to. I hope that the perpetrators of the act are caught.

Mr. HOFFMAN. I cannot figure it out that way.

Mr. FASCELL. Mr. Chairman, I believe that in discussing the question of the foreign policy of the United States and the force and direction that that foreign policy should take, it behooves every American both in the Congress and outside of the Congress to ask himself several questions, and in reading the answers to those questions to apply a logic of his own. So I have started out by asking myself this question: Why is it in peacetime—and I guess I should put that in quotes—why is it in "peacetime" that the great people of the United States are spending more money for military purposes than any government in the history of the world? I believe you will agree with me that a fair answer to that question is required before you can pursue any line of reasoning with respect to what the foreign policy of the United States should or should not be. I will be the first to join with you to say that this country must be militarily strong to protect ourselves and the principles which we hold dear. We have proven time and time again as American people that we will be the first in the battle lines to fight with our lives for everything we believe in. Yet, we know as we examine our patriotism and our spirit—we know that in the whole course of the history of mankind wars and threats of wars have not yet solved the problem of how peoples shall live together without slaughtering themselves like animals.

It is for this reason that the American people, as a free people, as an independent, thinking people aspire to do something positive, and affirmatively, other than trying to correct the evils of mankind by the pure force of arms. Is this a foreign policy—is this ideal of the American people a foreign policy? I say "Yes; it is." Then what is this fear that pervades the world and the American people that causes us to create this great military machine? The answer is obvious. You know it as well as I know it. Every American knows it as well as you and I know it. We are in the greatest battle of ideology that the world has ever faced. I concur in the statement that the battle is not on the battlefield—and I have supported greater military appropriations—the battle for the minds and hearts of people around the world. Just how do we win this battle? Or, are we winning it? Or, are we even in the battle? Well, now you tell me—outside of the mutual security program, what it is in the way of an affirmative policy of the American people that is reaching into the hearts and minds of other people around this world? That leads to the next question that I believe every American citizen is asking himself. And in my opinion, the answer is equally obvious. Should the mutual security program be abandoned? The answer is that it cannot be abandoned. The mutual security program has a military purpose for the benefit of the people of the United States. It has a military purpose for the benefit of the free peoples in other parts of the world. It also has an economic purpose for the people of the United States just as it has an economic purpose for other free peoples throughout the world. It has a political purpose for the people of the United States. It has a political purpose for the other people of the Free World. I know we Americans are all impatient. We want to see things done overnight. People are claiming to remedy the evils of the world by this program, something that cannot be done; this program is expected to change the whole course of human events and the character of every man and woman in the world by one legislative act of the United States Congress. But this cannot be done.

I go on to point out that this program has had more recent examination and more reevaluation and more study than any program in the United States in modern history.

In the last few years, in addition to the usual Congressional scrutiny the program has been completely reviewed and reevaluated by the Congress, pursuant to resolution. The Committee on Foreign Affairs conducted an exhaustive review. The other body acting pursuant to resolution created a Special Committee To Study the Foreign Aid Program. This committee had 11 studies and 10 surveys made independently of the special committee.

The President created a special committee known as the Fairless Committee to study this program.

The principal consensus of this prodigious amount of study and reevaluation by the Congress and the Executive was that the mutual security program should be continued.

Furthermore, the program from various viewpoints has been critically reviewed by other committees of Congress. Among them are the Military Operations Subcommittee, of the House Committee on Government Operations, under the chairmanship of the gentleman from California [Mr. HOLIFIELD]; the International Operations Subcommittee of the House Committee on Government Operations, under the chairmanship of the gentleman from Virginia [Mr. HARDY], and the Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations, under the chairmanship of the gentleman from Illinois [Mr. DAWSON].

I am privileged to serve on two of these subcommittees. It is significant to note that while they have all filed reports critical of the administration of the program, they have not recommended its abandonment.

In addition to all this, the General Accounting Office conducted complete audits on a phase of a good many country programs and is continuing with others.

Your committee has been fully cognizant of the many criticisms leveled at this program. This year it searched and inquired diligently to determine the truth or basis for each and every known charge. These questions and answers are embodied in a separate committee print.

I am of the opinion that the administration is fully aware of the great sensitivity with which Congress views this program and accordingly has made great efforts to tighten its administrative belt.

Your committee has written new features into the bill designed to provide a businesslike approach to the obligation of funds. This was done in an effort to be more cautious and require better administrative management and control.

Your committee has carefully reviewed the authorization requests and made changes in those areas wherein changes were deemed advisable.

In other words, supporters of this program and its critics—except for those who advocate complete abandonment—should be assured that every effort is being made to improve the administration of the program, to correct deficiencies and errors; to get the American taxpayer more for his dollar; and that the United States Congress has been in the forefront in its efforts to make necessary investigations and legislative changes designed to assist the tighter administration of the mutual security program.

In my opinion, sound logic dictates that for the interest and security of the United States I should and shall vote in favor of this bill.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FASCELL] has expired.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Chairman, I am certain we all recognize the problem this Committee on Foreign Affairs has faced in undertaking to determine that the money appropriated for foreign aid has actually been spent wisely and in accordance with the intention of the Congress. In that connection, I hope the committee has inquired into the many rumors we hear concerning the alleged pro-Communist leanings of Gen. Chiang Ching-Kuo, the son of the Generalissimo, who occupies a high position in the Free Chinese Government.

Let us hope that these rumors, which are quite persistent, are not as well founded as they often appear to be. I am sure the committee has had occasion to explore these rumors. It is equally important that the State Department make an accurate determination of these allegations in connection with any economic assistance that may be approved here. We simply cannot afford to extend aid to people who do not use it for the purpose intended.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. HERLONG. I yield to the gentleman from Texas.

Mr. FISHER. Mr. Chairman, I am glad the gentleman from Florida has raised this question. I share his concern about Gen. Chiang Ching-Kuo, as I am sure many other Members do. I have heard the question raised regarding the propriety of aiding and abetting through the foreign-aid program the alleged pro-Russian element headed by Gen. Chiang Ching-Kuo within the Nationalist Government in Formosa. I share the hope that the rumor is not well founded, but we know it is persistent and should be thoroughly explored.

But in this connection let us not overlook or minimize the importance of Formosa as our first line of defense in the Pacific against communism. For years Formosa has been the rallying point for millions of overseas Chinese scattered over Southeast Asia and it has stood solid against the advancement of communism in that area.

Let us not forget, too, that Generalissimo Chiang is one of the world's strongest foes of communism. I have talked with him, as many of you have, and have found him patriotic, able, eager, and determined as an ally. He is on our side, the side of the Free World, the side that supports freedom and condemns Communist slavery.

It would seem unfortunate that the generalissimo's own son has become such a powerful man in Formosa. That is unfortunate in the light of lack of confidence in him on the part of the American people—or certainly many of them—as a result of his background and training and his apparent lack of appreciation for democratic processes. It will be a sad day indeed when the Chinese people may have to choose between communism on the mainland on the one hand, and Chiang Ching-Kuo on the other.

It is understandable that many of my colleagues have expressed deep concern over our assistance to Formosa in view of the role now being played behind the scenes there by Chiang Ching-Kuo. They are asking questions that are difficult to answer. And that adds to the importance of this issue being more thoroughly explored, particularly by the State Department.

Surely there is a way to resolve this problem, and continue the support that can properly be justified. The generalissimo, because of his love of his people and his devotion to the cause of freedom, will, I am sure, recognize our problem, and will reciprocate by a reappraisal of the propriety of using his son in the capacity which has given rise to these questions. That is, of course, for him to determine. As it is, it would appear that our joint endeavor to make China free and strong once again is in some degree being jeopardized by the position being held by General Chiang Ching-Kuo.

Mr. Chairman, to use an old saying, "let us not burn the barn down in order to get rid of a rat." In other words, let us not forget the chief objective of helping the free Chinese maintain their strength and stability.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, if the statement that the sincerest form of flattery is imitation is true, then the program that has been offered here today is eminently successful and has been eminently successful, for this program, or one similar to it, has been adopted by our enemies, the Communists. If the program is so deleterious to the interests of our country, why have the Communists gone into a similar program of military and economic assistance in those areas of the world that will accept it from them?

Mr. Chairman, I rise in support of H. R. 12181 to amend further the Mutual Security Act of 1954, as amended. This act is a vital pillar in the structure of our national defense. It calls for an authorization of almost $3 billion, of which there is authorized for military assistance a total of $1,640 billion—a reduction of $160 million from the amount requested by the administration; defense support, $775 million—a reduction of $60 million; development loan fund, for which $625 million was authorized last year for use beginning in fiscal 1959; technical cooperation, $171.5 million—an increase of $8 million over the amount requested; special assistance, $185 million—a reduction of $27 million; other programs, $175 million—mostly for sale of agricultural surplus; the President's special fund, $100 million—reduction of $100 million; U. N. refugee fund, $1.2 million; U. N. children's fund, $11 million; and Arab refugee fund, $25 million.

For more than a dozen years our country's foreign-aid program has been one of our most important weapons in the effort to restore the economic health of the world and keep it from falling under Communist influence and control. It has accomplished a tremendous amount of good, and the successful record of mutual security is one which should make us all proud. At the same time, let us not forget that this has been a program undertaken and continued primarily in our own self-interest and in the realization that every dollar we spent was contributing directly and indirectly to our own defense and well-being.

In a program this size it is not unexpected to find some mishandling and waste, but these faults should not blind us to the fact that the overall record is remarkable. Without mutual security there would have been no NATO and all the consequent benefits that Europe has derived from its creation. Without mutual security Greece and Turkey would long since have been lost to communism. The Middle East, too, might have been mortally weakened by the Communist onslaught and, together with Communist subversion on other continents, the defenses of the Free World would have been immeasurably damaged by all these losses.

It is important to restate and emphasize these facts all the time. It is especially important to do so now, when our country is in the grip of a recession, and the cry for economy that has gone up across the country indiscriminately hits out at this vital program. It is important to restate and to emphasize that foreign aid—or mutual security, as it is much better to term it—is not a giveaway program, but one of the wisest and most effective measures we have to win the loyalty, the understanding, and the support of liberty-loving men all over the world.

Its direct military value in our defense against potential aggressors in terms of dollars-and-cents economy has been expounded many times. When I visited Greece last fall, I was able to see for myself how mutual security makes it possible for this poor country to maintain a defense effort against Communist aggression which is far greater in proportion to its population and economy than most other European countries. American military and economic assistance is helping Greece to maintain a degree of internal stability, confidence, and resistance to communism which contrasts sharply with conditions that prevailed there before President Truman's memorable decision to provide aid more than a decade ago.

Turkey, which I also visited, plays a strategic role as the link between NATO and the Baghdad Pact and is one of the bulwarks of our security. Through our military and economic assistance, Turkey today can provide a large ground force to NATO and also carry on a large-scale internal economic development program. This effort is crisscrossing the country with badly needed hard-surface roads and is enabling Turkey to surpass previous levels in industrial and agricultural development.

In the Middle East, Turkey and Israel are the most dependable anchors of Free World defense against Communist penetration. Israel has made better use of our economic and technical assistance than any other country in that region. I doubt whether there is any other place in the world where one can find so gratifying a demonstration of the way American industrial and scientific skills can be used. Everywhere in the country I saw the results of American assistance and the ways in which this energetic and

industrious people overcame enormous natural obstacles.

There are other countries in the Middle East and in Africa which could benefit from the lessons obtained from Israel's technical and economic experience. The solutions to the land reclamation, agricultural, and industrial problems which Israel was able to discover with the assistance of American help are now, indeed, being put to use by the new countries of Africa and Asia to whom Israel has loaned her technical experts. This process of mutual aid, for which we set the initial example, is thus being extended in Africa and Asia to the general advantage of the Free World.

Through the years the mutual security program has been constantly studied and reviewed, painstakingly reappraised and reapportioned. There are constant efforts to improve its administration and to tighten controls over the expenditures because, admittedly, not every country can put the program into efficient operation. But I am not aware that even the most severe critics of the program would call for the elimination of mutual security just because it had failed or was mishandled in a few instances. Emphases have changed in recent years from grants to loans, and in the stringent review and reappraisal of the program that the Congress undertook last year great importance was placed on the need to make our assistance more selective, more responsive to the needs of our friends and those states which are truly neutral.

In recent weeks influential voices have been heard calling for the United States to give more aid to the Egyptian-Syrian union as a means of persuading President Nasser to stay away from Moscow's help. There is no doubt that Nasser would be very happy at this point to have American economic assistance, but I can find nothing in the record of our relations to offer any assurance that Nasser would give up his anti-West neutralism and work for peace. We have given aid to Egypt in many forms in the past, but in each case we have been shabbily treated for our efforts.

Mr. Chairman, I think the American people want to know how far the countries of the Middle East will contribute toward peace and stability before we provide them with our assistance. I think they would want to know which countries are on our side and which countries that proclaim a policy of neutrality are actually hostile to the West and seek to undermine the cause of the Free World. I do not think the American people would like us to use American assistance to bail out those countries which are hostile to us and which seek our aid only because Moscow cannot give them enough. Mutual security funds should go to those countries which are willing to work toward the solution of the problems that divide them and are willing to contribute by practical measures to the development of peace and economic cooperation. In the Middle East we can go much further in making clear our determination to work for peace and stability by the wise use of such measures as this mutual security program. Here, as in other parts of the world, let us continue to strengthen the Free World against the encroachment of communism by supporting our friends and other nations willing to cooperate with us in the fight for peace.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield.

Mr. CELLER. I am glad to hear the gentleman's remarks on the infant state of Israel. Israel indeed has made excellent use of the aid the United States has accorded her.

Would the gentleman not agree that the flame of democracy burns brightly in Israel and that wherever the flame of democracy burns we should nurture it and help it?

Mr. FARBSTEIN. Yes, indeed. That is the basis for mutual-security loans.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in support of the Mutual Security Act of 1958 and to add my commendations for the work of the acting chairman, the gentleman from Pennsylvania [Mr. MORGAN], and his hard-working colleagues on the committee, and in particular the gentleman from New Hampshire [Mr. MERROW] and the gentleman from Missouri [Mr. CARNAHAN].

I shall not introduce as an amendment my joint resolution to deny mutual security funds to Latin American nations which fail to live up to the Charter of the Organization of American States, the most important treaty of the hemisphere, particularly that portion having to do with the effective exercise of representative democracy.

My distinguished colleague from Oregon, the senior Senator [Mr. MORSE], has introduced this same resolution in the other body. We have reason to believe hearings may be held in the near future and are content to wait for them. It is my hope that the Vice President, who is now completing a tour of Latin America, will testify in these hearings about the effects of our policy of treating democracy and dictatorship alike.

I do have one suggestion, however, for the future consideration of the very competent Committee on Foreign Affairs and the Members of this House. This has to do with making our mutual-security funds more directly and advantageously available to movie stars. I believe our present method has rather obvious shortcomings. Certainly the same fine minds who worked out section 517, Completion of Plans and Cost Estimates, of the Mutual Security Act of 1958, can draft appropriate legislation for next year's bill.

I call your attention, Mr. Chairman, to the item on page 2 of yesterday's Washington Daily News, which reads as follows:

If all the women in the United States had the charms of Zsa Zsa Gabor and Kim Novak, maybe they'd get back all of the $1,300,000 the United States gives the Dominican Republic annually for military aid.

As it is, Lt. Gen. Rafael Trujillo, Jr., only spends about $1 million a year here. He is the son of Rafael Trujillo, dictator-ruler of the Republic, and has a wife and six children.

Miss Gabor got a $17,000 chinchilla fur coat and a $5,600 Mercedes-Benz from the general. Miss Novak an $8,400 Mercedes-Benz.

Zsa Zsa said first she paid for the coat herself. But, then, she said she discovered General Trujillo had paid for it, after all.

She gave a party for him in Hollywood, and her mother asked what do you think he should send her—"Flowers?"

He said the money he spends in the United States has nothing to do with the money the United States puts up for his country.

He's been studying military matters at Leavenworth until recently. But yesterday he was recuperating in Hollywood. Had his adenoids out.

As matters stand, consider all the indirect and nontaxable transactions involved in giving these movie stars fur coats and expensive automobiles. Last year, according to newspaper figures—since we Congressmen cannot make such disclosures—we gave the so-called Dominican Republic over a million dollars for military and economic aid. Well, even our State Department admits that Papa Trujillo is the absolute dictator, so our million-plus dollars went for equipment and services he did not have to pay for, which meant he had a million-plus more in the bank when Junior came to him for spending money. Papa Trujillo gave his boy a million dollars which Junior then deposited in a bank near Fort Leavenworth.

It seems to me that this is not only indirect and inefficient, but downright humiliating for us. Maybe our excellent Committee on Foreign Affairs should attempt to draft legislation which would provide more control by Congress over the circumstances under which these funds are spent. Perhaps, instead of going through two Trujillos, this money could go directly from the taxpayers to the movie stars, with appropriate deductions for income tax and social security.

There may be objection that movie stars are not among the legitimate objects of the mutual security program. With this I emphatically agree. I add, however, that neither are well-heeled dictators and their pampered sons who make a mockery of Christian marriage and who indirectly use our tax money to bank roll their wildly extravagant extramarital social life. No one yet has shown me any substantial defense purpose gained by our grants to these dictator-ridden countries of Latin America, but I have seen, as our Vice President is seeing, what such indulgences have cost us, aside from dollars, in our good name among the democratic peoples, the vast majority, that is, of Latin America, peoples we want and need on our side, peoples who belong at our side fighting for the survival and welfare of the free world.

Mr. VORYS. Mr. Chairman, I yield the remainder of the time to the minority floor leader, former Speaker, the beloved and respected gentleman from Massachusetts [Mr. MARTIN].

Mr. MORGAN. Mr. Chairman, I also yield the gentleman 5 additional minutes.

Mr. MARTIN. Mr. Chairman, I rise in support of the legislation that has come from the House Committee on Foreign Affairs. I congratulate the

members of that committee upon their long and diligent study, and I hope sincerely that the product of their deliberations will be passed by an overwhelming vote.

May I say in the first instance that President Eisenhower, was worried over the cut already made, and he sincerely hopes there will be no further reductions. Further reductions, he says, might well jeopardize the whole program of mutual security.

Mr. JUDD. Mr. Chairman, I make the point of order that a quorum is not present. I think Members of the House ought to be here to hear what the distinguished gentleman from Massachusetts [Mr. MARTIN] has to say.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Addonizio	Dies	Miller, N. Y.
Anderson, Mont.	Diggs	Morris
Anfuso	Dooley	Multer
Auchincloss	Eberharter	Norblad
Ayres	Everett	Osmers
Barden	Fallon	Powell
Barrett	Fascell	Radwan
Bass, Tenn.	Flood	Rains
Baumhart	Fogarty	Rhodes, Pa.
Bennett, Mich.	Frelinghuysen	Riley
Blatnik	Granahan	Rodino
Bonner	Green, Pa.	Rogers, Tex.
Buckley	Gregory	Saund
Burdick	Gross	Scott, N. C.
Byrd	Gwinn	Scott, Pa.
Carrigg	Harris	Sheehan
Celler	Healey	Shelley
Chelf	Hébert	Sheppard
Christopher	Hillings	Shuford
Clark	Horan	Sieminski
Corbett	James	Smith, Miss.
Coudert	Jenkins	Staggers
Cramer	Jensen	Teague, Tex.
Davis, Tenn.	LeCompte	Ullman
Dawson, Ill.	Lesinski	Wharton
Dent	McCulloch	Willis
	Meader	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 12181, and finding itself without a quorum, he had directed the roll to be called, when 342 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Massachusetts has 21 minutes remaining.

Mr. MARTIN. Mr. Chairman, we are asked today, through this legislation, to make a decision that will affect the future of every man, woman, and child in the United States. This decision will, in fact, affect the security of our country.

We are being called upon to vote on the mutual security bill for fiscal year 1959. This bill has met the exacting scrutiny of the House Foreign Affairs Committee. This committee, after exhaustive hearings, exercised a sharp knife on the original request for funds. This was done, I know, without any desire to wreck or scuttle the bill but with the earnest intention of saving the taxpayers' money.

There are some who perhaps regret that it was not possible to cut the bill further, but the inescapable fact is—we have hit rock bottom. The mutual security program builds security for the United States in a world threatened by the cancer of communism. We cannot—we must not—tamper with the Nation's security.

Nobody has dreamed up the Communist threat. The Communists themselves have told us repeatedly that world domination is their goal. We first got the word from Lenin himself, who said:

> As long as capitalism and socialism exist, we cannot live in peace; in the end, one or the other will triumph—a funeral dirge will be sung over the Soviet Republic or world capitalism.

Now that is very general. It could refer to Great Britain or to France or to Belgium. But Lenin did not stop there. Shortly before his death in 1924 he laid it on the line with these words:

> First we will take eastern Europe, next the masses of Asia, and finally we will encircle the last bastion of capitalism—the United States. We shall not have to attack it, it will fall like overripe fruit into our hands.

Now, that, fellow Members, is very, very specific. And may I point out that the Soviet Union has accomplished the first step. What the mapmakers called Eastern Europe 20 years ago has dropped behind the Iron Curtain.

This Lenin statement is Communist doctrine unchanged by the succession of masters in the Kremlin. While we sit here and debate passage of the mutual-security bill, the Soviet Union blocks every effort to halt the disarmament race; and while we discuss whether our free-enterprise economy can put less than 1 percent of its gross national product into a program to build security among the free nations of the world, the largest standing army in all history and the largest fleet of submarines ever assembled in peace or in war stands "waiting for the word," and behind this army and navy is an array of tactical and intermediate-range missiles, armed with nuclear warheads, waiting for the final development of the ultimate weapon—the intercontinental ballistic missile.

This is the military threat of communism. What are we doing about it? What protection does the mutual security program give us? What is mutual about it? We have had to fight two World Wars in the past 40 years to learn that no nation—not even the United States—can go it alone. We have established military alliances with 42 nations of the Free World. It may be—as some of you think—that some of these allies will not prove steadfast, but I ask you to remember that the North Atlantic Treaty Organization is the most powerful peacetime alliance in the history of the world.

Through this Nation's support of the mutual security program, we have found allies willing to lend us their sacred soil, soil that puts us close to the enemy. On the land that our allies have loaned us, the strategic air command and the Navy have built bases, bases from which we can launch forces capable of destroying any aggressor. This is power in being, the only kind that earns the respect of the brutal Communist aggressors.

Now, this is what is mutual about this program. During the past 7 years, the United States has contributed $20 billion to strengthen free world defenses. As the most industrial Nation in the free world alliance, we have made our contribution in materiel. During this same period of time our free world partners have spent $122 billion of their own funds to develop and maintain their own military strength. Can anyone honestly call this a giveaway program? Can anyone deny that our partners have contributed to the programs of defending the free world?

This is our answer to the military threat of communism. And the program has proved itself. It has stopped the march of communism dead in its tracks.

But like the hydra-headed monster of old, communism has sprung a new head. Halted from seizing nations by force, the Soviet Union has now launched a massive economic offensive. This is more serious than the military threat, in my opinion.

The Russians are greater realists than we. They know that no one will win the next war. With the first explosion of a hydrogen bomb, civilization will roll back 2,000 years. People will live in caves and throw rocks at each other while waiting for the effects of radiation to overtake them.

The Communists, with their goal of world domination unchanged, are now trying to win the world by economic means. They are mounting this offensive with the same zeal, the same determination and the same disregard for truth characteristic of this godless regime. But the weapons this time are different. Instead of bluster, bullying, and bullets, the Communists are using blandishments. They speak softly. The mailed fist is gloved.

They tell the less-developed nations that our democracy is a freak, a phony. They do not tell them that 6 percent of the world's peoples in this God-fearing Nation produce 40 percent of the world's goods. As Winston Churchill might well say, "some freak, some phony."

Twenty new nations have been created since World War II. Their population is one-third of the world's total. During Stalin's lifetime, Russia showed not the slightest interest in the hopes and aspirations of these people, but since that madman died in 1953, the Soviet Union has discovered the existence of the 750 million people in these 20 nations.

The Soviets have wooed the less developed nations with nearly $2 billion in loans and grants during the past 3 years. They have had just one purpose in mind, to lead these young nations away from the free world and into the Soviet camp.

President Eisenhower summed up this purpose in these words and I quote:

> If the purpose of Soviet aid to any country were to help it overcome economic difficulties without infringing its freedom such aid could be welcomed as forwarding the free world purpose of economic growth. But

there is nothing in the history of international communism to indicate this can be the case. Until such evidence is forthcoming, we and other free nations must assume that the Soviet bloc aid is a new, subtle, and long-range instrument directed toward the same old purpose of drawing its recipient away from the community of free nations and ultimately into the Communist orbit.

These new nations have lived with poverty, disease, hunger, and despair since the dawn of man. They are anticolonial, intensely nationalistic, and determined to better themselves quickly. The Soviet Union makes its bid behind the cover of such obvious lies as this statement by a Russian delegate at the recent Afro-Asia Peoples' Solidarity Conference in Cairo. I quote:

We are ready to help you as brother helps brother, without any interest whatever, for we know from our own experience how difficult it is to get rid of need.

If you earned about a dollar a week as most of these people do and if you ate only two meals a day and went to bed hungry as most of these people do, you might believe the Communists, too.

Under the mutual security program, we are helping these 750 million people. We did not discover these peoples 3 or 4 years ago. We have been working with them for 10 years. We have been helping them achieve higher levels of health, education, and sanitation. We have been showing them new methods of agriculture, of irrigation, of conservation. Through our exchange programs we have been schooling nurses, doctors, teachers, engineers, administrators in this country.

There are strong moral and humanitarian reasons why we should help the people of the less developed nations. We are the world's most privileged people. We should help the less fortunate. Our heritage impels us to lend a helping hand to those who have gained this precious thing known as freedom.

But there are compelling reasons from a self-interest standpoint. If these new nations should turn to communism in their efforts to speed their economic development, our own security would be imperiled. We would eventually become an island fortress, beleagured, encircled, and finally strangled.

These nations possess some of the world's most vital resources—raw materials essential to our peacetime economy. But these 750 million people are themselves one of the world's most vital resources. As the world's greatest trading nation, we want to see these people enter the marketplace of the world where they can buy the goods of the world's greatest trader—the United States.

The mutual security program is now meeting the needs of these new nations. Last year, the Congress established the development loan fund. This bank of last resort is lending money at low interest rates for specific long-range economic growth projects. We are not trying to "prime the pump" of these underdeveloped countries. We are trying to get them to the point where private industry will be interested in going in and doing the job. They need better harbors, port and terminal facilities, better roads and railroads, more power stations.

Let me talk about the administration of the mutual security program. As most of you know, a recent reorganization of duties and responsibilities in the Department of State has given C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, the job of housekeeping and housecleaning in the International Cooperation Administration. Mr. Dillon has appeared before several committees of the House to explain his efforts to eliminate waste; and to put ICA on a businesslike basis. I think he has been one of the best witnesses the Department of State has sent up here in many a day. He is hard-headed and tough-minded. James Smith, the new head of ICA, is a man of the same stamp. They are sincere and dedicated. Both are successful businessmen who are providing the Government with talents of the highest order.

The charge that we cannot afford the mutual security program is hogwash. When the United States cannot afford its own security, it is time to haul down the red, white, and blue, and hoist the white flag. This program costs each one of us six cents a day—the cost of an airmail stamp. The total program—military which takes two-thirds—and economic—which takes one-third—amounts to $3.5 million. This is one-fourth of what this Nation spends each year on liquor and tobacco.

The mutual security program is one of the strongest antirecession measures we have. Here are just a few figures showing purchases from American factories and farms in just 1 year of the program:

Iron and steel	$35,000,000
Bread gains	94,000,000
Chemicals	20,000,000
Cotton	84,000,000
Motor vehicles	20,000,000
Petroleum	35,000,000
Coal	20,000,000

And listen to this one: military equipment—the sum of $1.443 billion. I am sure that the Members of the House know that the effect of these purchases is felt by hundreds of subcontractors and suppliers in every walk of life. There is not a Member of this House whose constituents do not benefit from the mutual security program.

Let us just consider the State of Illinois for a minute. During 1956 and 1957 the Department of the Army alone purchased $76 million in goods from Illinois businessmen for the mutual security program. The National Planning Association says that 31,000 job in that State alone are directly related to this program; and for the Nation as a whole the total is more than half a million.

In my own State of Massachusetts, I am informed by the studies of the National Planning Association that in 1957, 9,989 jobs were directly attributable to the mutual assistance program and while the figures cannot be pinned down definitely, it is estimated there are at least three or four thousand additional jobs attributable indirectly to this program.

The estimated procurement of manufactured goods in Massachusetts for the military grant-aid program for fiscal year 1956 was $29,294,000; and for fiscal year 1957 it was $27,560,000, a total of $56,854,000 spent in Massachusetts for the last 2 years by the Army alone.

Of the above total, small business concerns in Massachusetts received dollar volume of this type of procurement amounting to $12,884,000 for fiscal 1956 and $10,680,000 for fiscal 1957, a total of $23,564,000 in contracts for small business in Massachusetts during the last 2 years.

Complete State breakdowns are not available for Air Force and naval procurement. We do know, however, that at least $9 million in naval contracts for ship overhauls and repairs were let in Boston during this period for the mutual assistance program.

Now, I say to my friends on the other side of the aisle, "We seek no partisan advantage in our support of this bill." The mutual security program has bipartisan support from the leading figures in both parties. President Eisenhower, Vice President Nixon, Secretary of State Dulles, former President Harry Truman, former Secretary of State Dean Acheson, and Adlai Stevenson have all endorsed this program wholeheartedly.

But if there is any Member of this House who is not influenced by what these men think, I would like to quote the words of General Nathan Twining. This is what General Twining thinks about the mutual security program:

The cold facts of the matter are that the security of the United States depends upon our collective security system which, in turn, depends upon our military assistance program.

There may be some alternative to collective security and military assistance. Maybe those who make the broad charge that all money spent in this area goes down the rathole know what the alternative is, but so far no military man has been able to think of it.

We simply don't have the manpower, the materiel or the money to take on the entire defense of the free world ourselves and the defense of the free world is a condition precedent to our own defense. If a substantial part of the free world falls or slips behind the Iron Curtain, our chances of being able to defend ourselves dim in proportion.

Now, General Twining has no axe to grind but the axe of military security for the United States. His words carry weight with me. We are in a military cold war and an economic hot war with the Soviet Union. They are the two barrels of the gun. The gun is loaded and it is pointed at the United States. Never in peacetime have we faced such deadly peril.

The mutual security program is part of our answer to the Soviet challenge. This program must not be weakened. We cannot fight this war halfheartedly. We face a determined foe. We need stamina and endurance for this struggle. We need the qualities of Bunker Hill and Valley Forge, Bull Run and Gettysburg, Chateau-Thierry and Saipan. We cannot—we must not—fail the Nation in this crisis. We must pass this mutual security bill, now, and in its present form.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I want to remind the House that there are five members of the Committee on For-

eign Affairs who are voluntarily retired from the House of Representatives at the end of the current session and who are participating in the consideration of mutual-security legislation by the House for the last time.

The committee will particularly miss the services of our esteemed and distinguished chairman, the Honorable THOMAS S. GORDON, of Illinois, and of one of the ranking minority members of the committee, the Honorable JOHN M. VORYS, of Ohio. Chairman GORDON has served on the Committee on Foreign Affairs since 1946 and has been an active observer and student of international affairs during that time. Those of us on the committee have recognized his broad understanding of world events and have turned to him regularly for counsel. He has impressed us always with the breadth of his vision. His stand on every issue has been determined by his concern for the welfare of his country. We will miss his quiet but always firm leadership. All of us sincerely regret that he will not be able to serve in succeeding Congresses. JOHN VORYS has been a member of the Foreign Affairs Committee since 1939 and has personally participated in the handling of wartime legislation which came before the committee as well as the foreign aid and other postwar legislation. Congressman VORYS is generally recognized as the leading authority in Washington on foreign-aid legislation. There is no one at present in the executive branch who has participated actively in the development of the program as long as JOHN VORYS has, and he is frequently called on by our officials as well as by his colleagues in the Congress for information and for interpretation of various aspects of the program. JOHN VORYS will be missed by the Foreign Affairs Committee.

All of us will regret that the Honorable KARL M. LECOMPTE has chosen to retire from the committee and the Congress. KARL LECOMPTE came to the Foreign Affairs Committee late in his long career in the Congress, but he has always taken an active interest in matters of foreign policy. Even before his committee service he took the initiative in obtaining authorization by the Congress for United States participation in the Australian Commonwealth jubilee celebration in 1951, and it was my privilege to serve with him as a member of the delegation from the House which visited Australia at that time. Since becoming a member of the Committee on Foreign Affairs, KARL LECOMPTE has taken an active part in the work of the committee. He has taken a particular interest in the Subcommittee on International Organizations and Movements, of which it has been my privilege to serve as chairman, and has always been ready to lend a hand whenever called upon. I have had the good fortune to travel with KARL LECOMPTE on a number of study missions to other countries and have always found him a wise counselor and a charming companion. All of us on the committee will miss him.

The Committee on Foreign Affairs will also be deprived in the future of the services of the Honorable ROBERT C. BYRD and the Honorable WINSTON L. PROUTY. Both have shared earnestly in the committee's work and have rendered valuable service. Both aspire to membership in the other body of the Congress, and I am sure that the people of their respective States and the membership of the other body would benefit from the experience which these distinguished Members have gained during their service as members of the Committee on Foreign Affairs.

Mr. NEAL. Mr. Chairman, the Congress levies taxes—Congress appropriates the moneys. Congress has in the past been exceedingly liberal. In fact, its liberality seems to have become an obsession.

For 10 years Congress has taxed our people to the point of confiscation. Yet, not enough to satisfy its extravagant spending programs, still leaving nearly $300 billion on the debit side of the ledger to harass the American people for the unseeable future.

In addition to monumental defense items and Government operation costs, the Congress, by authorizing additional departments and agencies, has imposed an annual mandatory obligation on the economy of sums approaching $20 billion.

Today, when a tax cut would contribute more than anything else to alleviate the present recession, even with existing tax rates, the Congress faces a further deficit and an extended debt limit.

Surely, with the dollar now worth only 48 cents as a result of this huge national debt, further decline with its accompanying inflated prices must be anticipated.

Apparently the Congress exercises no serious concern for the future stability of our American free-enterprise system. At least it would so appear from the potential financial involvement in prospect as proposed in numerous new bills, some of which are receiving considerable attention by committees.

The American people, regardless of personal incomes, already enduring taxation at great sacrifice will resent continued excessive tax assessments, to say nothing of further increases. Small business, the backbone of our economy, is being confiscated. Industry expansion, while paying heavily on profits, has advanced largely through tax write-offs. In fact, our whole economy suffers from lack of assurance of a stable tax policy and the variations in Revenue Department's collection procedures.

In view of world confusion and constant threat to our way of life, an adequate defense program is a must. America will support it if assured of careful planning and economical administration. There is little prospect that annual defense costs may be appreciably reduced in the near future. By the same token, no relief from tax requirements may be anticipated from this source.

In this situation it becomes all too clear that the public can expect no relief from their tax burdens unless the Congress exercises its considered judgment in evaluating future legislation that will add materially to the already existing mandatory obligations of the Federal Government.

General salary increases, aid to education from grade schools to colleges and universities, Federal aid to medical and allied agencies, and increased grants to States for the conduct of Federal-State matching programs are ideal in their appeal, but for every invasion into these fields there must be found an additional source of general tax, an additional sacrifice imposed on a public severely strained to meet the inflated costs of living.

Our strength as a Nation, our ability to resist Communist aggression, presupposes a satisfied and united people. These goals will be further from attainment if we continue to impose heavier tax burdens and permit inflation to eat away purchasing power.

Inflation and national debt can destroy us just as surely as military aggression. Our Nation, destitute of resources and financially bankrupt, could fall to communism without a shot. Commonsense dictates that we can no longer permit this American trend to dissipate the only dependable asset which in the past has been the bulwark of America's strength at home and our leadership among nations of the world; viz, national solvency.

It is with this view that I approach this problem of mutual security. We have undertaken an enormous job. It has cost us many billions in taxes extracted from our citizens. That it has postponed direct military conflict with Communist Russia is admitted. That we are further removed from the day of reckoning is subject to question.

However, as we view the international picture, most of us agree we cannot afford to abruptly terminate foreign aid. Many of our commitments are valid and must be respected, but in doing so we cannot afford to fail to recognize the rules of simple arithmetic. Either we spend less on defense and foreign aid, or we deny ourselves the luxury of continued social-welfare benefits at home. We cannot have both and remain a solvent nation. And without national solvency, we can have neither.

So it comes to this juncture. We must accept a foreign-aid program for the time being but refuse to admit that it will be continued into the indefinite future.

Most of the nations now receiving our financial and economic aid know full well that our people will not continue to support our Government in a program that exacts from them a major part of their resources. They will, however, reluctantly go along with a program that assures annual reductions in apropriations for foreign aid. If this policy of gradual reduction is followed and the Congress consistently refuses to legislate social-welfare schemes that can only reflect themselves in increases in the forced personal contributions from the earnings of each and every American citizen, then we may hope to move gradually toward a balanced budget when our economy may look forward to a period of sanity and solvency.

I propose to support amendments to be offered for the purpose of further reducing the amounts set out in the committee bill.

Mr. HOSMER. Mr. Chairman, the United States mutual security program, also called foreign aid, has been referred to as a giveaway, a hand-out, and pouring of United States money down a rathole. Yet a substantial majority of the 96 Senators and 435 Congressmen of each political party vote for the program year after year.

Are these legislators irresponsible and reckless? Are they so immune to criticism that they don't care whether they cast unpopular votes? Or do they support the program because they believe they must for the best interests of the United States notwithstanding the knowledge they will be criticized?

I believe they support it for the same reason I do—with a reluctance to spend the money—but with an honest conviction that it must be spent to supplement and round out our total defense against Communist aggression.

Of course, support for the program does not endorse the horror cases you sometimes read about where some bungling incompetent builds a hydroelectric project where there is no water, or a cowbarn where there are no cows. I am as outraged by such things as anybody else. But one thing should be made clear.

The House Committee on Foreign Affairs recently made a careful investigation of the 88 principal charges of waste and mismanagement against the administration of foreign aid. A good portion of these charges were set to rest by the investigation. Corrective action has been taken as to the remainder.

I also want to assure you that my support of the program is not based on any of this starry-eyed liberal business about helping the rest of the world out of the goodness of our hearts. I don't think you can buy friends and I believe it is unconstitutional to spend the people's money for any domestic or foreign program that does not go for the good of the United States of America. For that reason, I have consistently sought to amend out of the mutual security legislation money that I thought would not accomplish this purpose. I also have sought to amend the legislation in ways I thought would better accomplish this purpose, namely, the better protection of the United States of America.

I have supported the program in principal solely and only for the same basic reasons that such people as Senator Knowland have supported it. Namely, because on thoughtful analysis it appears to me to be a necessary adjunct to our regular military program in the overall defense effort against the Reds. In short, I honestly believe abandoning it would seriously weaken our position in the struggle against Communist aggression.

History helps explain.

There almost always has been some aggressor nation on the march against the world. Today it is Red Russia. Before in this century it was Germany under Hitler, Italy under Mussolini, Germany under the Kaiser. Going back further you find it was France under Napoleon, before that it was Spain, and so on.

Since each aggressor's ultimate reward has been defeat, history should tell us what inherent weaknesses of aggressors to exploit to our advantage against today's threat.

Looking at the historical pattern we find four invariable characteristics in a nation on the aggressive march:

First. Blustering statement of military invincibility calculated to frighten others into submission.

Second. Smokescreening the aggressive intent behind some crusading idea: Russian—communism; Hitler—race destiny; Napoleon—law, order, freedom from tyranny, and so forth.

Third. Satellization of neighboring countries.

Fourth. Alliances with noncontiguous countries.

Each of these historic characteristics mark Russian aggression today.

History shows us there is little threatened nations can do about the first two listed characteristics of an aggressor except employ counterpropaganda and ideological techniques. Our USIA program is designed to do just that. The wisdom of recent cuts in the program is therefore debatable.

As to the third, satellization, the experience of Napoleon with Holland is illustrative:

Under French bayonets a completely subservient stooge government was "elected" in Holland. Once in office, the stooges began giving trouble. Napoleon's answer was to depose them and set up his own brother Louis as King of Holland. Louis soon developed such a fondness for his Dutch subjects that he, too, began giving trouble, was deposed, and the territory incorporated bodily into France. There it became a thorn inside instead of outside the Napoleonic empire and contributed considerably to its ultimate breakup.

The situation of the Russian satellites today is strikingly similar. Despite stooge governments, the satellization process has not yet been perfected to the point where these countries can be relied upon by the Soviets to strengthen rather than weaken their apparatus of aggression. The two most powerful forces working against the Russians are: First, a spirit of nationalism in these countries, and, second, deep religious beliefs which constantly clash with the atheism of the Soviet regime. The Soviets never have seemed to realize their continuing antagonism to both these forces serves to render their satellization program imperfect and incomplete.

Unless and until the program is perfected, the satellites remain a source of weakness to Russia and a check on her aggressive designs. The intended victims of Soviet aggression, including ourselves, are thus posed the problem of how to assist these forces and block perfection of the satellization process.

Even though Tito in Yugoslavia and Gomulka in Poland are Communist stooges, are they such imperfect ones that some amount of aid would further their imperfections? Or would it just take a load off the Soviets? As a conscientious legislator I wish to heavens I know for sure—I want to do what is best for our country. Looking back on history gives you a general idea what needs to be done, but it certainly gives you no specific instructions as to the right answer to this particular question. And avoiding the wrong answer has much to do with our future safety.

Getting to the fourth aggression characteristic, alliances, the answers appear a little more clearly. Russia has been slower than expected in seeking alliances. Her first move was toward China. As corrupt as was its Nationalist Government a Soviet alliance was refused. In the absence of effective United States countermeasures, that government was replaced by a Communist regime that did ally itself.

On Europe, where United States action was effective in blocking Communist attempts to take over several countries, Soviet alliances were frustrated. Some say these countries are of little value as United States allies, so we have not gained. But the fact they are not allies of the Russians, who would straitjacket them into compliance, is certainly a factor favorable to us in the balance of power with the Reds. The mere thought of opening the Atlantic and Mediterranean seaports of France as naval bases for over 500 Russian submarines is a United States defense planner's nightmare.

Of late Russia has turned toward the Middle East in particular for alliances, and wherever else conditions appeared propetious. For various reasons which I shall not go into, but which are almost universally agreed on by geopolitical experts, it was to be expected that aggressive Russia would have turned toward the vitally strategic Middle East even earlier.

Thus far the Reds have obtained alliances with Egypt and Syria. Neither country is a satisfactory ally from the standpoint of national strength, but both are highly important because of their weakness from the Soviet point of view is their separation by Jordan and Lebanon. Conversely, it is a very definite advantage from the Free World point of view, including our own, that Lebanon and Jordan stay in existence to continue the separation of the two countries.

Jordan has little economic reason for existence as a separate state. It was formed under British influence as a buffer state to solve somewhat similar British problems in the area during an earlier time. It has been kept sovereign and independent by an annual $30 million grant from the British Government. Soviet subversion in Jordan has been effective in creating conditions which chopped off this subsidy as of March 31 last year.

With the Soviets pulling strings, the Egyptians and Syrians made a phony offer to put up $10 million each per year to help their neighbor. At, I believe our behest, King Saud made a legitimate offer of $10 million a year. At Moscow instructions, the Egyptians and Syrians already have reneged on their offer so

as to bring about a collapse of the pro-Western Jordanian Government and give them an excuse to march in and join up with each other.

Much the same situation exists as to Jordan. There the prowestern government would not submit itself to Soviet domination as have Syria and Egypt. Thus the Soviets are stirring up riots and revolution, as you read in current headlines, to replace the present regime with one subservient to the Communist pattern of aggression.

So we are faced with the question: Is it better to let these things happen, or to put up aid programs to forestall these important steps toward consummation of Soviet plans to capture control of the Middle East, control of the Suez, and control of Mid-East oil which underlies Europe's economy?

Those whose lives have been devoted to study of just such things tell us the aid funds would be a drop in the bucket compared to what we would have to spend for increased defense if this Soviet aim should be accomplished. They give a similar answer with respect to the necessity of maintaining the Nationalist Chinese Government in control of Formosa, keystone of defense against military aggression from across the Pacific.

So it goes to a greater or lesser extent with various other points of a key military importance around the world. Most certainly these various nations have their own interest in not being gobbled up by the Communists, but we also have our own national security at stake in seeing to it that they are not.

Now there are some who do not regard the Soviets as being out to take over the Mid-East, Far East or any other part of the world. If they are right, certainly there is no need for the program. But most legislators, who do see the Reds as menacing the Free World, think that helping to provide arms and economic strength for the collective security program, organized throughout the Free World, is a necessary part of our protection.

Let me explain this by showing where the money goes. This year's request is allocated as follows:

	Percent
Military assistance	46
Defense support	21
Development Loan Fund	16
All other	17
Total	100

Military assistance makes possible maintenance of over 250 active military installations in other countries, including our own strategic airbases. It keeps hundreds of thousands of men armed and ready to fight against the Communists in such key places as Korea, Formosa, Pakistan, Turkey, and so forth. Just how we could get along without such bases and such manpower from other countries, helping the total defense effort against the Reds, is hard to see.

Defense support, largely in the form of supplies, including surplus agricultural commodities, and even money to pay soldiers' wages, allows such anti-Communist countries mentioned above to keep trained men under arms which they could not otherwise afford to maintain. Without them, we would probably have to mobilize United States soldiers at a much greater cost per soldier to do the same jobs.

Perhaps I have not explained too well, so I would like to quote what Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff of the United States, said on that point:

> The cold facts of the matter are that the security of the United States depends upon our collective security system, which, in turn, depends upon our military assistance program.
>
> There may be some alternative to collective security and military assistance. Maybe those who make the broad charge that all money spent in this area goes down the rathole—know what that alternative is—but so far no responsible military man has been able to think of it.
>
> We simply don't have the manpower, the material or the money to take on the entire defense of the Free World ourselves and the defense of the Free World is a condition precedent to our own defense. If a substantial part of the Free World falls or slips behind the Iron Curtain, our chances of being able to defend ourselves dim in proportion.

Development Loan Fund and all other lump together the parts of the program which, by either loans or grants, seeks to improve economic conditions in various Free World countries needing technical skills and capital. The plain and undisguised purpose of this is to prevent such things as occurred in Guatemala 3 or 4 years back where the Communists managed to establish a beachhead in the Western Hemisphere. Had not certain mutual security contingency funds been available, operation "snatchback" in that country could not have succeeded.

As of last February 1 the Soviet bloc had made their own foreign-aid loans and grants, totaling around $1.6 billion to such countries as Syria, Egypt, Ethiopia, Afghanistan, India, Burma, Indonesia, and the like. These are obviously for beachhead purposes. By comparison, Congress has been asked to appropriate about $1.3 billion for counterpurposes, not of course, for use in all these same countries.

A look at the world map shows why the Communists are attempting to penetrate these areas. For our protection against their aggressive moves from behind the Iron Curtain proper, we have established military and diplomatic arrangements with many of the countries of Europe and Asia which are adjacent to Soviet territory. This Free World protective ring of nations around the Soviet border has an obvious relation to our own defense if, in fact, the premise is accepted that the Soviets really intend to do all possible to take over the entire world, and if, in fact, what General Twining says is a correct assessment of the situation.

What the Soviets are now attempting is to leapfrog over this protective ring and gain influence over countries in the Mid-East, such as Syria and Egypt, in the Far East, such as Burma and Indonesia, in Africa, such as Ethiopia, and in Central and South America.

If they are successful with their leapfrogging operation, we will be threatened from the rear by numerous Communist bases of aggression, as well as from inside the Iron Curtain itself. We need only to remember how distressing the Guatemalan situation in our own backyard was to reckon how serious that could be. The shameful and violent attacks on Vice President NIXON in Peru as well as the violence in Lebanon are ample evidence of vigorous Communist activities in such countries.

Looking at the countries sought to be penetrated by the Reds, it is apparent they are concentrating their efforts where local poverty and backwardness afford the best opportunities for taking over. Thus it seems to many that, directly related to our own defense and security, is an effort to make some improvements in the economies of such countries to make them less susceptible to Communist false promises of economic miracles and shortcuts to progress.

Thus, in relation to our direct military defense budget of something over $42 billion, the something less than $4 billion proposed to be spent for military and economic foreign aid would seem reasonably required to round out the effectiveness of our overall United States defense effort.

There is another factor in considering the matter that also bears some thought. Contrary to some beliefs, foreign aid money is not simply turned over in the form of greenbacks to other countries. Seventy-eight percent of this money is actually spent in the United States to buy items which then are shipped overseas. The latest calculations show that the program provides roughly 600,000 jobs in the United States, and about 35,000 of them in California. Nor is the other 22 percent of foreign aid money wholly lost. It comes back to the United States by way of dollar payments for United States items purchased by these foreign countries.

These foregoing considerations, along with others not specifically mentioned, are in the minds of the Nation's legislators when they vote on the mutual security program. They should be reassuring even to those who for reasons of their own convictions oppose the program. For they indicate that those for, as well as those against, the program have taken their positions responsibly and in full consideration of all the facts they have available. Thus their differences of opinion as to what is best for the United States are matters of honest differences in judgments, but not irresponsibility.

Mr. BOSCH. Mr. Chairman, I have a profound respect for the opinions of my constituents, as evidenced by their responses to my periodic questionnaires. In the past few years I have included a question dealing with continued foreign-aid legislation. The most recent questionnaire sent out during this session has once again disclosed the substantial opposition of the people in my district to this program. This is not my sole basis, but is just one of the factors taken into consideration in arriving at my conclusion as to what I believe to be in the best interest of our country and its citizens.

Let us look at the overall figures which pertain to this legislation. It is reported that on June 30, 1958, there will be a total unexpended balance of $5,194,-922,000, to which we add the amount recommended in this bill of $2,958,900,-000, in addition to $644,192,500 which was authorized last year. The total dollar pipeline is, therefore, $8,798,014,500. It is also reported that there is on hand in local currencies administered by mutual-security agencies the sum of $3,331,-293,000. The final grand total, therefore, if the present legislation is adopted as reported, will be $12,129,307,500—quite a pipeline, to say the least. So we find, Mr. Chairman, that we could very well carry on any sound program with what is still in the pipelines without authorizing additional billions of the American taxpayers' dollars.

It might be well to here pause and review some of the distressing consequences of our policy which over the years has brought us no friends, nor has it created an atmosphere of peace. This in spite of the continuance of this program for 13 years at a cost in excess of $70 billion, of which Communist countries received an estimated $2,252,112,000. How can one justify the advocates of the foreign aid's argument that its prime purpose is to defend the Free World against communism when we admittedly send aid to our mortal enemies—the Communists. As if this were not enough, we find a continuation of support for such countries as India, Yugoslavia, and Poland, whose allegiance to the aims and policies of communism cannot be disputed—just look at their past performances. No one has ever satisfactorily refuted the reports of waste, extravagance, and outright dishonesty on the part of recipients of this aid. It is hardly believable that the American people's money is spent, first, on a survey to ascertain the sexual habits of Nehru's Indians; second, $1 million to bolster the fishing industry of Pakistan; third, the building of a military highway of highly questionable value in Vietnam; fourth, to plant wild-grass shoots along public highways in Lebanon; fifth, to pay for expensive airfields in Afghanistan, where most travel is still done on the backs of camels; sixth, providing costly electronic microscopes and technical equipment in regions of the Philippines, where no power is available for their use; seventh, expending funds to buy luxury goods and to protect the internal political groups of Laos; eighth, in Thailand to build a highway estimated to cost $6.5 million, on which we have already spent $18 million for just about half of the originally planned highway for use by 9,000 automobiles; ninth, providing dress suits for Grecian undertakers; tenth, public baths for Egyptian cameldrivers; eleventh, free airplane rides for thousands of Arabs to visit their religious shrine in Mecca; and, finally, twelfth, in spite of the discovery of loose, slipshod, and unbusinesslike spending of more than $250 million in Iran, the Shah tells us to come across with more millions to support his army or he will seek the cash from Moscow—this may be a good place to call the bluff and let us see what Russia can or will do.

I have often heard it said that it is better to spend this money than to have our boys on foreign soil. Let us explore that myth right here and now. Today we have more men of our fighting forces spread all over the world than at any other given peacetime in our history. I have always maintained that our country must have the best military establishment since it remains the sole bulwark against communism in the world.

Mr. Chairman, I am firmly convinced that we cannot continue to help other nations reduce their own national debt, balance their budgets, and give reductions in taxes to their people, while we expect the American taxpayer to continue to carry his heavy taxload. It is all right to talk about increasing the standard of living of others throughout the world, but it is quite another thing to find one good morning that we have done just the reverse and reduced our own standard of living. We owe an obligation to our American people to practice financial and fiscal responsibility.

Mr. ALGER. Mr. Chairman, foreign aid or mutual security has now reached a critical stage and this legislation will establish a pattern for years to come. Either the program will begin to contract or it will continue to expand. I believe the time has come to contract. In support of these views, I desire to place before the House certain facts and conclusions.

First. By June 30, 1958, expenditures for military and economic foreign aid since July 1, 1945, will have amounted to approximately $70 billion. This is the equivalent of one-quarter of our national debt. The interest on this sum approximates $2.5 billion annually which is a continuing charge and must be added to the annual expenditures of foreign aid in order to arrive at the total yearly cost. As foreign aid expenditures grow so will the interest charges.

Second. Annual military and economic foreign aid expenditures have averaged at least $4.5 billion in recent years and there is no sign of any reduction. On the contrary the President will request for fiscal year 1959 $1 billion more of new money than was appropriated for fiscal year 1958.

Third. Under the Marshall plan in 1948, foreign aid was given to some 14 countries. Assistance is now being extended to 67 countries and the number of recipients is increasing each year.

Fourth. The managers of foreign aid have represented that 75 percent of our assistance is military. This is inaccurate. In fact more than 60 percent of foreign aid expenditures are for nonmilitary items and services.

Fifth. Very large amounts of military aid have been wasted by bad planning, mismanagement and lack of proper controls.

Sixth. The waste and extravagence in every phase of the economic aid program have been grotesque. The list of horrible examples in country after country over the years is far too long to enumerate and the amount dissipated runs into billions of dollars.

Seventh. Point 4 was originally intended as a means of teaching teachers and imparting American skills and know-how. However, it has become inextricably involved with industrial development, lush engineering contracts and surveys, and other programs that have no relationship to the original purposes. It has also become so diffused through our efforts to do a little of everything in every part of the world that at last count we were conducting nearly 2,000 technical cooperation projects. It has proved impossible to man and supervise all these projects properly.

Eighth. Large amounts of foreign aid have been used to meet the deficits and to reduce the internal debts of recipient countries. United States Treasury checks have been handed to ministers of certain countries for budget support or other purposes without further knowledge of who ultimately received the money and how it was spent.

Ninth. More than $2 billion of foreign aid has been given away to countries antagonistic or unsympathetic to the United States and to our way of life. This includes Russia.

Tenth. Large grants and loans have been made to countries that have done everything possible to discourage the investment of foreign private capital.

Eleventh. A significant amount of economic aid has been accorded to recipient countries in the absence of adequately justified programs. This kind of political assistance becomes a substitute for sound diplomacy and definite policies and therefore takes on the characteristics of bribery or blackmail.

Twelfth. The Development Loan Fund upon which the administration now places so much emphasis is unsound in its conception because of the weight given to soft currency loans. The Fairless Committee appointed by the President to study foreign aid, condemned soft loans and said, "our relations with other countries will suffer from United States control of large amounts of their currencies." We cannot convert these currencies into dollars, and shall therefore either have to use them within the countries under conditions that open us to the charge of imperialism or give them away in which case the so-called loans become a device for further grant aid.

Thirteenth. Administration propaganda to the effect that the Soviet bloc is outspending the United States in economic assistance to countries we wish to preserve for the Free World is entirely incorrect, as I understand the facts.

Fourteenth. In the expansion of this vast program which started as a 4-year emergency project under the Marshall plan but which is now put forward by the administration as a semipermanent instrument of our foreign policy, a constantly growing and self-perpetuating bureaucracy has entrenched itself and in reality controls both policy and operations. There is ample evidence that this bureaucracy is convinced that man's life in various parts of the world must be planned and regulated with the help of foreign aid funds. This is not the traditional American way of thinking.

I, for one, cannot accept the mutual-security bill in its present form with all its waste or as an ever-expanding and permanent political giveaway.

Reasons for this conviction are simple. What we, as a Nation, are now doing is beyond our capacity to plan, staff, and manage properly and our stated long-range objectives are over and above the ability of any government to achieve. We cannot buy friends or allies, nor can we influence men's political attitudes and change the ancient cultural patterns of other countries by the use of dollars. To suppose that we can is to accept the Marxian doctrine of economic determinism. Many of the things we are undertaking in the technical and economic development programs cannot be absorbed by the recipients for a long time to come, if ever. The more deeply we become committed the greater will be the demands upon us by the recipient countries. The longer they can count upon our aid the less will be their incentive to create the foundation for their own self-development. Since they cannot progress fast enough to use productively all of the aid they manage to extract from us an increasing amount of our dollars will go into budget support as a political expedient. This can prove to be a bottomless pit resulting in the worst kinds of inflation, the socialization of most of the undeveloped countries and an intolerable burden upon the American taxpayer.

I recognize we are so deeply committed to foreign aid in a number of countries that any abrupt cessation would almost surely bring about grave political and economic consequences. Since continuation in these areas is inescapable we must go on for the time being, but I urge that an all-out effort be made now to assure better use of appropriated funds and the adoption of policies that would result in the gradual contraction and eventual termination of the program rather than its indefinite expansion. The way to start is to reduce appropriations drastically this year, and thereby compel a reorganization of the personnel structure and place an automatic check upon profligate spending and political giveaways. There is enough money in the pipeline without authorizing more.

Signs point to a large national budgetary deficit for next year with further inflation. Under these circumstances how much more foreign aid waste can our people stand?

The time has come for us to stop and evaluate the program before authorizing more expenditures.

Mr. WOLVERTON. Mr. Chairman, I wish to commend our colleagues, the gentleman from Missouri [Mr. CARNAHAN] and the gentleman from New Hampshire [Mr. MERROW], members of the House Committee on Foreign Affairs, for the unique and unusual manner in which they presented the arguments in favor of this bill in opening the general debate on yesterday.

Not only the arguments, including facts and figures, which they presented, but the dual manner in which presented, made one of the most effectual and convincing statements that I have ever heard in support of a bill during my 32 years of membership in this body.

Furthermore, the fact that Mr. CARNAHAN, a Democrat, and Mr. MERROW, a Republican, presented the statement jointly and with such complete unanimity of thought and argument made plain the bipartisan character of the support that is being given to this bill. It will undoubtedly result in its passage by a majority that will demonstrate that in our foreign affairs both political parties think and act together for the good of our country.

It is well that we should act in times such as the present with unity of purpose and absence of partisanship. Unity of political parties within our own country in solving world problems that affect our national security is not only necessary, as well as advisable from the standpoint of our individual national best interest, but also because it means additional strength and influence upon our part with our allies throughout the world.

The enemies of our country and the other free nations of the world are tireless in their efforts to bring disunity within the ranks of the free nations. They know that so long as we stand together it is impossible for them to accomplish their purpose to take over the free nations and thereby rule the world. It behooves us, therefore, to be alert and bring every power that we individually and collectively as free nations can muster to maintain and make secure our existence as free nations.

In this great struggle our Nation has taken the leadership. The other free nations of the world look to us for leadership as the most outstanding democracy in the world. We cannot fail them at this critical time. To do so would mean capitulation to the forces of evil. The results that would follow are fearful to contemplate. It is true that the support we have extended to our less able allies for a period of years has cost us money, but who will dispute the fact that it has brought us highly beneficial results. The solidarity that our aid has brought among the free nations has been helpful in maintaining peace.

We have the choice of saving dollars or saving the lives of our boys. I speak not only my own thought, but I believe I speak the desire of America when I say the people of this Nation would rather see us expend money in foreign lands in the manner provided for in this bill than expend the lives of our boys on foreign battlefields.

Too frequently emphasis is laid on the amount of money our Nation expends to support the mutual security aid program, and no mention is made of the amount that the nations themselves, who received our aid, expend in furtherance of the program. In this connection it is well to realize that during the 8 years of this mutual effort our contributions have been but a small part of the total. During this period we have contributed approximately $20 billion for military assistance, while nations associated with us in this collective security effort have made defense expenditures totaling $122 billion. Furthermore, it should also be realized that a great portion of the money appropriated under the provisions of this bill is actually expended in this country in the production of the many items provided by us for the aid of other nations. In fact, it has been estimated that the money actually spent in this country under the terms of this bill will give employment to 600,000 workers in our own country.

Thus, it is not a one-way street. It is mutual and the results of combined contributions inure to our benefit as well as to the nations assisted by strengthening and making strong our mutual security. The importance of this joint effort that not only strengthens the military but also the economic forces of our allies throughout the world can be better appreciated when it is realized that all that is accomplished becomes available to us in time of need. This is by reason of the agreements we have made based on mutual security. This can be of tremendous value to us if we should ever again become engaged in global war. We certainly trust that such an emergency will not arise again. But, to be prepared is the course of wisdom. Furthermore, and, likewise of great importance, is the fact that the strength to resist that is created by joint efforts is undoubtedly a deterrent against the starting of war by our enemies.

The importance of mutual security should be considered not only from a military standpoint but also from the standpoint of the economic advantage that is created by the aid we expend of an economic character. Such aid likewise gives strength to our weaker allies. It makes them more self-reliant. It strengthens their ability to maintain democratic principles. It makes them less likely to succumb to the wiles of a designing enemy. They need us and we need them. No one nation can fight the battle of freedom alone. Our enemies are powerful. We must adopt every possible means to enable us and our allies to also be strong. This means the giving of economic as well as military aid.

I am aware of the fact, as opponents of this bill assert, that there should be an improved administration of the aid we extend, which in some instances has been lax and merits the criticism that has been brought upon it, but, this in itself in my opinion is not sufficient justification for refusing all aid. The remedy is to improve the methods of administration so that only what is necessary and calculated to produce the best results be undertaken. I also agree that there should be a constant and careful review of all the conditions relating to the entire program. And, particularly do I feel that means should be adopted to bring to our allies a better understanding of the altruistic purpose that dominates our Nation in the aid it extends. There is evidence at times of a lack of appreciation or understanding. This could and should be corrected. However, regardless of the necessity there may be at times for improved administration and improved understanding, nevertheless, the fact remains that

the overall results have been most gratifying. We have seen weak nations made stronger and more determined to lead the way of life that is based upon individual freedom. The onward rush of communism has been stopped and the nations of the Free World made stronger and more determined to hold the line against Communist aggression. And, above all, we have peace and not war.

In conclusion, we should never overlook the fact that the purpose of this bill is to strengthen the Free World by providing mutual security. It is necessary in these uncertain and perilous times. It is based upon the fundamental truth that there is strength in unity.

The bill has the support of leaders in every activity of our national life—business, finance, education, and religion, as well as that of our military advisers. It deserves and should have our overwhelming support.

Mr. COLLIER. Mr. Chairman, far be it from me to feel that any argument I may present against the mutual security bill before us will convince any Member of the House to vote for or against it. In all humility and respect, I submit that the long debate on this legislation which has transpired has changed few minds one way or the other. I would even go so far as to say that had the vote on this bill been taken Monday, the results would be materially the same as they will be at the close of the long and oft repeated claims of both the proponents and opponents of the foreign-aid program.

However, I feel obliged to speak out against the bill before us because it is my deep conviction that the Mutual Security Act is neither mutual nor does it offer any evidence that any degree of security has been achieved by it.

To properly appraise the program before us, one must start with the premise of its existence. Foreign aid was inaugurated as the Marshall plan at the close of World War II and was designed specifically to assist war-torn nations in a reconstruction program. Our present foreign-aid program followed the termination of the Marshall plan. Here, more than a decade and $76 billion later, we find ourselves with a "bull by the tail." Let me ask every Member of the House this question: Have we gained in stature in the eyes of other nations or have we won more people of the world to the cause of democracy during this past decade? This is a question that I do not have to answer for there is no better answer than international events have already written into history. One can dispute the future because there is no way of seeing ahead and offering any proof of projection. But history, as it is written, can hardly be disputed even by a stretch of interpretation.

There are those in my district who admit that the program has failed badly in achieving the purpose of its origination. Yet they are willing to accept it as a means of doing good for other nations. But, has it done good for the gallant anti-Communist rebels who are today waging a battle for freedom from communism? Are we not standing by and watching pro-Communist Poland, Czechoslovakia, and Yugoslavia assisting the pro-Communist government of Indonesia strike down those who dare fight to remain free? If this is to be interpreted as doing good, then my conceptions are entirely diametrical to those who feel otherwise.

It is time that we stop being naive about this program upon which we have embarked and upon which we are reaching the point of no return. Listed below are the Communist countries who have received aid from us from July 1, 1945, through June 30, 1957:

Albania	$20,444,000
Czechoslovakia	215,410 000
East Germany	17,339,000
Hungary	31,938,000
Poland	442,698,000
Soviet Union	687,929,000
Yugoslavia	836,354,000
Total	2,252,112,000

And, to further show that even during the past 2 years we have aided Communist nations, it is well to point out that we have spent a total of $55,428,000 in East Germany, Hungary, and Yugoslavia from July 1, 1956, to June 30, 1957.

We gave more than $10 million in foreign aid to Communist Hungary where the Red army crushed the anti-Communist rebellion of free men.

Perhaps we should be reminded, too, that six nations who received aid from the United States under this mutual security program refused to support the resolution in the United Nations last September which simply cited the Communists for their brutality in Hungary the previous year. Specifically, these nations were Nepal, Saudi Arabia, India, Indonesia, Afghanistan and Ceylon. Does not any intelligent person ask himself in the face of this action: If these nations refused to stand up and be counted in the United Nations in support of a moral issue such as was involved in Hungary, could we possibly conceive that any one of them would support us if a real emergency arose?

Even members of the clergy and the American people who are desirous of doing good for other nations must find themselves caught in the web of the inconsistency of this mutual security program. Let us not forget that nearly 60 percent of the sums appropriated are for military assistance. The rest is for economic and technical assistance with the latter representing a very small part of each foreign aid dollar and in my opinion the technical assistance phase of the foreign aid program is certainly the most justifiable of these three phases. But, we must remember that the mutual security bill embraces all categories of assistance in a single package—an all or nothing at all proposal.

The United States represents less than 7 percent of the total population of the world. Although many may be under the impression that we have most of the wealth of the world, a simple survey of the natural resources from which all wealth is derived proved quite the contrary. There are many nations receiving economic assistance from us who have an abundance of resource wealth. They have just simply not attempted or learned to apply their human resources to develop it. It is upon this reasoning that I feel the technical assistance phase of foreign aid, if it must be called that, is feasible.

But, by the same token, even assuming that economic aid in all areas of need is the answer to the problem of deterring the spread of communism, we must logically accept the fact that satisfying want for the moment offers no permanent answer and unless there is a permanent answer to kindling the desire of men and nations to be free—where do we go from here—and what period of time can we possibly project to the ultimate achievement of this program? Certainly no one I have asked this question can offer any logical answer.

When we get into the realm of military assistance, we embark upon new problems, new risks and new calculations. Take any one of the many small nations. Some are smaller in area than our own State of Illinois—and try to project their effectiveness as a military force in the event of an all-out war. We need only to look back at the so-called invulnerable Maginot line which was smashed in a matter of days by the German offensive at the start of World War II. Is one sensibly to believe that the Soviet Union with its highly trained massed forces—with its modern weapons and nuclear offensive power would find any resistance in these small nations—even if their forces were combined?

Or are we to assume that this military assistance is merely a form of compensation for granting the establishment of our own bases in a defense perimeter around the Soviet Union. This would have to be the reasoning behind military assistance in my opinion—for currently the United States military bases are the only means by which we could retaliate effectively today if we were attacked.

But, within a comparatively short time, even this is likely to change as the development of nuclear weapons both from the air and sea reach their final stages. All of these factors tied closely to the purse strings of our own economy and fiscal stability leave grave doubts—doubts from which decisions must be made.

I am convinced that any further drain on the Federal Treasury in the face of the greatest national debt we have ever borne may well create a greater threat to our security as a nation than that of the Communist enemy. If this Nation, as a bastion for democracy, spends itself into bankruptcy we may not only be forced to discontinue the foreign aid program but likewise yield to the forces that would destroy the way of free men all over the world.

UNWANTED FOREIGN AID

Mr. PHILBIN. Mr. Chairman, it is interesting and timely to note the disagreement between political leaders in that faraway land of Nepal regarding the methods and effects of our aid programs. It is serious that any of these leaders should believe that American officials are interfering with Nepal's internal affairs or using bullying tac-

tics to force foreign aid upon their people.

It is also interesting to note the kind of aid that we are currently rendering to Nepal, an ancient mountain kingdom 11,000 miles from Washington. Up to 1950 Nepal was virtually isolated from the civilized world. Naturally, conditions in the country are not modern, and telephones, railroads, highways and literacy are being developed.

In the light of the fact that we have so much difficulty getting Federal assistance for airports, hospitals, training teachers, improving rural health and building roads and additional communications systems in our own country, it is pertinent to note that our foreign-aid officials are considering these things for Nepal.

Already more than $10 million has been pumped into this small kingdom, and it is planned to spend $10 million more this year on a host of welfare problems, multipurpose development schemes, opening up virgin territory, road systems, and roadways to connect various parts of the realm.

Reports of such activities do not tend to enhance the current opinions held by the American people regarding some of the programs being carried forward by our foreign aid officials. But the Nepal experience has numerous counterparts, of that we can be sure, and it is a very serious problem for the Congress to consider and act upon.

If Congress would move to eliminate the abuses and instances of waste, extravagance, and improvidence in the aid program, it would not only bring it more in line with American public opinion, but it would also meet with the approval of many leaders and people throughout the Free World. Such action would strengthen the program in an immeasurable degree.

I include as part of my remarks a recent article from the New York Herald Tribune regarding our foreign aid in Nepal.

[From the New York Herald Tribune of May 4, 1958]

NEPAL POLITICIANS SPLIT OVER VALUE OF UNITED STATES AID

KATMANDU, NEPAL.—The American foreign-aid program has became a political football in this mountain kingdom 11,000 miles from Washington.

Some Nepalese politicians have little that is good to say for a program which already has pumped more than $10,000,000 into this Illinois-size realm and this year is to spend $10,000,000 more.

The most extreme critic, former Premier K. I. Singh, contends the aid program actually is hurting American prestige in Nepal.

"Why do you buy discredit instead of credit?" he asked an American visitor.

He has charged that American officials have used bullying tactics to insure that American aid is used as the United States sees fit. He asserted the American and British missions seek to help elements fighting Communist rule in neighboring Tibet. This, he contended, would "drag Nepal into the vortex of international conflict and could result in another Korea."

DENIES UNITED STATES INTERFERENCE

American Ambassador Ellsworth Bunker denied that the United States has interfered in Nepalese affairs. His statement said the United States considers Nepal a sovereign and independent nation. He emphasized that all projects involving American funds are chosen and approved by the Nepalese Government.

Some observers say Mr. Singh denounces American aid for lack of a better political issue to use. But other political leaders also criticize the way the dollars are being spent. As a result, the 44 American technicians now in Nepal often find themselves on the defensive.

Nepal did not really enter the 20th century until 1950, when the Rana dynasty of hereditary premiers was overthrown. The Ranas had rigidly kept out foreign influence for more than 100 years.

Approaching democracy for the first time, Nepal had no telephones, no railroads, and no highways. Less than 3 percent of the people could read and write.

CABINETS CHANGED FAST

In the first 6 years after the Ranas were overthrown, Nepal had almost a dozen governments. They changed so fast that the American aid program hardly got off the ground until 1956, during the administration of Premier Tanku Prasad, which lasted nearly 18 months.

When Mr. Singh took over, he wanted a different set of projects. The aid program again halted practically dead in its tracks.

But after 110 days Mr. Singh was himself dismissed. King Mahendra took over the Government through a secretariat reporting to the palace. The aid program resumed as before.

Along the way, the ideas of many political leaders have been thwarted. One of the big arguments is over the level for the aid program.

Should American technicians build a multi-million-dollar airport and a 200-bed hospital, as some political leaders suggest? Or should they concentrate on training teachers, improving rural health and agriculture and building roads and a communication system for a country which has virtually no links but footpaths?

OPENING UP VIRGIN LAND

"We want to give them what they want," one American official said. "The only thing we try to make certain is that the projects are worth while and practicable."

Joint boards currently are operating in agriculture, minerals, industry, health, education, village development, and public works. In the Rapti Valley, in central Nepal, a multipurpose development scheme is opening up 30,000 acres of virgin land to agriculture and industry.

Other major projects agreed upon this year include a road system covering 900 miles and ropeways to connect the Rapti Valley with Katmandu.

Mr. MORGAN. Mr. Chairman, I yield the remainder of my time to the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, underlying much of the criticism of our mutual security program, there appears to be an uneasy feeling that we have not done especially well in this field. But I believe that a study of our foreign-aid program over the past decade from the standpoint of organization, concept, and technique, reveals an excellent record of ability to adapt to changing conditions, to devise programs to meet new problems, and to profit from experience. Nevertheless, we may often feel that we are plagued by ungrateful friends, expanded Soviet influence, and the persistence of the cold war.

Our greatest need, as we come to this and similar legislation, is to develop a sense of maturity. This, for a nation still young, is hard to do. It means that we recognize that a power struggle is not soon over. It means that we, as a great leader, develop an extremely tough hide, so that minor ingratitudes do not upset us. It means that if our optimism must be tempered by the outlook for the long haul, our pessimism must be leavened with a sense of our achievements and our progress.

Our achievements as to substance are capsuled in our report on page 4. I want to address my remarks here to our manner of carrying on this worldwide responsibility, which we did not and do not want, which we were not prepared for, and in which we had little or no experience.

If one does not have the perspective of the past decade in mind, if one has no idea of all the hurdles of operation that have been surmounted, he cannot debate this bill responsibly.

In the few minutes at my disposal I want to map the road we have traveled since 1947, filling in with bold colors the major events of each period, the structures we created to meet the needs revealed by these events, and the ways in which we improved our operations both in concept and in administration. I shall refer to five major periods of foreign-aid experience in these past few years.

A. POSTWAR ECONOMIC REHABILITATION

First. Events of the times: Rising to the challenge of a threatened Communist takeover of Greece and Turkey, Congress, at the request of the President, extended aid to these nations on May 15, 1947. Secretary of State Marshall proposed his more comprehensive plan on June 5, 1947. Within 10 months Congress had approved the Marshall plan.

Second. Our response: To administer the plan Congress created the Economic Cooperation Administration. This was a temporary, independent agency, headed by an Administrator with Cabinet rank who consulted with the Secretary of State. There was much administrative and financial flexibility. Despite the fact that it was a new agency doing a new job, ECA completed its 4-year job 9 months ahead of time for $4.5 billion less than had been planned. The moral to be drawn from this record is that real economy in foreign-aid operations may sometimes be more easily realized if a certain continuity is guaranteed by a multiyear appropriation. It was this thinking that ultimately led to the creation of the development loan fund.

Third. Improvements under ECA: In the 3 years of ECA's existence, a guaranty program was devised and improved to encourage the participation of private investment; end-use checks were set up to insure proper use of the aid given; counterpart funds were utilized as a device for local financial stabilization and stimulation of production; gradually a shift in emphasis from merely providing dollar exchange to project financing to hasten recovery took place.

B. THE MILITARY STRENGTHENING OF EUROPE

First. Events of the times: The exclusive focus on economic recovery had to yield to such ominous events as the

Berlin blockade, April 1, 1948; the Communist takeover of Czechoslovakia, February 25, 1948; the creation of the Cominform; the Soviet rejection of the Marshall plan; and particularly the explosion of a Soviet atomic bomb, reported on September 23, 1949. Now there was a danger of limited aggression against the background of an atomic stalemate.

Second. Our response: The North Atlantic Treaty Organization became a reality on April 4, 1949. Congress breathed life into it by the Mutual Defense Assistance Act in October 1949, extending military assistance beyond Greece and Turkey to all 15 NATO nations. At first the emphasis was on end-use military equipment, accounting for as much as 94 percent, and for an increase in the military part of our foreign aid up to 38 percent in 1952.

On the economic side, the Economic Cooperation Administration was moving into the fields of power facilities and heavy manufacturing, to help gear Europe to a possible military threat.

Third. Improvements in program: As NATO hammered out a unified command and coordinated staff functions, we worked into our military assistance program the concept of "infrastructure," facilities which were to be used in common by the forces of NATO countries. Through this approach, the military backbone and nerve system of Western Europe has been created, consisting of jet airfields, naval bases, air warning system, oil pipeline, oil storage, and communications networks.

C. PREPARING FOR THE LONG HAUL

First. Events of the times: At some point in the early fifties it began to be apparent that the 4-year Marshall plan, although spectacularly successful, was not going to answer our problems once and for all. We began to realize that there were heavy obligations on the postwar leader of the free world. These obligations could not be discharged, nor our security insured, simply by rehabilitating Western Europe. We saw that the contest had to be carried on a larger stage. China had fallen to the Communists in 1949, thereby threatening all of south and southeast Asia. Indochina became a critical area and the Korean war broke out in 1950. We also gradually realized that, although, with the Korean armistice, there was less imminent danger of war, there was the post-Stalin danger of the Soviet smile. We had to accept the reality of the long haul.

Second. Our response: As early as January 20, 1949, we took cognizance of the needs of "the great uncommitted" when President Truman made his point 4 proposal in his inaugural address. The Technical Cooperation Administration was created by Congress on June 1, 1950, within the State Department. The ECA still administered general economic assistance, and the Department of Defense shared in decisions involving the balancing of military and economic programs. Both ECA and Defense yielded to State, which not only had policy direction, but directed the military program and controlled allocations and procurement.

Third. Improvements in program and administration: In the field of technical cooperation, the new TCA drew heavily on what we had learned in the Institute of Inter-American Affairs and the ECA in colonial areas. It focused in these early years on health, sanitation, agriculture, and education.

In military assistance, we began to devote more attention to Asia. SEATO and the Baghdad Pact were created. To the member nations, and to Free China, Japan, and Korea, we gave assistance. The change is reflected by the figures; in 1949–51, aid to Asia was under 8 percent; by 1954 it was 32 percent.

D. OUR FOREIGN AID STRUCTURE MATURES

First. Events of the times: On June 30, 1951, the Marshall Plan came to an end, but not our obligations in the field of foreign aid. We had made progress in our concepts, in our organization, and in our techniques. But our approaches—technical assistance, economic aid, military assistance—were not closely coordinated. There was increasing demand for more coordination.

Second. Our response: On October 31, 1951, Congress passed the Mutual Security Act, which was the first single-package approach. Coordination was sought through a Mutual Security Director at the level of the Presidential staff. But actual duties were still scattered, with the new Mutual Security Agency carrying on economic aid functions, Defense doing what it had previously done, and State carrying on with technical cooperation. In 1953, as a result of the report of the Rockefeller Advisory Committee on Government Organization, a new Foreign Operations Administration took over the Mutual Security Agency's duties as well as technical cooperation. FOA operated under the policy direction of the Secretary of State.

The final steps toward a unified structure were made in 1955 when Foreign Operations Administration was brought within the State Department as the International Cooperation Administration, and in 1957 when ICA's coordinating functions were transferred to the Deputy Under Secretary of State for Economic Affairs.

Third. Improvements in program and administration: As the unified mutual security program developed, several new features were worked out. Economic assistance was given to those of our allies where their military forces were greater than their economic base. Sales of surplus agricultural commodities were used for the dual purpose of relieving us of some of our surpluses and of aiding military and economic programs in other countries. Increasing encouragement was given to private enterprise, by means of new investment guaranty agreements, and loans from proceeds of surplus agricultural sales. Regional cooperation in Asia was urged through the Asian economic development fund. When Asian nations proved not ready to act regionally, the fund remained largely unused, but it remains as an incentive and as an act of substantial leadership on our part.

In the meantime, the task of recruitment and training was being improved, with American universities under long term contracts developing training centers abroad, and with the number of administrative personnel being reduced, despite an expanded program. Programing was tightening up with goals and termination dates required, greater stress on loans than grants, standardized submission of country programs, and shortening the period between submission of programs and allocation of funds. Supply pipelines were being reduced.

E. SHARPENING THE TOOLS FOR THE NEW THREAT

First. Events of the times: In the past several years it has become unmistakably clear that to the threats of aggression and subversion, the Soviet has added a massive economic apparatus devised to convince not only the uncommitted but even the friendly nations that their future can best be served by economic relationships with Russia. One billion nine hundred million dollars of economic aid and soft loans in the past year or so to selected nations of Asia mark out the dimensions of the new challenge.

Second. Our response: In effect Congress accepted this challenge last year when it established a $300 million development loan fund, with an authorization of $625 million this coming year.

Third. Improvements in program and administration: The past several years have seen continuing refinements in concepts and techniques. In military assistance, we have set up a revolving loan fund of $175 million to help NATO countries finance their purchases; we have set up a new weapons program; we have taken the leadership in pooling effort for new weapons development, and in placing nuclear warheads and intermediate range missiles at the disposal of the Supreme Allied Commander; we have utilized electronic data processing machines to accelerate programing. The numbers of personnel in the Military Assistance Advisory Groups—MAAG's—have been reduced 13 percent, and a training program for such personnel has been developed. The military pipeline, which stood at $8.5 billion in 1953 will be down to $3.4 billion this June.

In economic assistance, State and ICA teams have studied field operations, as have the Comptroller General—who made 12 reports this past year in military and economic programs—and the Government Operations Committee. In fact, the past 2 years have seen the most intense period of scrutiny in our brief foreign aid experience. Decentralized accounting, a centralized contracts office, a centralized Engineering Division for project planning, procurement improvements—such as an increasing use of United States surplus—a reduction from 2,800 administrative ICA personnel in 1953 to 2,100 in 1957, rotation, new rank, assignment, promotion, training and orientation systems, resulting in better personnel and reduced turnover, are some of the achievements.

The pending mutual security bill is the most constructive effort yet made

by Congress to promote efficiency in foreign aid. There are five major contributions to better functioning:

First. The structure of the development loan fund has been more clearly defined, with its conversion into a Government corporation, its powers and restrictions itemized in a more detailed manner.

Second. The process of obligating funds for projects has been made a more serious step. This amendment sponsored by my good friend, Congressman HAYS of Ohio, has been termed the most constructive proposal to come out of our committee. Obligation of funds is to be made only when preliminary studies as to feasibility have been completed and only when the preliminaries required of a recipient country are within sight of completion. Finally, funds obligated for a project, but not spent, are to revert to the Treasury. This amendment, while undoubtedly complicating the tasks of the administrators, should do much to help avert such errors in judgment as have accounted for much of the adverse publicity of the past 2 years.

Under prevailing ICA practice, requests for appropriations are based on what are called "illustrative programs." These programs indicate the sort of thing that the ICA anticipates could and should be done in each country but do not include specific projects which have been worked out in detail with the recipient government.

Under normal United States Government procedures, appropriated funds which have not been obligated lapse and are returned to the Treasury at the end of the fiscal year. Obligated funds may be carried forward. Obligations normally involve contracts with outside firms for goods to be delivered, real property to be purchased or leased, or work or services to be performed, and so forth.

The ICA is permitted to obligate funds and thus to carry them forward into succeeding fiscal years on the basis of an agreement with a foreign country, that is, the ICA and the foreign country can agree that a power dam shall be constructed and the funds for this purpose are considered as obligated.

The result of these procedures is that there are outstanding at any given time a considerable number of projects for which funds have been appropriated and obligated, but for which contracts have not been awarded and for which plans are not complete and enabling legislation has not been undertaken by the foreign government involved.

The committee has had occasion to examine a project for constructing a sawmill on the island of Taiwan; $150,000 of fiscal year 1956 funds have been and remain obligated for this sawmill, together with $400,000 of 1957 funds, making a total of $550,000 for this purpose. In addition, a total of $325,000 of fiscal year 1957 and fiscal year 1958 funds are also obligated for contract services in connection with getting this sawmill into operation. Nevertheless, contracts for the building of the sawmill have not yet been awarded and one of the justifications for the contract services referred to is to determine just what sort of a sawmill should be built.

The International Operations Subcommittee of the Committee on Government Operations in its report on United States aid operations in Iran, January 1957, made this recommendation:

> That the Department of State and the International Cooperation Administration obligate aid funds to specific programs only when definite provision has been made for the timely availability in the field of sufficient competent personnel, both technical and administrative, to assure proper and efficient conduct of these programs.

The General Accounting Office, in a comprehensive report in 1955, cited in detail the nature and shortcomings of the procedure being followed by the ICA in its obligation of funds. These were the cases it cited of premature obligation:

> 1. Cooperative program agreements with Egypt for community development dated March 19, 1953, which called for FOA contributions totaling $10,000,000. Only $3,000,000 had been earmarked for specific projects at June 30, 1954.
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> 2. The Jordan-United States Economic Assistance Agreement dated June 17, 1954, providing for an FOA contribution of $8,000,000 to finance a cooperative special economic assistance program. Specific project agreements had been executed at June 30, 1954, only to the extent of approximately $4 million.
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> 3. Operational agreement No. 4 with Pakistan, dated May 17, 1952, in which the United States committed $700,000 for training activities in fields related to economic development. Training authorizations for selected trainees had been issued at June 30, 1954, only to the extent of about $600,000.

The summary of outstanding projects recently submitted by the ICA cited a variety of cases where projects are being delayed for such reasons as securing the services of a satisfactory United States engineering firm—rehabilitation of thermal powerplants in Korea; difficulties in obtaining the right of way for construction of a highway—Vietnam; unanticipated difficulties encountered in construction—port highway in Cambodia.

It is not argued that the ICA is in any way at fault because it encounters unanticipated difficulties and delays. It does appear to be questionable, however, that the United States should have to vote money for projects before plans have been developed in detail, reasonably firm cost estimates completed, and the recipient governments are aware of the problems which they will have to solve and have indicated their readiness to go through with the necessary enabling action.

It is too late in the current session to have the ICA revise its request for authorization of funds by including only projects which have been planned in detail and as to which the recipient government has worked out in detail the course of action which it is prepared to take. On the other hand, it is possible to bring about a significant revision in ICA procedures, including a tightening up of its obligation of funds which would serve as the basis in future years for authorization requests based on projects in respect to which both the ICA and the recipient countries would have made up their minds rather definitely as to just what they wanted to do.

The proposed amendment applies only to those types of nonmilitary aid which require substantive technical or financial planning, or legislative action within the recipient country. The amendment provides that funds cannot be obligated for aid of this character unless engineering, financial, and other necessary plans have been completed—which activities are specifically permitted by the amendment—a reasonably firm estimate of the cost to the United States has been prepared, and unless it may reasonably be anticipated that necessary legislative action within the recipient country will be completed within the period of a year.

These provisions are recognized as being indicative of Congressional intent rather than capable of precise application and rigid enforcement.

In addition, the amendment provides that funds obligated for the type of assistance referred to in this section shall be used only for the specific purposes of each obligation and if not so used, shall revert to the Treasury of the United States. This provision should have the effect of preventing the overestimation of costs of a project, and it also should prevent the obligation of funds by the ICA until the ICA was pretty sure that the project was worked out in detail and could be expected to be carried forward until completed.

This, in my opinion, is an excellent example of the responsiveness of the Committee on Foreign Affairs to legitimate criticisms of the mutual security program.

Third. Under an amendment which I offered and which was accepted in committee, the loan fund management, before making a loan, must take into account any adverse effect which the project might ultimately have on the United States. If, for example, there are two projects desired by a country, one of which will later compete with a hard-pressed United States industry, and one of which will not, the new standard would result in the approval of the latter request and the denial of the former.

Fourth. Under my second amendment a study of the effect of the economic assistance operations of the program will be required at the end of each year, to see what adverse impact has occurred on areas of labor surplus. The purpose of this is to spotlight just where we are adding to our own domestic problems, so that corrective action can be taken.

Fifth. The bill takes the unusual step of adding funds beyond those requested to the technical cooperation program. The purpose of the addition is to stimulate increased emphasis on recruitment and training programs for technical assistance personnel.

In addition to the improvements contained in the bill, the executive branch is already in the process of carrying out a general comprehensive audit, improving the training of MAAG officers, surveying the system of overseas transportation, analyzing the extent, amounts,

and types of local currencies accumulated since World War II, and exploring the practicability of setting up regional spare parts control centers.

As to the future, our committee in its report recommends that our technical cooperation effort be upgraded and that one responsible official be put in charge; that there be regional technical cooperation officials overseas to use existing personnel most efficiently; that foreign military personnel receive technical training for use in their civilian careers; that tax incentives for overseas private enterprise be explored; and that contributions to nations for atomic reactors not be made where there is local capability to finance them. In addition, the committee through its acting chairman has stated its intention of setting up a closer watch on program administration.

Enough has been said, even though only the highlights have been given, to indicate that this nation has in its overseas assistance operations demonstrated a capability to develop and grow, to adjust to the needs of the times, to lift its standards in terms of personnel, techniques, concepts, and administration. We cannot truthfully say that we have done badly. At a time when even the Comptroller General states that more serious attention to efficiency is being given than ever before, it would be both irresponsible and immature to form a judgment on the arguments of those who look only at our problems and our failures and totally ignore a remarkable record of achievement. We should approach the power struggle of the next decade with the confidence that we have served a longer and more demanding apprenticeship than has the Soviet Union.

The CHAIRMAN. The time of the gentleman from Maine has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1958."

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: On page 1, strike out all after the enacting clause and insert in lieu thereof the following: "That this act may be cited as the 'Mutual Security Amendments of 1958.'

"CHAPTER I—MILITARY ASSISTANCE

"SEC. 101. Title I of the Mutual Security Act of 1954, as amended, which relates to mutual defense assistance, is amended as follows:

"(1) Section 103 (a) is amended by striking out '1958' and '$1,600,000,000' and inserting in lieu thereof '1959' and '$1,640,000,000', respectively.

"(2) Section 105 (b) (1) is amended by inserting immediately before the period at the end thereof the following ', including coordinated production and procurement programs participated in by the members of the North Atlantic Treaty Organization to the greatest extent possible with respect to military equipment and materials to be utilized for the defense of the North Atlantic area'.

"(3) Section 131 (a) is amended by inserting immediately after the first sentence the following: 'No assistance shall be furnished under this chapter unless such assistance relates directly to the maintenance or equipment of armed forces.'

"(4) Section 131 (b) is amended by striking out '1958' and '$750,000,000' and inserting in lieu thereof '1959' and '$387,500,000', respectively.

"CHAPTER II—TERMINATION OF ECONOMIC ASSISTANCE

"Development Loan Fund

"SEC. 201. Title II of the Mutual Security Act of 1954, as amended, is amended as follows:

"(1) The first sentence of section 202 (b) is repealed, except with respect to commitments entered into before the date of enactment of this act.

"(2) Section 203 is repealed.

"(3) Section 204 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"'(a) All receipts from activities or transactions under this title shall be deposited in the Treasury of the United States, to the credit of miscellaneous receipts.

"'(b) No new obligations against the fund may be incurred after the date of enactment of the Mutual Security Amendments of 1958.'

"Technical Cooperation

SEC. 202. Title III of the Mutual Security Act of 1954, as amended, is amended as follows:

"(1) Section 304 is repealed.

"(2) Section 306 is amended by striking out 'fiscal year 1958' each place it occurs and inserting in lieu thereof 'fiscal year 1959'.

"Other Programs

SEC. 203. Title IV of the Mutual Security Act of 1954, as amended, is amended as follows:

"(1) Section 400 (b) is repealed.

"(2) Sections 405 (a) and 407 are repealed.

"(3) Section 410 is amended by striking out '1958' and inserting in lieu thereof '1959'.

"(4) Section 411 (b) is amended by striking out '1958' and '$32,750,000' and inserting in lieu thereof '1959' and '$16,500,000', respectively.

"(5) Section 411 (c) is amended by striking out '$7,000,000' and inserting in lieu thereof '$3,500,000'.

"(6) Section 413 (b) (4) is amended by striking out '1967' and inserting in lieu thereof '1958'.

"(7) Section 414 (b) is amended by adding at the end thereof the following: 'Such regulations shall prohibit the importation or reimportation into the United States (other than for the Armed Forces of the United States) of arms or ammunition originally manufactured for military purposes, or parts thereof, except those which are curios or antiques and are not in condition to be used as firearms.'

"General Provisions

"SEC. 204. Title V of the Mutual Security Act of 1954, as amended, is amended as follows:

"(1) Section 502 (a) is amended by striking out all that follows 'particular regard to' and inserting in lieu thereof the following: 'providing military assistance to nations or mutual defense organizations eligible to receive assistance under this act.'

"(2) Chapter 1 is amended by adding the following new sections at the end thereof:

"'SEC. 516. Prohibition against debt retirement: None of the funds made available under this act nor any of the counterpart funds generated as a result of assistance under this act or any other act shall be used to make payments on account of the principal or interest on any debt of any foreign government or on any loan made to such government by any other foreign government; nor shall any of these funds be expended for any purpose for which funds have been withdrawn by any recipient country to make payment on such debts: *Provided*, That to the extent that funds have been borrowed by any foreign government in order to make a deposit of counterpart and such deposit is in excess of the amount that would be required to be deposited pursuant to the formula prescribed by section 142 (b) of this act, such counterpart may be used in such country for any agreed purpose consistent with the provisions of this act.

"'SEC. 517. Completion of plans and cost estimates: After June 30, 1958, no agreement or grant which constitutes an obligation of the United States under section 1311 of the Supplemental Appropriation Act, 1955, shall be made for any assistance authorized under chapter 3 of title I—

"'(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States of providing such assistance, have been completed; and

"'(2) if such agreement requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed within 1 year from the date the agreement or grant is made.

All funds obligated for assistance pursuant to each agreement or grant described in subparagraph (1) or (2) of this section shall be used only to liquidate the obligations pursuant to such agreement or grant, and any funds not so used shall revert to the Treasury of the United States. This section shall not apply to assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

"'SEC. 518. Protection of United States economy: Operations under chapter 3 of title I shall be reviewed at least once a year by a committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Labor, and the Secretary of Agriculture for the purpose of determining whether such operations have adversely affected the economy of the United States, with special reference to areas of substantial labor surplus. If the committee finds that the economy of the United States in general or any area of substantial labor surplus in particular has suffered undue adverse effects as a result of such operations, the committee shall make appropriate recommendations to the President and the Congress.'

"(3) Such title V is amended by adding at the end thereof the following:

"'SEC. 550. Termination of economic aid: Funds heretofore appropriated, and amounts otherwise made available, to carry out any provision of this act (other than title I and sections 306, 408, and 410) which are available for expenditure or obligation under this act, shall hereafter be available only for the necessary expenses of liquidating assistance programs (other than under title I and sections 306, 408, and 410), for satisfying obligations of the United States heretofore incurred, and for terminating the program of assistance under this act (except under title I and sections 306, 408, and 410) in an orderly manner.'"

Mr. COLMER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. MASON. Mr. Chairman, I shall object and I do object to any extensions of time.

Mr. COLMER. Mr. Chairman, this bill, H. R. 12387, is in the nature of a substitute for the bill, H. R. 12181, submitted to the House by the Foreign Affairs Committee. I have been working on this proposal for several months, but I was unable to develop the bill, have it drafted and introduced until after the committee had reported its bill, as will become obvious as I go along.

That it was advisable, if not necessary to assist our stricken allies at the conclusion of World War II to rehabilitate themselves is in my judgment beyond question. As a matter of fact as chairman of the Postwar Economic Policy Committee which made a study of both the political and economic situation in Europe in 1945 immediately after the cessation of hostilities, I joined with the members of my 17-member committee in recommending that reasonable and limited assistance be granted our less fortunate allies such as Great Britain, France, as well as Germany, which we then discovered would prove a valuable ally against Russia. In this connection, we were told by none less than Stalin himself that he wanted to borrow $6 billion from us. However, we recommended that no aid be granted Russia because it was even then apparent that Stalin had set out to sabotage the peace which we had expended so much blood and money to win.

Therefore, Mr. Chairman, I supported the original Marshall plan. But it became gradually apparent that the program was being extended rather than curtailed even though the job had been largely completed and having failed on repeated occasions by appropriate amendments to cut the program materially, I started my efforts to stop the program entirely. And frankness compels me to say to you today that I have not voted either for the authorizations or the appropriations in the past 9 years.

Mr. Chairman, this program has become, in my judgment, like unto a malignancy. It has grown and spread year after year, in spite of the fact that we were told that each year would be the last, until today it threatens to destroy the economy of this country.

It is argued that since this is a rich country and since we were not subjected to having the war fought on our own soil that we owe these other countries a great deal. With that I agree to a limited extent. But is it necessary to remind the membership of the House that beginning with lend lease and not including this bill, we have expended for foreign aid a total of $101 billion? Yes, since the cessation of hostilities in 1945, in an effort to help the peoples of other lands the taxpayers of this country have been taxed and we have sent overseas aid to the tune of $60 billion. I wonder how many of the Members of this House are aware of the fact that if this bill passes that it will cost the American taxpayers more than $100 million every year from now on just to pay the interest on this year's bill. We are presently being taxed nearly $2 billion every year just to pay the interest on the moneys which we have already given to foreign governments since the end of World War II. For it must be borne in mind that with an unbalanced budget that this additional money which we now propose to give away in this bill of nearly $4 billion will be added to the national debt and the interest thereon will have to be paid, thus compounding the evil.

MY SUBSTITUTE BILL

Now my bill, H. R. 12387, would in the main simply do one thing. It would cut out the foreign economic aid provided in this bill and save out of this authorization the total sum of $1,750,400,000—roughly one-half of the $3,815,900,000 authorized in the committee bill.

In other words, if my bill were adopted as a substitute instead of authorizing $3,815,900,000, we would authorize the appropriation of $2,065,500,000.

Mr. Chairman, I should like, to be perfectly frank with you, to have cut it even deeper. But I recognize the facts of life. I realize that both political parties, the present occupant of the White House and the previous occupant of the White House, as well as the leadership on both sides are for the committee bill. I recognize the appeal of the argument for national defense and I am not myself prepared to say that money wisely expended in foreign military aid is not advisable under the circumstances. Therefore, while there is a question of whether the item of $775 million in the bill under the head of defense support is in reality an economic aid, I have provided in my bill for half of that amount—$387,500,000.

Then again, the item of $20 million in the committee bill for United Nations contributions being a fixed and obligated liability, I have cut by $4,500,000. Again my bill would allow $20 million for the item of $40 million included in the committee bill for the provisions of the Battle Act.

With these exceptions if my bill is adopted, we would have only a straightout military assistance bill; which would aggregate approximately $2 billion in savings to the taxpayers of this country.

TERMINATION OF ECONOMIC AID

Mr. Chairman, I repeat, when this program was orginally offered more than 10 years ago, we were told that it was a temporary act. That was the Marshall plan. But from year to year the program has been continued not in reduced amounts, but on the contrary the tendency has been to expand it. In fact, its proponents now no longer talk in terms of termination of the program, but proceed upon the theory that it is the duty of this country to perpetually support the rest of the world. We started out under the Marshall plan by aiding and assisting the economy of a half dozen countries. Today the program has spread out over the entire globe. Yes, we are now engaged in the program of trying to buy friendship with American taxpayers' dollars throughout the world. No country is too large or too small—too poor or too prosperous—to ask and receive funds from Uncle Sam. American emissaries under our State and Defense Departments are traversing the world from Asia to Europe to Africa in an attempt to buy American friendship.

WHAT HAS IT GAINED US?

And what, Mr. Chairman, I ask you in all fairness, has this unbridled spending of the wealth of America's resources brought us? Today American prestige, after expenditure of over $100 billion in trying to buy friendship abroad, is possibly at its lowest ebb since the Spanish-American War. These funds so lavishly expended most often are not appreciated. In fact, the people of the beneficiary country rarely know of the source of the money. The aid extended usually goes through the hands of the heads of the respective governments, who do not even bother about advising their subjects, the rank and file of the people, about the United States' generosity. We have seen only in the last few days instances of the fact that this aid is not only not appreciated but in many instances is not welcome. Our embassies and other American buildings are being sacked and burned while the Vice President of the United States was just a few days ago stoned and spat upon. I ask you, is this loss of prestige abroad due to the fact that America gives so generously of its wealth and resources while the masters of the Kremlin outmanuever us with their strategy and promises?

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. COLMER] has expired.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. COLMER. Mr. Chairman, will the gentleman yield to me?

Mr. HOFFMAN. I yield to the gentleman from Mississippi.

Mr. COLMER. Again, Mr. Chairman, is it because people abroad are like people at home? They don't like charity. I recall in this connection that in 1945, in discussing this matter of foreign aid with that great Britisher, Winston Churchill, he said to me, "My people are a proud people. They like your military assistance, but they do not want to be like mendicants asking alms."

ADVERSE EFFECT ON OUR CREDIT AND ECONOMY

Another phase of this matter I would like to discuss briefly is the effect of a continuation of this program upon our own domestic economy and the soundness of our dollar. It is most difficult for me as one of average intelligence to understand how we can continue to build up the economy of other countries without destroying our own. We already see instances of our textile, hardboard, glass and pottery—not to mention our oil and even my own district's tung oil—suffering from foreign competition. And yet we are told that in the interest of keeping the rest of the world happy we must sacrifice our own economy.

And what, I ask you, is happening to our financial structure? We are all aware of the fact, I am sure, that our

national debt has become a colossal burden. The dread ghost of runaway inflation threatens our entire economy. The purchasing power of the American dollar has shrunk over 50 percent in the last 20 years and the end is not yet in sight.

Mr. Chairman, in spite of this gargantuan debt, in spite of the highest peacetime taxes being exacted from our people in the history of our country, our foreign aid has been and is no doubt being used to subsidize tax cuts in foreign countries. Yes, while our own national debt has been continuing to mount higher and higher, our funds have been used in some of these foreign countries to pay off their own national debts.

Some of these funds have been used for purposes which seem to be too ridiculous to repeat. We have sent money to assist a religious sect in Paraguay. We send hot-lipped jazz musicians abroad to entertain foreign peoples. We have sent dress suits to Grecian undertakers and iceboxes to Eskimos, and we are told that we have even provided bathing facilities for Egyptian camel drivers.

Mr. Chairman, if my bill is adopted all of this boondoggling will cease.

SUFFICIENT FUNDS AVAILABLE TO CONTINUE PROGRAM 2 YEARS

Mr. Chairman, we will be told, as soon as I take my seat, by the proponents of this legislation that the adoption of my bill would play havoc with our national defense and our foreign policy. We have been hearing this argument now for 10 years. In fact, as far back as 1949 when we were trying to amend a similar bill then under consideration, we were told the same thing. At that time, Mr. Chairman, I addressed the House at some length in behalf of applying the brakes and terminating the bill at the end of that fiscal year. Among other things at that time I said:

> So my purpose in rising here this morning is to raise the storm signal, to call the attention of the membership of this body again to the dangers ahead if we keep embarking upon these undertakings * * * They endanger the solidity, the solvency and the future of this country * * * I do not think, Mr. Speaker, that we can go on indefinitely with this type of program * * * In my humble judgment, the time has come when we must stop, look and consider the future of this country as well as the future of the peoples of other countries * * * I still believe that the faith and credit of these United States cannot be continuously extended without reaching the crashing point. We cannot go on like drunken sailors spending and spending without some day reaching the reckoning point. I am more concerned about the loss of this, the greatest Republic, from our own unsound financing, than I am about the foreign situation. I shall, therefore, vote against this bill (foreign aid).

Mr. Chairman, that was my statement and my position on this whole question of foreign aid 9 years ago. It is my position today.

I want to now emphasize again what I said earlier in my talk. While we are talking about authorizing nearly $4 billion more here today, it must be ever borne in mind that there is really $12 billion involved here. As the gentleman from Georgia [Mr. PILCHER] pointed out on yesterday you not only have $12,100,000,000 involved here in both unexpended balances and in the pipeline but you have $7 billion additional in loan authorization for the Export-Import Bank. Moreover, we contributed about $600 million for the International Bank for Reconstruction Development; $35 million for the International Finance Corporation. In addition to that there are the enormous funds which we give to the United Nations.

Quoting Mr. PILCHER, a valuable and distinguished Member of the Foreign Affairs Committee, "If we did not vote them one dime for the next 2 years, this program would go on on the same basis as it has the last 4 or 5 years."

So there you have it, Mr. Chairman. If my bill is adopted the administration will have in excess of $10 billion with which it can orderly wind up this program. Common sense and prudence suggest that this should be done.

Finally, Mr. Chairman, permit me to say to you with all the emphasis I can summon that there is a limit beyond which we cannot go without destroying this last haven of refuge—America—of free men in this world. I want to repeat what I have said to you on the floor of this House 50 times or more in the past 11 years. "The Kremlin masters have set out, following the mandate of their idol, Lenin himself, to destroy America by requiring it to spend itself into bankruptcy; and then to take over in the ensuing confusion and chaos that results." Should that unfortunate day come, which of these beneficiaries of American aid is coming to our assistance? Who is going to play Santa Claus to the United States?

Mr. Chairman, Members of the House, I beseech you to take heed before it is too late.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. MORGAN. Mr. Chairman, I rise with the greatest reluctance to oppose an amendment offered by my good friend the gentleman from Mississippi. He and I served on the distinguished Committee on Foreign Affairs during the 80th Congress. We were both way down at the lower end of the committee. We both supported the Marshall plan in 1948 which came out of that committee, and which plan started Europe back on the road to economic recovery. The amendment he has offered today is a very well drafted amendment. It is a complete bill. I want to tell the committee it raises some very, very fundamental issues. If it prevails, there will have to be a basic revision of our entire foreign policy. This amendment, of course, leaves in the military aid, the $1,640,000,000. It cuts out practically all other economic and technical assistance and reduces our defense support funds to $387,500,000. Instead of making them defense-support funds, he would cut them and utilize them solely as direct-forces funds. That means he ties them directly into the military funds. The major portions of the bill are scuttled. We now have plans to give aid to 63 countries. If the Colmer bill prevails, it will only leave us with about 11 countries that now receive military aid. He uses the words "unless such assistance relates directly to the maintenance of equipment of the armed forces" and by that he means that if we give any wheat to any of these countries under this bill that wheat must go into bread for their armies. If we give any textiles, it must go into uniforms for their armed forces. If we give any gasoline, it must be gasoline for military automobiles or a military tank or a military jeep, and so forth. It is the old concept of direct forces aid. It cuts out completely the technical assistance program which is one of the most popular and effective parts of this program.

In the bill as reported from the committee, we have $142 million for technical assistance. This program has been in operation since 1949. It is a program where we supply technical skills and not materiel. Out of the $142 million, only $8 million is for materiel. The rest is in technical skills going into these undeveloped countries all over the world. It strikes out the special assistance and also the contingency fund. I want to tell the Members of the House that if the Colmer bill is adopted, we might just as well not give any military aid to any country. Would we want to put $1,640,000,000 worth of military aid into these countries and then let them collapse without any economic aid? We would just be giving way to the Reds or the Communists, the entire $1,640,000,000 worth of military aid. So, if you are going to adopt the Colmer bill, you might as well add an additional amendment and strike out the military part because it will be a waste of money and military materiel to provide the $1,640,000,000 alone. If we adopt the Colmer amendment, we might as well write off completely Asia and Africa. We might as well wipe out most of our bases in Libya and other parts of the world. We might just as well eliminate our bases in Spain and in Turkey and pull back into a real fortress America.

Mr. Chairman, I ask the Committee to vote down the Colmer amendment and not to spend too much time on it. Let us vote now. The issue is clear.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment before the Committee now is the one that is going to separate the men from the boys. I have heard many Members say they favor continued military aid, but oppose continued economic aid. This will give them an oportunity to make their position clear to the American people.

If I understand the purpose of this amendment—and I think I do, because my colleague, the gentleman from Mississippi [Mr. COLMER] conferred with me on several occasions prior to offering this amendment—it will simply cut out foreign aid handouts, and leave in the program the little bit of money that is doing us any good at all; or perhaps I should say, a great amount of money that is doing us a little bit of good.

His amendment does not cut off abruptly, economic aid, because in the amendment is language which provides that the unexpended and unobligated funds presently in the foreign aid till will be used to provide for an orderly ending of the program.

Let us see what that means. According to the minority report of the committee:

It is estimated that as of June 30, 1958, there will be a total unexpended balance of $5,194,922,000. To this the bill under consideration adds a new authorization of $2,958,900,000. In addition, the appropriation request includes $644,192,500 which was authorized last year. This will make a total dollar pipeline of $8,798,014,500. There must also be added, however, a total of $1,861,887,000 in unexpended mutual security local currencies and Public Law 480 currencies administered by mutual security agencies.

And so on. Those sums, when added together, mean $12,129,307,500 presently available for foreign aid, unexpended and unobligated; consisting of $8,798,000,000 in dollars and $3,331,293,000 in local currency. It would appear to me that without any new appropriations, we could adopt the amendment offered by the gentleman from Mississippi [Mr. COLMER] and still permit this program to continue for quite a number of years on the momentum of previous appropriations. All Mr. COLMER and those who support his position are asking of you is to take the foot off the gas and let the car coast into an orderly and safe stop.

I am informed by the Library of Congress that there are 82 nations on this earth—recognized as nations. The distinguished chairman of the committee a moment ago stated that we are providing aid for 63 countries in this bill. That means that one nation of 170 million people, with a national debt more than the combined national debts of every country on the face of the earth is supporting 63 of the 82 nations. Down where I come from that just does not make sense. We think it is a wholly unreasonable burden to saddle upon our people.

Furthermore, I have never believed, I do not believe now, and I do not believe I ever will believe that it is right or in accordance with the Constitution of the United States, which limits the powers of this Congress, for Congress to tax the American people for the benefit of the general public welfare of every other country in this world. It is my belief that we are here to represent the people of the United States and that is our sole responsibility under our oath to support and defend the Constitution of the United States, which was written for the people of the United States exclusively, and not for people of other nations.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WILLIAMS] has expired.

Mr. O'KONSKI. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. O'KONSKI. Mr. Chairman, this foreign-aid program reminds me of the horse Silky Sullivan. It is probably the most oversold horse in the history of Congressional deliberation. This year is no exception.

I think that the advocates of this bill undid what little good this bill might have done by citing as their reason for the adoption of this bill that it would help us and enable us to lick the recession within the borders of the United States of America. That will be used by the Soviet Union in every country in the world as the chief reason why we are passing this bill. The advocates of this gave the Soviets another chance to propagandize against us.

I think this bill would fare better and accomplish much more good throughout the world if every reference to linking this bill with our recession were stricken from the record. The argument is a hoax and harmful.

There is another reason why this reference to recession ought to be stricken from the record. That argument is not true. This bill has no connection whatsoever with the economic situation in the United States of America. Any argument to the contrary is misinforming the people of the country. I have no lesser authority for that statement than the head of the mutual security program himself. He was quoted here before. I want to read you a letter he wrote in February of this year, just a few weeks ago, in answer to some businessmen who wrote him a letter asking why they were not getting any business in the United States of America from the mutual security program. Here is the reply that Mr. Smith wrote a few weeks ago. He said:

A number of segments of United States industry have expressed the opinion that since the American taxpayers pay the bill, American industry should be given priority in procurement.

Now, listen to this. He said:

The Mutual Security Act was not intended as a support for American domestic industry. To make it such, even if only as a byproduct of our mutual security program, will not only make it more expensive for the American taxpayer, but in some measure defeat the purpose and objectives of much of the economic aid given in this program.

In other words, the head of this foreign-aid program says to label this bill as a help for our domestic economy would defeat the very purpose of the mutual security program. So we can see that the recession in the United States of America and this bill are absolutely nonrelated. All such references ought to be stricken from the RECORD, because it only makes good Soviet propaganda and such references are not true and mislead the Congress and the people of our Nation. This is too much to expect of the advocates of this giveaway—because with them anything goes as long as it serves the grand giveaway program.

Let us continue. There are other reasons why this program should be defeated. It is said that this bill amounts to a small amount of money. We had a chart here the other day which showed a big circle and a little dot, the little dot indicating the comparative size of the security program. Somebody said it amounted to but a half a cup of coffee a day, others said that it amounted to a postage stamp, some said an airmail stamp. But whatever it is, the fact of the matter remains that it amounts to $20 per capita for all the people of this country. In my own District it amounts to $6 million. That $6 million in my District would build every schoolhouse, every library, every courthouse, and every city hall we need, and solve the entire unemployment problem. It would do so in every one of your Districts. The amount of money involved is not small. It is gigantic and unbelievable.

Let us go a little further. We have been asked to consider the amount other countries appropriate in the way of military support. The statement has been made that the combined contribution of the NATO countries, for instance, has been $122 billion since the program started. That program is about as thin as the soup made from the shadow of a pigeon that has been starved to death.

What is this $122 billion the so-called allies contibuted? Take a look at it and you will find that approximately $30 billion was money spent by the French in the Indochina war. Another $20 billion was spent by the French in the campaigns in Algeria and Tunisia. Another billion dollars the British and French spent invading the Suez Canal. When you have exhausted the list you will find they have contributed nothing to mutual security. They just contributed their and our money to promote colonialism and turn the people of those countries against us.

If someone were to ask me to give a short and concise description of the foreign-aid program it would be this: It is a program where we corrupt the leaders of nations and turn the people of those nations against us. Peru, Lebanon, and Venezuela and their recent reception to our Vice President are classic examples of what this program does. Gentlemen, you can continue this program but not with my vote. And mark you another few years of this program and our Government officials will be stoned out of every country in the world.

Mr. VORYS. Mr. Chairman, I rise in opposition to the Colmer substitute.

Mr. Chairman, as has been well said, here is where we separate the men from the boys. If you pass this amendment, goodbye Korea, goodbye Formosa, goodbye Vietnam, goodbye Turkey, because those four resolute nations, poor in substance but proud in spirit, every one of them, bordering the Reds, will go down the drain if you adopt this substitute. As has been well said, if you adopt this you might as well throw in the military aid after it, because the ball game is over.

Now, here is what this does. It provides only direct forces support. Our chairman has read the words from the Colmer amendment. Out of the $835 million proposed for defense support this year, which is going to be cut in two by this amendment, $231 million is proposed as direct support for 16 countries. Look on page 366 of the hearings. Defense support is $135 million for projects and $698,600,000 for commodities, agricultural and economic. Seventy percent of the defense support

goes to the four countries I have named. If you cut that in two, there will not be enough left for them to keep going.

Now, remember what defense support is. It is support for the economies of countries that are willing to raise the forces that our military people feel are necessary in our joint defense, in our mutual security, but who simply do not have the economic availability to bear the support of those forces. That is what it is about. We have to help out the economies of these countries.

Now, as the gentleman from Virginia [Mr. HARDY] said a little bit ago, only a small portion of defense support goes into direct forces support, as I pointed out, $231 million. That is all that would be left under this amendment. What would happen to the rest of the people in these countries? Why, they would starve; they would go down the drain, because there would be nobody eating there but soldiers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to commend the gentleman for his statement. As far as I can see, there are some people here who are not for this program. They will get a chance to vote against it on final passage, but to my mind to kill the program in this fashion, with this amendment, would be a very serious mistake.

Mr. VORYS. This is just about like striking out the enacting clause.

Now, as to what is defense support and what is economic and what is military, let us take a military road. There is one in Vietnam. That matter has been referred to. And, there have been a lot of mistakes made about building roads. But, here is a military road, a strategic road, leading from the port back into the hinterland, where they meet the Viet-Minh. First, it furnishes employment. That is economic aid. That is defense support right there. Building the road furnishes employment. Secondly, it is vitally important strategically, so it has tremendous military value. Third, since the road is there, it has a long-range peacetime value and helps the development of the country. Now, are you going to try to divide that road into strips, or maybe put up one-third of the road so that it will not reach where you want it to go, or are you going to say we are going to pitch in and build the road, and help support that fighting country holding its head up against great odds? Our Vice President is being attacked, our libraries are being attacked by Communist-inspired mobs in various places over the world. But none of those attacks would damage our security as this proposal would, on which the Members will vote in a few minutes. When it comes to talk about a recession, we are told not to talk about the incidental economic benefits to our country from all this, but it is all right to say that because of the recession we should not pass any of this. Let me point out that if we approve this substitute we will have a military recession and a moral recession that we simply cannot afford.

Mr. Chairman, I hope this amendment is defeated and I ask for a vote.

Mr. MORANO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORANO. If the amendment offered by the distinguished gentleman from Mississippi [Mr. COLMER] carries—and, of course, I hope it will not—will we then go back into the House without the possibility of further amendments being offered; and will we then be able to demand the yeas and nays on the amendment?

The CHAIRMAN. If the amendment is approved, as I understand it, we would then under the rule go back into the House and at that time the gentleman could demand the yeas and nays.

Mr. MORANO. It would, of course, preclude the offering of any further amendments?

The CHAIRMAN. The gentleman is correct.

Mr. MORANO. And we could then demand the yeas and nays on the amendment.

The CHAIRMAN. The gentleman is again correct.

Mr. MORANO. I thank the Chairman.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. SMITH of Virginia. Mr. Chairman, I am one of those who supported the original Marshall Plan, which was to have been a temporary measure to help lift these devastated nations back on their feet. Year after year this thing has gone on and on and it has leeched the taxpayers of this country to the point where now it has become a permanent fixture upon the economic health of the taxpayers. Every year I hear the same old cry. When anyone wants to touch this program I hear the same old cry, that, do this and the world has gone to the eternal bow-wows and you will lose everything and you might as well go jump in the river. I have heard that song so often from my good friend from Ohio [Mr. VORYS] over the years—and he is a wonderful advocate; he is so sincere and believes in what he is talking about. And yet we get the same old song from him every year.

Last year we cut $1 billion from this program, and we were told that we were going to the eternal bow-wows. Yet we are still here.

Of course, when we send our emissaries abroad and they get rocks thrown at them by our friends whom we have purchased with all this money; when we send our books down there to help to educate them and bring them up in the world, and they burn down the libraries, what can we say? Those are the friends that we seem to have made with this economic aid.

Mr. Chairman, let us be sensible about this. The fact is, and nobody denies it, that there is more money in the pipeline for economic aid than could be used in the next 12 months. We will have another bill up here. Why do we not just try to do a little something for our own people and relieve their burden for a little while—just for 1 year? You might call it an experiment. Let us see if everything is going to the bow-wows. They still have enough in the pipeline to run them for several more years.

Mr. Chairman, I favor the amendment. I never thought much of this idea of economic aid and of sending our emissaries and all their help, their clerks and bureaucrats, all over the world. I suppose there is not a country in the world outside of the Iron Curtain into which we have not sent our emissaries and to which we are not giving economic aid. And yet we are having incidents now with those people we have been supporting for years, of our emissaries being insulted and of our people having dire threats made against them. Let us try a little experiment and see. How about having a little courage? Are we continually going to be on the run? Are we continually going to have to bribe the whole world to avoid communism? A little courage, a little show of courage, and we are going to stand up and we are not going to bribe everybody in the world every year as a permanent proposition. It might do a little good in this situation.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the gentleman from Mississippi had offered an amendment to strike out all of the military aid, I would have found it much more difficult to oppose than I do the amendment to strike out all of the economic assistance. I say that because giving military aid to these countries who do not have anyone in them who has a full stomach is like trying to build a house on quicksand without any foundation. I submit to you that the Russians have found this out the hard way, because they gave an inordinate amount of military equipment to the Egyptians, the majority of whom have never had a square meal in their lives. When the Israelis attacked Egypt, the Egyptians threw down their arms in the Sinai Desert and left as fast as they could go because they did not have anything to fight for.

I supported the cut of a billion dollars last year. I supported every cut that was made in the bill this year with one small $8 million exception. But I do believe that, if we try to give military equipment to these people who do not have the economic structure to sustain an army to use the equipment, we are being more than penny wise and pound foolish, and I speak from some little experience and firsthand observation.

I say to you that the economic part of this program is by far the most important. I am talking now as a strict materialist. I am talking now as one who is interested first in the defenses of the United States of America. But we have a habit of holding ourselves up to other nations of the world in some sense as being morally superior. I wonder when we do that if we ever stop to think that on this floor you can pass a bill for $40 billion to build weapons to destroy humanity and you hardly get an afternoon of debate, yet we come in here with a measly $150 million—and it is measly in comparison with $40 billion—to try to give the technical know-how to these leaders to help get their citizens into the 20th century, and you hear remarks that

would make you think that the whole future of the United States depended upon this $150 million. Well, maybe it does. It could be that it does. But, if it depends on it, it depends on its staying in the bill and not being knocked out of the bill.

At the risk of being repetitious, I again say to you that if you have to choose between economic assistance and putting arms into these underdeveloped countries of the world where they have no use for them and cannot use them, and where if a showdown comes they will probably be captured by our enemies, then you had better choose the economic assistance and forget about the armies.

Mr. BENTLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the committee should be cognizant of the parliamentary situation in which we find ourselves. I would make this a parliamentary request for a ruling from the Chair but I understand the Chair is not able to rule as to what may happen when we go back into the House.

I am certainly very sympathetic with the purposes behind the amendment offered by the gentleman from Mississippi, but I think the committee should realize this: If this amendment prevails in the Committee of the Whole we then go back into the House. Presumably there will be a record vote on it. If it should then be defeated on a record vote, we would then in the Housse proceed with the engrossment and third reading of the bill, and there would be no other chance to vote on anything other than the bill as it originally came out of the committee. There would be no further chance to vote on any amendment to the bill at all.

I thought the Committee should have the benefit of that information.

Mr. MORGAN. Mr. Chairman, I rise for the purpose of finding out how many Members want to speak on this amendment.

Mr. WIGGLESWORTH. Mr. Chairman, I would like a couple of minutes.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the Colmer amendment, and all amendments thereto, close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Does the gentleman from Pennsylvania desire time under the unanimous-consent agreement?

Mr. MORGAN. No, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. WIGGLESWORTH] for 5 minutes.

Mr. WIGGLESWORTH. Mr. Chairman, I hold in my hand a statement recently made by the Secretary of State. I want to read 2 paragraphs from that statement at this time. I quote:

The giveaway so often complained of would have occurred if we had not had this program or if we should slacken it now. Without a mutual security program we would indeed have given away half of Europe to chaos or communism. We would have given away Greece and Turkey and the eastern Mediterranean to Soviet control. We would have given away Iran, and Russian access to the Persian Gulf and the Indian Ocean—and the economic strength of Europe which depends heavily on Middle Eastern oil. We would have given away Korea, and the Republic of China and Vietnam—and in all likelihood the rest of southeast Asia. The giveaway would reach or come dangerously close to Pakistan and India—the great Asian subcontinent with a fifth of the entire human race.

If we now weaken in our determination and slacken in our pace, we will indeed give away to communism in the next few years the control of a dozen or more nations with enough people and resources to change the balance of power irretrievably against us. We would indeed give away bases and allied forces essential to our own strategic defense system. We would indeed give away the access which we and other free nations have to resources essential to our own industry and to trade essential to our own welfare and prosperity.

Mr. Chairman, as far as I am concerned I agree with the position taken by the distinguished gentleman from Ohio [Mr. VORYS].

I hope the substitute amendment will be voted down.

In my judgment, the adoption of this amendment would be equivalent to running up the white flag in the cold war in which we are now engaged for the preservation of America and the Free World.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. FULTON), there were—ayes 59, noes 102.

So the amendment was rejected.

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FRELINGHUYSEN. Mr. Chairman, the discussion earlier to day with respect to the proposal of the gentleman from Mississippi [Mr. COLMER] and the overwhelming rejection of his suggestion, underscores several basic issues involved in the mutual security program. Just how important is economic aid in a sound program? Is it true, as has been charged, that a continuation of this program will bankrupt us, or adversely affect our own economy?

Perhaps we should not jump to hasty conclusions about such issues. Nonetheless it seems obvious that economic aid performs several invaluable functions. It is vital in supporting and buttressing the economies of certain countries which are receiving military aid. It helps to expand and strengthen so-called underdeveloped countries and thus strengthens their position in the family of nations. The defeat of Mr. COLMER's proposal, it seems to me, indicates a general realization that economic aid performs a real service—perhaps even more significant than straight military assistance.

In defense of his proposal, the gentleman from Mississippi [Mr. COLMER] asked how long this country could keep up a mutual security program without destroying our own economy. He suggested that continued aid might lead us to face bankruptcy ourselves.

The answer to this question is obvious. The United States, if need be, can support a mutual security program indefinitely with no undue danger to our own economy. It has been extended now for a decade because an undeniable need for such aid has continued. Unquestionably this country has the capacity to defend itself and its allies by continuing to support a program of this scope.

In a contest such as that in which we are now engaged, our future strength may depend on the rejection of shortsighted appeals to "experiment" with drastic curtailment, or discontinuation of policies which have proven their merit. If there must some time be a day of reckoning, we must not weaken ourselves unnecessarily.

The mutual security program has won a well-deserved place in our arsenal. That it may seem a permanent fixture, as the gentleman from Virginia [Mr. SMITH] has pointed out, need not be reason for despair. Just as the airplane, for the moment at least, is a permanent fixture in our military defense, so too the mutual security program today is a keystone of our country's strength.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. The first section of the Mutual Security Act of 1954, as amended, is amended by adding at the end thereof the following: "This act is divided into chapters and titles, according to the following table of contents:

"TABLE OF CONTENTS

"Chapter I—Military Assistance.
"Chapter II—Economic Assistance.
"Title I—Defense Support.
"Title II—Development Loan Fund.
"Title III—Technical Cooperation.
"Title IV—Other Programs.
"Chapter III—Special Assistance and Contingency Fund.
"Chapter IV—General and Administrative Provisions."

Mr. BOW. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 2, preceding line 1, insert the following:

"SEC. 3. The second section of the Mutual Security Act of 1954, as amended, which expresses a statement of policy, is amended by the addition of the following paragraph at the end of the statement:

"'(d) It is the sense of the Congress that to achieve these aims the President should forthwith, as provided for by article XVII of the Status of Forces Agreement, signed at London, June 19, 1951, address to the North Atlantic Council a request for revision of article VII of such agreement for the purpose of eliminating or modifying article VII so that the United States may exercise exclusive criminal jurisdiction over American military personnel stationed within the boundaries of parties to the treaty; (2) that the President should take similar action with regard to all other treaties or international agreements to which the United States is a party and which give criminal jurisdiction over our Armed Forces to foreign governments which are parties thereto; (3) that failure of such negotiations to obtain exclusive jurisdiction for the United States should be grounds for the denunciation of or withdrawal from such treaties and international

agreements as provided for by article XIX of the Status of Forces Agreement and similar provisions in other agreements.'"

The CHAIRMAN. The gentleman from Ohio [Mr. Bow] is recognized in support of his amendment.

Mr. BOW. Mr. Chairman, I know that to my colleagues it is not unusual to hear me again on the question of the status of our forces abroad. This question we have discussed many times. American troops sent abroad where our country has given to a foreign nation the criminal jurisdiction over these men.

At the outset, let me say again I am not so much concerned about those who may be guilty as I am of those who may be innocent and then subjected to the laws of a foreign nation, which do not have the safeguards and provisions of the Constitution of the United States, to which I believe our Armed Forces are entitled.

This has gone on for some time. Last year on this same bill, on this same amendment, the amendment lost by a tie vote in the Committee. I submit it again, because on a tie vote I think we are entitled to determine whether or not in this last year conditions have changed so in the world and as far as the United States of America is concerned. That we should review it again, and determine that American troops are entitled to the constitutional protection which they should be given.

Mr. Chairman, what is the situation? In the last few days in Tripoli, through riots, the library of the USIA was burned. In Beirut a library has been burned. In Algeria, on the ticker today another library was burned.

I saw this on the ticker today, as far as Vice President NIXON is concerned:

Today's incident occurred just as the Nixon caravan of Cadillacs swept from the broad four-lane highway leading from the airport into the narrow streets of the city limits.

A mob of about 150 hoodlums closed in on the cars, shaking their fists and waving signs saying "go home, Yankee dog."

The mob spat upon the cars and ripped American flags from both the cars in which the Nixons were riding.

The Venezuelan flag also was torn from NIXON's car by the mob which was throwing eggs, tomatoes, and rocks.

Because of the incident, the official caravan proceeded directly to the United States Embassy residence, omitting a scheduled stop at the National Pantheon where NIXON had been scheduled to place a wreath on the tomb of South American Liberator Simon Bolivar.

Mr. Chairman, how long are we going to submit American troops abroad, GI's, men without the flag of the Vice President of the United States, to suffer such treatment?

What sort of treatment do you think our boys are going to receive? These boys are sent there against their will, drafted and sent where they must go or defy the orders of the United States. I say to you that we should give them all the protection possible, because we have seen throughout the world, situations growing constantly which will put these boys in jeopardy if they are to be tried where they do not have constitutional protection.

I suggest, Mr. Chairman, that we have in the past been retreating from Russia in our thinking. It seems to me it is about time we go forward under America, that we begin to be Americans and accept the principles upon which this great Nation was founded, cease going backward in defense. Let us go forward with the positive position that America is the greatest country in the world, that we will protect our own wherever they may be.

I hope this amendment will be adopted.

Mr. VORYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had the Girard case with us last year. This whole matter went before the Supreme Court and was debated in Congress. I had hoped we had learned a lesson that we would not need to learn again.

We learned that an American soldier had no constitutional right to an American trial by jury. We learned that the status of forces agreements give an American soldier more rights abroad than he would have under international law.

The status of forces agreements, you will remember—although perhaps you may have forgotten it, because I think it has become a dead issue—the status of forces agreements provide that an American serviceman on duty abroad shall have a trial by American courts, and that an American soldier when he is on leave shall have a trial by American courts if an American is involved or American property is involved. They do provide that preferment shall be given to the local court for crimes committed by an American serviceman when on leave or off duty.

Where a serviceman is on leave, for instance from Germany and goes down to Italy and gets into a fight, the Italian courts, of course, want to try him. Remember what we went over so often last year, remember how it would be in your community if foreign soldiers—and there are thousands of them in this country for training—came into your community and stole an automobile or committed a crime; remember how you would feel if you were notified that this man was to go back overseas for trial. That is the situation we face all over the world. These other countries are just as proud as we are, not any prouder, about the rights of their citizens and the jurisdiction of their courts. Our Supreme Court has held that under international law a nation has the right to demand trial in its own courts of every offense within its borders. Therefore, when we make these status of forces arrangements, we secure more protection for our men than they would have under international law.

I hope we will vote down this amendment which has little place in this bill, and will proceed to perfect this bill and drive on to passage.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. BRAY. Did I understand the gentleman to say that the Supreme Court held that Girard had no right to a jury trial? I think what the Supreme Court held was that the United States specifically waived the right of Girard to have a jury trial.

Mr. VORYS. Well, what the Court held was that he had no constitutional right to, I said jury trial, but meant he had no constitutional right to an American trial. If you have such a right under the American Constitution, then nobody else can waive it for you. I think that is what the Supreme Court held.

Mr. BRAY. Mr. Chairman, if the gentleman will yield further, the Supreme Court did not say that he was not on official duty for the United States Government. It said that our Government had, according to the Status of Forces Treaty, yielded away his rights.

Mr. VORYS. The question was whether he was acting in line of duty at the moment, and if Girard had a constitutional right to an American trial, nobody could have waived it for him. I think you all remember this case well enough to remember that we disposed of this constitutional question, and we found out that these treaties give our men additional rights.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, might I say that the Americans abroad, those in the Armed Forces, are to be complimented, because over two-thirds of the cases that come up are traffic cases, which leaves a small minority that are anything of even a slightly serious nature. For example, in the typical year 1956, 14,394 cases of United States servicemen abroad subject to foregin jurisdiction, only 4,437 cases were tried in foreign courts, and jail was imposed in only 108 cases. On an average, foreign countries have waived jurisdiction in 73 percent of all cases. In Japan, where the Girard case occurred, Japan has waived in 97 percent of the cases. Of 32,000 American military personnel charged with off-duty offenses in a 3-year period, only 305 were sent to jail, and only 12 were given terms over 5 years. We in Congress all want to give every possible protection to our United States servicemen abroad, and we on our committee watch closely to guard their interests. I have personally asked for and obtained a written report on the individual visits to each of our United States servicemen in foreign jails by United States Government officials, and have had it placed in our committee hearing records.

Might I ask the gentleman from Ohio [Mr. Bow] if he can cite to the House one instance where a United States serviceman abroad has received other than justice in the foreign courts in the trial of a case? If he has those instances, I would like to have those instances outlined to us.

Mr. BOW. I will be glad to answer if the gentleman will yield.

Mr. FULTON. I will be glad to yield.

Mr. BOW. There was the case of a soldier named Jordan who was tried in Great Britain and sentenced to be hung. After word came out that he was sentenced to be hung, a doctor, who had taken care of the deceased, came forward and brought out the fact that the

man had died of pneumonia and had not been killed by Jordan. Jordan was later given a review, but everybody knew he was convicted and sentenced, and had it not been for the doctor, who had taken care of the deceased, coming to the front, the boy might have been hung.

Mr. FULTON. That was justice given to him by the British courts, and the action to reverse the verdict was one taken voluntarily by the Crown officer to protect the rights of the American soldier. So, the American soldier, where there was a trial miscarriage of justice, was promptly given full justice by the British courts. And, I would compliment the British, that case turned out beautifully.

Mr. BOW. It would not have turned out beautifully if the doctor, who took care of the deceased, had not come forward; and, if he had remained silent, the boy would have been executed.

Mr. FULTON. But that is no defect of the British law. It is the same danger that every United States citizen faces in any United States court proceeding where there is a witness who is not known or available at the time. But, under British court rules, when the British prosecuting officials found that there had been a material witness turned up, that there was contradictory testimony, their own Crown officer went into court on petition, and asked for a reversal of the verdict, and setting aside of the complete sentence, and it was promptly granted, and our United States soldier went free.

I remember another case. There was a young man in France given a traffic ticket for allegedly pushing a man off a bicycle, and fined $36 on a hearsay statement, which is the only case Secretary of the Army Brucker even called to the attention of the committees of Congress where any of our United States Government officials felt there might have been a miscarriage of justice. There was a case involving $36, and it was adjusted satisfactorily. And, I have looked these cases over, and I cannot find any miscarriage of justice, that our United States military services, or the Department of State, or the Department of Justice recognizes.

Mr. BOW. I am afraid the gentleman missed a good many of them. And, there is also this fact. There are a great many of these agreements that we do not know anything about. You may know, but other Americans cannot find out the countries that have these agreements and what is contained in the agreements.

Mr. FULTON. All of us on the Committee on Foreign Affairs—and some of us are servicemen—want to see that there is no person in our United States service on foreign soil who is not given adequate and every possible protection. As a matter of fact, it had been my request and that of others on our committee that the United States always have an officer present to advise the accused United States serviceman, an officer of legal background, who was familiar with the laws of the specific country. But it must be remembered this, that many of these agreements are secret, because they are tied to our United States Armed Forces base agreements in those particular countries. Do we want to have to pull our troops out of those countries and leave the security of this country open simply because a charge is made that there are some agreements not divulged under which local jurisdiction is acknowledged for off duty officers? And there has not been one substantiated case given to our House Foreign Affairs Committee yet, where there has been an injustice visited upon a United States serviceman abroad. Give it to us, document it, and we will change it, but until you do, you should not give us these indefinite statements.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman.

Mr. SCHERER. The gentleman from Pennsylvania [Mr. FULTON] asked for a single instance of an American who had been treated unjustly in a foreign country when he was on trial. That is not the issue that is involved. The issue is that the man is deprived of his constitutional rights to a trial, his rights guaranteed by the United States Government.

Mr. FULTON. Mr. Chairman, the United States serviceman is given protection for his rights under the best status of forces agreement terms that our United States officials can work out with each foreign country where our troops are stationed. No one disputes that. The gentleman must remember that the United States serviceman is a serviceman when he is on duty on the base to carry out those duties for which he was sent to that country, and he is adequately protected at that time, and is under United States military jurisdiction. When he is off duty, away from his place of duty, or when the very jurisdiction is in question, is when the question of local jurisdiction becomes paramount. Our problem is this. If there is any injustice visited upon a United States serviceman serving abroad, tell us about it and we will follow it through on the Committee on Foreign Affairs, put special impartial investigators on it, as we have followed every one of these allegations in each individual case, over the years. I challenge anyone in this House to give us such an instance.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FULTON] has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The question was taken; and on a division (demanded by Mr. Bow) there were—ayes 61, noes 89.

So the amendment was rejected.

The Clerk read as follows:

CHAPTER I—MILITARY ASSISTANCE

Military assistance

SEC. 101. Subsection (a) of section 103 of the Mutual Security Act of 1954, as amended, which relates to military assistance, is amended by striking out "1958" and "$1,600,000,000" and inserting in lieu thereof "1959" and "$1,640,000,000", respectively.

Mr. BENTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENTLEY on page 2, lines 6 and 7, strike out the figure "$1,640,000,000" and substitute the figure "$1,300,000,000."

Mr. BENTLEY. Mr. Chairman, this amendment reduces the figure for military assistance from $1,640,000,000 to $1,300,000,000, a reduction of $340 million. The Administration requested an authorization for this purpose of $1,800,000,000. The committee reduced that figure by approximately $160 million to the present figure of $1,640,000,000. My amendment would reduce it further to $1,300,000,000, a total reduction over the authorization request of half a billion dollars.

I should like to call the attention of the committee to the table on page 9 of the committee report, in which it is shown that for fiscal 1958 the Congress finally appropriated for this purpose the sum of $1,340,000,000. In other words, if my amendment prevailed we would have reduced last year's appropriation for military assistance no more than $40 million.

I ask the committee next to turn to the map on page 17 of the committee report for the purpose of finding out what countries receive assistance under this particular program of military assistance for fiscal 1959. There is unfortunately no list of the countries in the committee report, but those who want to give themselves a little geography test can look on this map on page 17 and find out pretty much what the countries are.

Starting from left to right across, we have first of all the countries of Latin America. There is Chile, there is Uruguay, there is Brazil, there is Peru—we have heard about Peru recently—there is Ecuador, there is Colombia, there is Guatemala, there is Nicaragua, there is Honduras, there is Haiti, there is the Dominican Republic—we have heard about that recently—there is Cuba—that has been in the news somewhat recently, too.

Then we proceed to Western Europe and find the NATO countries: Norway, the United Kingdom, Germany, Denmark, the Benelux countries, Spain, Portugal, France, Italy, Greece, and Turkey. In Africa there are Libya and Ethiopia. Going on to the Middle East, there is Lebanon—we have heard about Lebanon recently. I am sure everyone figures Saudi Arabia's Government is so impoverished that it needs military assistance. There is Jordan, there is Iraq, there is Iran, there is Pakistan, and there are the countries of Vietnam, Cambodia, and Laos. I am sure Laos is going to be discussed on this floor before this bill is finished. There are the Philippine Islands, there is Formosa, there is South Korea, and, finally, there is Japan.

A lot of people have stated that this military assistance is important because of the deterrent which these countries furnish by virtue of our military assistance to Communist aggression. I want to point that out in this respect, that even according to the administration the

principal deterrent to Communist aggression is not the military assistance program, Mr. Chairman; it is the retaliatory striking force that we have in the Strategic Air Command and in our ballistic missiles and other programs of that nature. That is according to administration statements. In other words, if we cut out every single bit of the military assistance program, which I am not proposing for the moment, we would still have the principal deterrent to Communist aggression present in our own Armed Forces.

I want to make one more point, and that is that on page 6—and I quoted this remark yesterday—of the committee report the statement is made by the committee itself that a restriction on the funds available should lead to greater austerity in the types of assistance rendered to such countries and the limitation of expenditures to items of higher priority than has sometimes been the case in the past.

Mr. Chairman, I submit that if further restrictions on the funds can lead to greater austerity in this program and can lead to placing expenditures where they properly belong, on a higher priority basis, then I think the amendment is justified and I hope it prevails.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. MORGAN. Mr. Chairman, the gentleman's amendment reduces the military-assistance program from $1,640,000,000 to $1,300,000,000. This is really a reduction under the executive request of $500 million because the executive request was for $1,800,000,000. Then the gentleman quoted figures to show that the amount is the same as was appropriated in the fiscal year 1958, which is $1,340,000,000. But, the gentleman did not point out that in last year's bill we had money reappropriated to the extent of $538,800,000 making the total amount appropriated for the fiscal year 1958 for military assistance $1,878,800,000. The money authorized under this military assistance program is for the security of the United States and of the free world. The committee considered this question country by country. We went into it very thoroughly. We were of the opinion that the military assistance could not be reduced more than $160 million without doing definite damage to the program. Here are some of the things that this money moving through the pipelines for the fiscal year 1959 will accomplish. We have large military forces in Korea. Of course, a good deal of this money goes to Korea. Much of the South Korean equipment is beginning to wear out. Funds are necessary to help modernize and maintain the Korean army. Our military-aid program provides the necessary weapons for nations right on the border of the Communist bloc—such nations as Turkey, Vietnam and Taiwan. The pipeline has been reduced each year and we cannot further reduce the military-assistance program without slowing down movement of military equipment to these people who need it now. Last year the military pipeline was reduced over $800 million. An important part of the $1,640,000,000 goes to our NATO friends. We are now in the process of modernizing the NATO military structure. We are adding nuclear missile weapons to equip the NATO military forces. Of course, if this program is reduced $340 million more, it is going to interfere with the modernization of NATO. The funds in this military-assistance program provides us with 4,750,000 soldiers, 32,000 aircraft and 2,500 naval vessels. This is a good investment. I ask the committee to support the $1,640,000,000 figure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BENTLEY].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 41, noes 73.

So the amendment was rejected.

Mr. WITHROW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WITHROW: On page 2, line 7, add the following new section:

"There is hereby authorized and directed the transfer of such ships, arms, and supplies as may be necessary to provide adequate and comprehensive submarine patrols in the Caribbean areas embraced by bi-lateral agreements between the United States and the Republics of Dominican Republic, Haiti, and Cuba in furtherance of military assistance agreements, but not limited to such agreements, in the following fashion: 'For the Dominican Republic, $3,100,000 in addition to sums otherwise authorized herein to be used for the acquisition and repair of destroyer escort type vessels, and patrol boats, surplus to the immediate needs of the United States Navy, and for such additional naval equipment and supplies as may be requested. For Haiti and Cuba, when the Secretary of State is satisfied as to the stability of those governments, an additional amount of $3,000,000 for the acquisition and repair of naval ships, arms, and supplies deemed most suitable by the Joint Chiefs of Staff for submarine patrol missions as referred to in this section.'

"Change the section numbers and reference in the bill to conform to the above."

Mr. MORGAN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order against the amendment.

The gentleman from Wisconsin [Mr. WITHROW] is recognized in support of his amendment.

Mr. WITHROW. Mr. Chairman, we are about to vote on another foreign aid bill. I believe that we all realize that there has been a vast amount of waste in this program. This seems to me to be inexcusable while millions of Americans are standing in the unemployment lines in my district and throughout the United States.

I am introducing this amendment which in reality would earmark $3,100,000 in funds for the Dominican Republic to enable them to acquire an escort destroyer and in addition would provide $3 million for Haiti and Cuba when their Governments show that they are capable and willing to keep up the Navy equipment. This amendment would not necessarily increase the total amount allocated to the Caribbean and Latin Americas.

I believe that we are placing entirely too little emphasis on the value of the three Caribbean islands, Haiti, Cuba, and the Dominican Republic.

The Latin Americas, and particularly the Dominican Republic, have an exceptional record for supporting the United States in past emergencies and in the United Nations itself. In fact, the Russians are very aggravated about it and often refer to it in the United Nations. I believe the Reds call the American Republics the "vassals" of the United States. On reason Russia deplores them is because when Pearl Harbor was attacked, six Republics of Central America and the three island Republics, the Dominican Republic, Cuba, and Haiti, promptly declared war. Others followed suit in a limited degree, but Chile and Argentina, for example, allowed Axis spies to carry on activities without restraint. I suppose there are those who would come up with a dozen good reasons why so many American Republics declined to go to war, but the fact is that they did not, and their records today in the United Nations are not any better.

I had the American Republics record traced by the Library of Congress and, therefore, I speak about these things just as accurately as I am able to do. The support of these Republics is invaluable. Therefore, let us do business with them on a basis which also helps us. Let us not simply give them military missions, let us standardize their equipment, and let us make it plain that to have a friend in this cold war money program, they have to be one in the United Nations and wherever they are needed. Let the Russians howl. Let the do-gooders in this hemisphere howl, but within 2 years we shall be on the most firm cold war program you ever saw and it will be effective. Is there any doubt in anyone's mind that this mutual security is anything but an effort to win friends in any way possible. Of course there is not.

When the United Nations was established, the Latin American nations represented 20 of the 50 votes. Today they have 20 votes out of 81. Remember, please, that the United Nations is the world accepted way to settle difference and get to any peace if there is to be one. Therefore, what takes place there is vital.

Military assistance serves us all and serves us well. We have an Inter-American Defense Board, of which the Chairman is the former marine General Shepard. This Board plans the hemispheric defense and through this the United States undertakes to give assistance to certain Latin American countries, which have as their missions the protection of sea lanes, communication lines, and the defense of strategic areas against sea and air attacks. So far, 12 Latin American nations have approved defense assistance agreements with the United States. They are Brazil, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, and Uruguay. The purpose of this is, of course, to avoid the necessity of diverting large numbers of troops to the area as we had to do in World War II.

Mr. MORGAN. Mr. Chairman, I renew my point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman care to be heard on the point of order?

Mr. MORGAN. No.

Mr. WITHROW. Mr. Chairman, I realize there is some question of the germaneness of the amendment and in all probability it is not germane. I certainly concede the point of order. However, I have a preferential motion at the Clerk's desk.

The CHAIRMAN (Mr. BOGGS). The Chair must first rule on the point of order.

The amendment is obviously not germane. It comes within the exclusive purview of the Committee on Armed Services. Without elaboration the Chair will sustain the point of order.

The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. WITHROW moves to strike out the enacting clause.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. WITHROW. Mr. Chairman, I have not had an opportunity to speak on this particular portion of the measure, and with my apologies I have offered this motion so as to obtain 5 more minutes.

I am not alone in my desires to effect something concrete in the matter of assistance to friendly allies and to meet the submarine question. One of those who agrees with me on this is John R. Holden, the national legislative director of AMVETS. In discussing this amendment with him, he elected to write me formally in the matter. I quote:

AMVETS have repeatedly advocated and supported a strong mutual-security program between the United States and other nations of the free world. Military assistance, of course, is an integral part of this program. We note with approval your intention to offer an amendment to the Mutual Security Act of 1958 that will provide an additional $3,100,000 in military aid to non-Communist nations of Latin America. The menace to United States security presented by the increasing evidence of Russian submarines in waters off the Americas makes it necessary that friendly, stable, non-Communist governments in Latin America, such as the Dominican Republic and others, be equipped to assist us in meeting and containing this menace. Your proposed amendment, in our opinion, will help to accomplish this vital purpose.

I am happy to have the expression from such an aggressive and farsighted organization as AMVETS.

I also quote Rear Admiral Rittenhouse, United States Navy, Director of the Foreign Military Assistance Division, Office of the Chief of Naval Operations, in a letter to me dated April 10, 1958, and I quote:

Cuba, Haiti, and the Dominican Republic are of importance to the United States for many reasons, and particularly from a naval point of view are important because of the strategic location of these islands. We desire to assist their navies as much as possible within the limited funds available.

Please remember that in late January a reliable report was published that a number of Russian submarines had been sighted operating off our east coast. Available reports indicate the Russians have in the neighborhood of 500 submarines. They undoubtedly are operating on tactical missions just as our military forces do. Germany began World War II with approximately 50 submarines and within a short time had sunk more than 400 ships in the Caribbean alone. Puerto Rico reached a point of near starvation. I should like to know if these Russians were, as reported, taking radar sightings on American cities as their objective as a war game. If they were, then the menace to the United States is more alarming than we could ever imagine.

Let us vote military assistance to those who can help us do the job, and those who have helped us in the United Nations and in previous crisis. Those who stand with us in our efforts at peace, and with us if we go to war. These are the people for whom there is indeed mutual security.

American citizens are today supporting a mothballed Navy fleet of 126 destroyers each costing $7,150 per year to maintain, 169 destroyer escorts each costing $6,150 per year to maintain, 74 patrol craft each costing $3,000 per year to maintain. Most of these ships need to be modernized in order to be of value to the United States Navy. Would it not be far more beneficial to have some of these ships keeping track of Soviet submarines, manned by crews of countries we know to be anti-Russian by their past performances.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. WIER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIER: Strike out of the bill chapter I, line 1, page 2, the following: section 101 and section 102 on line 10 relating to procurement programs relating to military assistance down to and including line 19 on page 2.

Mr. VORYS. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MORGAN. Mr. Chairman, we have only read down to line 9 on page 2.

The CHAIRMAN. We have read through line 7, page 2, to be exact.

Mr. MORGAN. The gentleman's amendment carries on to line 19 on page 2.

The CHAIRMAN. That is correct. Does the gentleman make a point of order?

Mr. MORGAN. I make the point of order that the section has not been read yet.

The CHAIRMAN. Of course, the point of order is well taken. Does the gentleman from Minnesota care to reoffer his amendment to strike section 102, which is half of his amendment?

Mr. WIER. I will wait until the two sections have been read.

Mr. VORYS. Mr. Chairman, I demand the regular order.

The CHAIRMAN. Under the regular order, the gentleman must make an election now.

Mr. WIER. I will choose to take the first step.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WIER: Strike out of the bill chapter I, line 1, page 2, the following: section 101.

Mr. WIER. Mr. Chairman, I have no desire to cut necessary military assistance in the countries of the world where military assistance is needed; neither do I desire to remove from those countries aid where the administration feels that military assistance is of value. But, I do take this first step here to remove from the mutual aid bill all military, and the first step, of course, is section 101.

Mr. Chairman, I do this because I was here in 1949 when the Marshall plan became a very necessary and needed program. When the Marshall plan was in vogue then, as one of our means of combating Communist infiltration, and the desperation we found existing in the Middle East, European, and Far East countries, I was very happy and very pleased to be able to support the mutual aid program then, as it was then called, the Marshall plan, because I felt and later learned that it was doing a good job. In those days the military requirements in the mutual aid legislation were a very minor part of the bill, but in recent years the military have moved into this bill until now they control or they operate the military assistance part of the program to almost complete domination of the mutual aid program. Now, I see no reason in the world why the military, whether it is for our own domestic needs or the international needs, cannot go to the Armed Services Committee and get the money that is required for the necessary programs that are initiated by the administration here for military assistance. I think they have ruined the mutual aid program. I was very proud of this program when the gentleman from Oklahoma administered the program. Unfortunately, he was killed in airplane accident. I think he was one of the outstanding administrators in my 10 years here, and I think he did a wonderful job. But I am voting here today not for economic aid, not for technical aid; I am voting for a military program. My objective here, of course, is to put the military assistance program where it properly belongs, under the armed services, and not in this program.

I shall take my next step later.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

This cuts out all military aid. Again, we are going up the hill and then down the hill; first we considered striking out all economic assistance, now all military assistance. Of course, if all military assistance were removed from this program, some of the countries counting on our support would have to abandon their defense efforts.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. WIER].

The amendment was rejected.

The Clerk read as follows:

Procurement programs relating to military assistance

SEC. 102. Paragraph (1) of subsection (b) of section 105 of the Mutual Security Act of 1954, as amended, which relates to conditions applicable to military assistance, is amended by inserting immediately before the period at the end thereof the following: "including coordinated production and procurement programs participated in by the members of the North Atlantic Treaty Organization to the greatest extent possible with respect to military equipment and materials to be utilized for the defense of the North Atlantic area."

CHAPTER II—ECONOMIC ASSISTANCE

Defense support

SEC. 201. Subsection (b) of section 131 of the Mutual Security Act of 1954, as amended, which relates to defense support, is amended by striking out "1958" and "$750,000,000" and inserting in lieu thereof "1959" and "$775,000,000" respectively.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 3, lines 6 and 7, strike out "$775,000,000" and insert "$675,000,000."

Mr. ADAIR. Mr. Chairman, my amendment would reduce the very controversial defense support section of this bill by a further $100 million. The committee had recommended an authorization of $775 million. That is a reduction of $60 million from the $835 million requested by the administration. As I have said, my amendment would take it to $675 million.

Last year the appropriation request for defense support was $900 million. The appropriation was $689 million. So Members will observe that if my amendment is adopted, we shall leave the figure at approximately the same level at which the appropriation figure was fixed last year.

This defense support money has been the object of a great deal of criticism both within the Congress and without. Many people have pointed out various items for which this money has been spent, in a great many cases, in the opinion of many of us, unwisely. The subcommittee of the Committee on Government Operations of this House, headed by the gentleman from Virginia [Mr. HARDY] went into the expenditures of defense support funds in very considerable detail and found, as others had already found, lack of planning, lack of proper administration, and lack of audit. You might say to me, "Well, why are you asking that the House strike $100 million from this figure; why don't you be more specific as to details?" The answer is, of course, because the request for authorization in these funds is in the broadest possible terms. Then too, a great deal of latitude is allowed to the executive department in the use of these funds.

The greatest amount of criticism has arisen in connection with the improper administration and unwise use of the funds of this program. In the hearings before the committee, if Members have had an opportunity to read them on this subject, they will learn that it was pointed out time after time that the uses to which these funds were to be put were in many cases vague, uncertain, and not at all specific. The explanation of the whole proposed program for next year was not satisfactory, in my opinion.

I am sure Members of the House realize that this money can be given in dollars to support governments. It may be given in goods. It may be used for a very great variety of purposes, anything from building highways which are not needed to providing services which are not required. Because of the complete blank-check authority which exists here, because of the lack of control which exists as to this section, because of the abuses which have been found, I think the House is fully justified in agreeing to this $100 million reduction. It is my firm opinion that if we reduce beyond the committee recommendation this defense support money by the further $100 million we will get better administration, we will get a better program, and at the same time we will be able to save this very considerable sum for our taxpayers.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Will the gentleman tell us in whom is vested the authority to make the decision for what purposes this money will be spent?

Mr. ADAIR. It lies eventually in the hands of the Executive, of course. I would say that the proper answer to the gentleman's question would be in the ICA Director.

Mr. JOHANSEN. May I ask the gentleman one other question: Does the authorization as now written and as now established in law designate amounts for countries, or does it leave it entirely discretionary?

Mr. ADAIR. It is in one lump sum, with no breakdown in the law as to countries.

Mr. CARNAHAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment of the gentleman, as he has explained, reduces defense support by $100 million. The committee does not feel that the program can stand this reduction.

There are only 12 countries which receive defense support—Korea, Republic of China, Philippines, Vietnam, Laos, Cambodia, Thailand, Pakistan, Iran, Turkey, Greece, and Spain.

Only two NATO countries are included: Greece and Turkey.

Spain is the only other European country receiving defense support.

There are no defense support funds for France, Germany, Italy, the United Kingdom, or any other NATO countries.

The 12 countries have over three million men in their armed forces.

Seventy percent of the funds authorized are planned for four countries—Korea, Formosa, Vietnam, and Turkey. These four countries maintain 2 million men under arms.

The evidence clearly indicates that every one of these 12 countries is maintaining armed forces larger than it can afford. Without economic assistance these countries must inevitably reduce their armed forces or face the danger of internal unrest, political disturbances, and economic collapse.

It would be a mistake to supply weapons, tanks and airplanes to these countries unless we also supply adequate economic assistance. Without economic assistance, civil unrest and disturbances would be inevitable in many of these countries. The result might well be that our military equipment could fall into Communist hands. Unless we are willing and able to support the economies of these countries, we should not provide military assistance.

The committee has already reduced the Executive request by $60 million. This cut was made because the committee recognized that in certain Asian countries some money had been spent for purposes that did not contribute to the economic strength of these countries. As a result of the cut, the ICA will have to reexamine its programs and eliminate certain lower priority items. A further cut would, in our judgment, go too far.

The purpose of defense support is to enable the recipient country to maintain its standard of living and still devote a large proportion of its resources to military purposes. Unless enough economic aid is given so that the standard of living can be maintained, our effort is wasted. A cut which would put a nation on short rations and cause discontent and discouragement among the population would endanger the entire program. Unless we provide enough, we should provide nothing.

Every one of the 12 countries has an important place in our strategic plans. There is not one of them which we could safely eliminate. Except for Spain, the Philippines and Cambodia, all of them border directly on Communist territory. The strategic importance of Spain and the Philippines is readily apparent. Cambodia is separated from Communist territory by 100 miles of mountains and jungle which could be penetrated if the Communists determined to move.

Any cut in the total for defense support inevitably must be reflected in a reduction in the economic assistance we give to one or more of 12 nations, each of which has a vital role in our defense strategy.

Mr. Chairman, we feel that the amendment should be voted down, and I ask for a vote.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. CARNAHAN. I yield.

Mr. JOHANSEN. Am I correct in my understanding of the statement of the author of this amendment that these are lump-sum appropriations?

Mr. CARNAHAN. Yes.

Mr. JOHANSEN. And has the committee any detailed information as to the proposed allocation during the next fiscal year of these funds?

Mr. CARNAHAN. Yes, the programs are broken down in classified material

available to the gentleman, if he cares to examine it.

Mr. JOHANSEN. Without, of course, asking for any classified information, do the detailed, specific programs give the periods of the year that are projected by countries and specific programs and projects?

Mr. CARNAHAN. Yes, it is broken down.

Mr. JOHANSEN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VORYS. Mr. Chairman, I rise in opposition to this amendment.

This is substantially what we debated during the consideration of the Colmer amendment just a little bit ago. We should bear in mind that these 12 countries that get defense support, except for Spain and the Philippines, all have borders with Communist China or with the Soviets, although Laos has a few miles in between. The committee has already cut defense support by $60 million. This further cut would get into the most important part of this program. It has been asked whether this is a lump-sum appropriation amount. Remember, this is just an authorization. The Committee on Appropriations is considering this and will go over it in detail. However, the details of the amount planned for every country are here in these secret books at the committee desk. While I am on my feet, I want to mention here that we also have at the committee desk lists showing the impact on the various States and communities and the purchases made under defense support and the nonmilitary part of the program. If any Member cares to see what his community is doing toward this program, the figures are available for you here.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MARTIN. As I understand the situation, if this amendment is adopted, we will be imposing a tremendous handicap on American defense and we will nullify our great effort for security in the free world; is that not correct?

Mr. VORYS. Yes; that is a vital part of our security arrangements.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JOHANSEN. To what extent, if any, and I realize that we are at the authorizing stage, but to what extent, if any, assuming that the general programs are spelled out at the time of the appropriation, is there a flexibility or transferability of funds or an opportunity to cancel and to shift funds completely?

Mr. VORYS. There is a provision in section 501 which you will find on page 81 of our report, which will show you the transferability provisions. I do not think the time is available to me now to explain how this transferability section works, but, in general, 10 percent of any appropriation may be transferred to another section, provided the latter section is not increased more than 20 percent. This permits some flexibility. But you have to have enough money in this program to make it work. If you cut out too much of it, then you do not have anything to transfer. This is the place where we had better not do any more cutting because then there will not be enough money left in this bill to transfer. I hope the amendment is defeated.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the requisite number of words.

I take this time, Mr. Chairman, to pursue the line of questioning. I should like do direct a question to the gentleman from Indiana [Mr. ADAIR]. I read in the majority report on page 7 these words:

> It should not be necessary for the United States, however, to appropriate funds until the process of planning, organization and taking the necessary legal and legislative action in the recipient country is further advanced than is the present practice.

My question goes to the point of whether, in the judgment of the gentleman, the authorization bill and the alleged detail plans for the spending of this money to which the gentleman's amendment relates, in his judgment the recommendation of the majority of the committee itself is made in principle and in fact with respect to these funds?

Mr. ADAIR. Yes; I would say to the gentleman, that is one of my objections to this authorization. I do not think it has been worked out carefully enough. Therefore I think that a reduction of $100 million will make for a better program, because it will tighten up the matter and will make for a better effort.

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. BENTLEY. The gentleman from Ohio [Mr. VORYS] spoke about the possibility of getting all to examine these classified books and find out the various ways in which the money is to be allocated. These programs and these books are purely illustrative and do not represent any commitments on the part of the administration or of the recipient government.

Mr. JOHANSEN. I thank the gentleman.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. COFFIN. The minority report has recommended the inclusion of this section which relates mostly to defense support money, and we think effectively tightens up the plan so you do not obligate or spend the money before the plan is completed.

Mr. JOHANSEN. For once I find both the minority and the majority proposing a state of a little restraint and control and economy. It is a matter of the deepest distress and concern to me that the stories that come from the opposing sides of this argument are so vitally at variance as to the theory on which these recipient programs are planned in advance of the authorization and the appropriation.

I yield back the remainder of my time, Mr. Chairman.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the requisite number of words.

I would like to ask the gentleman from Indiana [Mr. ADAIR], the author of this amendment, this question: When this bill was considered last year, there was a discussion on the floor that in Laos, which is one of the countries involved here, we were spending approximately $20 million a month to support the currency of Laos. Can the gentleman give us any information about whether we are still doing that, and how much of this item would be devoted to that purpose?

Mr. ADAIR. The answer to that question, as given to the committee, has been classified by the Executive. However, I can say to the gentleman, and still be within the rules of security, that we are still contributing to the support of Laos. That is, money for that purpose is included in this item.

Mr. DAVIS of Georgia. It was stated last year that the sum was approximately $20 million a month. Can the gentleman tell us what it is now, or can anyone tell us?

Mr. VORYS. Will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. VORYS. We have been conducting hearings on this most delicate situation in Laos while this bill was coming to the floor. I have just been informed that the hearings have been published and all the facts and figures are available, and on page 3 can be found the detail of the aid program for the last 3 years. Of course, it does not amount to any $20 million a month.

Mr. ADAIR. The gentleman from Ohio provides information for the past. I believe it can be said that the program proposed for the future is comparable to the program in the past.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. HAYS of Ohio. I would like to be corrected if I am wrong, but I understand that the whole Laotian program is in a state of suspended animation, that no money is going to them now pending the results of an administrative action out there. Is not that true?

Mr. ADAIR. If the gentleman from Georgia will yield, I think it is true that such action has been taken, but the authorization is before us nevertheless.

Mr. HAYS of Ohio. I understand that, but at least the people administering this program has been awakened to what has been going on and they have taken steps which I consider to be a very fine thing. I think until we learn the outcome of the investigation we should suspend any further aid.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. ADAIR. I agree with the gentleman. I think it is an excellent idea, in view of the public outcry and the Congressional hearings, that the matter has been suspended. One of the purposes of this amendment is to require a constructive understanding of the entire situation before the commitments are made. That should help to avoid situations like the one in Laos in the future.

Mr. DAVIS of Georgia. Can the gentleman tell me without violating any

security regulations how much of the money involved in this item was originally intended to go to Laos?

Mr. ADAIR. I regret that I am not in position to do so, because that information is classified. The gentleman can find details in the books on the committee tables.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. Yes; I yield.

Mr. VORYS. In these defense support countries the amount of support they are going to get is almost as important to keep from our enemies as the amount of military support they are going to get, because it would reveal the condition of their economy. In any case, the amounts per country in defense support, just as in military aid, are classified as far as what is planned for the next year is concerned. They are available, however, at the committee table.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. JOHANSEN. I wonder if the gentleman would care to comment that he believes the figure he did not get, had he gotten it, would have been an illustrative figure or an actual figure?

Mr. DAVIS of Georgia. When this matter was up last year it was openly stated in debate that this country had been furnishing approximately $20 million a month for support of the currency of Laos, and the gentleman from Indiana said the program for the future will be as large as the program in the past.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken, and on a division (demanded by Mr. ADAIR) there were—ayes 58, noes 77.

Mr. ADAIR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MORGAN and Mr. ADAIR.

The Committee again divided, and the tellers reported that there were—ayes 60, noes 91.

So the amendment was rejected.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ALBERT, Acting Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) entitled "An act making urgency deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendments of the Senate to the bill (H. R. 358) entitled "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 the Philippine Insurrection."

THE SUMMER FELLOWSHIP PROGRAM FOR SECONDARY SCHOOL TEACHERS

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, a rather novel, but practical, method of aid to education has come to my attention, and I am happy to note that it is being accomplished in my particular district in the State of Maine at Caribou.

At a time when our national educational system is being closely examined and our great teacher shortage becomes more and more evident, I feel that this program merits our attention and the attention of industry, educators, and civic organizations across country.

The program is being initiated this spring by the Birds Eye Division of General Foods Corp. in Caribou, Maine. Mr. H. S. Hilton, the plant manager, calls the program "The Summer Fellowship Program for Secondary School Teachers."

The company's teacher-aid program is comparatively simple and inexpensive. Importantly, it strikes directly at an area of our educational system which has been of deep concern to us recently. It involves providing grants to secondary school teachers to take advanced courses of study during the summer months at little or no expense to themselves.

And as I understand it from Mr. Hilton, his parent organization, General Foods Corp., is expanding this teacher fellowship program to 12 or more of its plant communities in 12 States. The program will become effective this summer.

Certainly there has been a felt need to improve the quality of our teaching—especially in secondary schools where students are prepared for higher education and more often for life itself.

A program such as this, which helps to increase the opportunity and incentive for high-school teachers, certainly demands our attention.

I would hope that other industrial companies, communities, and local civic organizations would take a long look at this Birds Eye teacher-aid program, as its "grass-roots" approach to making the teaching profession more attractive to competent teachers seems most effective and workable.

It is a source of personal satisfaction to me to know that an industry in my district is taking a lead in so practical a method of helping high-school teachers obtain further education for their own betterment as well as for the betterment of local students, and the school system of the community of Caribou.

CENTRAL MASSACHUSETTS FLOOD CONTROL

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, the people of my district, State, and area, and I are truly indebted to our House and Senate Appropriations Committees and the Congress and I want to emphasize our deep appreciation and gratitude for the prompt effective action taken to solve our flood-control problems.

I endorse fully the budgeted items to continue construction of Hodges Village and East Brimfield and to provide final planning—$141,000—of Westville, all in the Thames Basin. I desire especially to emphasize the need for construction funds for West Hill and Westville despite the budget restrictions on new construction.

If West Hill in the Blackstone Basin had been in operation at the time of Hurricane Diane, the Army Engineers estimate that $12,215,000 in damages could have been averted. Had Westville in the Thames Basin been in operation, $5,500,000 in damages could have been avoided, according to the engineers. Human life would have been saved; human misery averted.

It is clear, therefore, that West Hill and Westville are urgently needed now and I hope and urge that the Congress will provide these necessary funds to initiate construction:

West Hill, $275,000.

Westville, $500,000.

I feel sure that the Army Engineers can render full justification for the expenditure of these needed amounts.

I only wish that my colleagues in the House could see the wonderful results of the previous action taken throughout the years to provide a flood-control program in the central Massachusetts area. It would be a pity, as well as a grave risk, not to complete the program as contemplated and scheduled. I need not tell the House of my deep gratitude because I have expressed it on many occasions and will always be conscious of it.

Let me repeat, the people of my district, State and area and I are truly indebted to the Congress. It is just a little more than 2 years ago that the House and Senate acted promptly to make available emergency funds to speed flood-control projects for New England after the disastrous floods of August 1955, and in subsequent appropriation bills approved the necessary funds to carry on this vital work.

The progress, which has been made, has been indeed great and it is a tribute to the sympathetic understanding and prompt action of the Appropriations Committee that we are now beginning to see the actual results of its work.

This month will mark the dedication of the completed Barre Falls Dam and Reservoir in my district, the first New England project to be started and completed after Hurricane Diane. Another project, also in my district, is nearing the completion stage—the Buffumville Dam and Reservoir, which has already demonstrated its flood-reduction potential during the recent heavy spring rains in Massachusetts.

Barre Falls is typically illustrative of the painstaking care and attention the Congress gives to flood-control problems. This project was nearly ready for actual construction after the rains of August 1955, largely as the result of action taken by the Appropriations Committee. The 1946 budget made no provision for Barre Falls, but the committee approved and Congress voted $55,000 to begin the necessary planning. The 1947 budget again made no provision for Barre Falls, but the committee provided and Congress voted another $50,000 to continue the planning work. The 1948 budget asked $10,000 for Barre Falls. The committee approved and Congress voted a $42,000 appropriation. The budget request for 1949 was $20,000 for Barre Falls. The committee increased the amount to $50,000 which the Congress voted. The 1950 budget requested $10,000 for this project. The committee and Congress voted $20,000.

As a result of the $217,000 made available for Barre Falls over the years, this project lacked but $15,000 to complete the planning at the time of the 1955 floods. Had it not been for the work of the committee, the dedication of Barre Falls would have been delayed for at least a year or more.

The Barre Falls project will reduce flood stages on the Ware and Chicopee Rivers with resulting flood-prevention benefits for the communities of Barre Plains, Gilbertville, Ware, Thorndike, Three Rivers, North Wilbraham, Ludlow, Indian Orchard, Chicopee Falls and Chicopee at a total cost of $2,030,000.

The Buffumville Dam and Reservoir on the French River in the Thames Basin, constructed at a total cost of about $2,800,000, is nearly complete. After Hurricane Diane, the French River spilled tons of water through Oxford and Webster, leaving behind devastated homes, washed out bridges and dams, and damages running into the millions.

Last month, the Army Engineers gave Buffumville its first test during the heavy spring rains of early April. Both the Little and French Rivers were swollen from rain-laden brooks on the morning of April 7. At 11 p. m. that night, the gates at Buffumville were closed at a time when the Little and French Rivers were rising rapidly. In a little more than 12 hours, with the gates at Buffumville closed and the Little River blocked off completely, the waters of the French River had dropped 6 inches.

True, the flood waters of these rivers were not as great as those of the 1955 floods, but the Buffumville Dam and Reservoir was able to furnish convincing proof of its great potential in harnessing future floods along the Little River.

A companion project, Hodges Village Dam and Reservoir on the French River, downstream from Buffumville, has been budgeted for $2,700,000 this year. The New England division engineer awarded the construction contract for this project on March 7.

The $2,700,000 budget request, if approved by the Congress, will insure completion of this project by the fall of 1959 or early 1960.

On March 14, the President submitted revised budget estimates on the civil works program. Two central Massachusetts projects have benefited considerably from this revision and there is now every expectation that they will be completed on schedule.

The two projects are the Worcester diversion tunnel, designed to protect the Webster Square section of Worcester, and the East Brimfield Dam and Reservoir. An additional $534,000 was requested by the President for the Worcester diversion project for a total appropriation of $2,534,000.

East Brimfield was originally budgeted for $2,800,000, which the President on March 14 increased to $3,800,000. About another $2 million will be needed next year to complete the project by November of 1959. The contract for the construction of East Brimfield was awarded on March 28 by the New England division engineer.

A companion project to East Brimfield is the Westville Dam and Reservoir, for which there has been budgeted $141,000 to complete the preconstruction planning. These projects, when completed, are designed to reduce flood stages in many downstream communities along the Quinebaug, including the major damage centers of the 1955 floods: Southbridge, Putnam, and Norwich.

Another project in my district is the West Hill Dam and Reservoir in Blackstone Basin, for which there is no budget request for funds on the basis of the President's freeze on new construction.

I urge favorable action on construction funds for both these projects in order to complete the needs of the program.

Last year, the Congress made available $50,000 to complete the preconstruction planning of West Hill. Under existing procedures, construction money would have been made available this year. I appealed to the President to relax the ban on new construction to permit a construction start on West Hill and similar projects throughout the country. Presidential Assistant I. Jack Martin sent me the following reply:

On behalf of the President, I am pleased to acknowledge your telegram of March 21 respecting funds for the West Hill flood control project.

The President has recently taken a number of actions to accelerate construction of planned and needed public improvements as a part of an overall Federal program of increasing the economic strength of the Nation at this time. Acceleration of civil construction program during the current fiscal year is already under way. The President also submitted to the Congress budget amendments for the fiscal year 1959 to provide for increased rates of progress on going construction programs of the Corps of Engineers, the Bureau of Reclamation, and the Soil Conservation Service. With these actions, beginning with fiscal year 1959, the Federal Government will be developing the water resources of the Nation at a higher level than ever before in our history. Because of this and because new construction starts would have a negligible economic effect at this time, he has proposed only the acceleration of work under construction.

As you may know, however, further study is being devoted to a number of measures so that administrative steps or additional recommendations to the Congress can move ahead promptly should the future economic situation warrant such action.

With fullest respect I take a different view.

The potential dangers from floods in my district and area have been diminished by recent projects, but they are still very great. There must be no diminution of effort to provide the full-fledged water control program authorized by Congress for our district and area.

It is most regrettable that on January 13 last the President saw fit to freeze new starts for such construction. This order will have most serious effects throughout the Nation and will have a very dangerous impact upon our Massachusetts and New England flood control projects.

The effect of the freeze on new construction would be to stop some of our most vital flood-control projects dead in their tracks. I urge the Congress to provide the necessary funds for new starts of projects that are part of our carefully planned authorized flood control program.

I feel sure that the Army Engineers can present full justification for the expenditure of $641,000 for Westville to complete the planning and initiate construction of this urgently needed project in the Thames Basin and $275,000 to initiate construction of the West Hill project, so vital to the Blackstone Basin. I urge the Congress to approve these funds.

Frankly, I am unable to understand the Executive shutdown on these essential projects, particularly at a time when similar and far less justified projects in many foreign countries are currently being financed most lavishly. I also dissent from the view that the swift prosecution of these projects would have only negligible economic effect. On the other hand, I think that, as to many of the communities involved, the projects would be most helpful in alleviating unemployment and restoring prosperity.

I have again urged the President to lift the freeze order, which is blocking the planned progress of these urgent projects.

The White House reply is naturally most disappointing and I hope that it will be relaxed at an early date. I also hope that the House, in its wisdom, will take effective action in seeing to it that there is no undue delay in the construction of such worthy projects as West Hill and Westville despite the budgetary restrictions.

The White House indicates that the economic effects of West Hill are negligible. West Hill is located in the Blackstone Valley, long a center of the textile industry in Massachusetts and Rhode

Island. We all know what has happened to the New England textile industry and I shall not belabor the point here, but there is no question that economic good would be brought to the Blackstone Valley area with the construction of West Hill.

However, we are dealing with a more far-reaching problem here: the safety of lives and property in an area periodically ravaged by floods. According to the Army Engineers, if West Hill had been in operation, there could have been avoided approximately $12,215,000 in damages in the Blackstone Basin. Had Westville been in operation, $5,500,000 in damages could have been averted in the Thames Basin, the Engineers estimate, during the 1955 floods.

It is apparent that West Hill and Westville are urgently needed and I hope that the Congress will carefully consider the vital importance of these projects as a protection for the lives and property of residents of the Blackstone and Thames Basins.

Let me again emphasize, Mr. Speaker, my deep appreciation and gratitude on the part of the people of my district, State, and area and my own for the prompt effective action the House and Senate have taken to solve our flood control problems.

FIFTIETH ANNIVERSARY, NAVY NURSE CORPS

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. Bow] is recognized for 30 minutes.

Mr. BOW. Mr. Speaker, today, May 13, is the 50th anniversary of the organization of the Nurse Corps of the United States Navy.

This corps of dedicated women has had a long and honorable history even before it was officially organized and have continued in their fine tradition of service.

Although their activities find them throughout the world, those of us who serve in the Congress has occasion to meet them at the Bethesda Naval Hospital. I am sure, Mr. Speaker, that those Members who have been patients at the hospital have found, as have I, that these angels of mercy have contributed greatly to the comfort, well-being, and recovery of all of us. We have all known the Hafemeisters, Seaburys, Griffiths, VonSteins, and Mackays. Oh, Mr. Speaker, I could go on and name the roster of the Nurse Corps and those attached to the Medical Service Corps, like Steele, and many others. And each one could be singled out for services far beyond the call of duty, and those that we know here are a symbol of the excellent service rendered to the men of the fleet, wherever they may be.

I am sure that all of my colleagues join me in a salute to them in a resounding "well done" for the achievements of the past 50 years.

The corps now enters a new half century of service under a new skipper.

Capt. W. Leona Jackson of Union, Ohio, retired as Chief Nurse just 2 weeks ago. Capt. Ruth A. Houghton of Andover, Mass., is now in charge.

All Ohioans are proud of Captain Jackson's splendid record in the service. We wish for her a long and stimulating life, for, although she is officially retired, her interests will keep her active and occupied.

To Captain Houghton we extend our heartiest wishes for a successful tour of duty in this very responsible position.

She will carry on a tradition that had its beginnings in 1811—9 years before the birth of Florence Nightingale—and a young Navy surgeon was recommending that nurses be included among the personnel of Navy hospitals. This surgeon, Dr. William Paul Crillon Barton, had been commissioned by the Secretary of the Navy to put down on paper "such ideas as he entertained respecting the proper and systematic mode of conducting hospitals and institutions for the sick."

Such ideas as he entertained in a world where compassionate and scientific care of the sick had not yet entered heavily into man's social consciousness were remarkably farsighted. Regarding the part nurses were to play he was fairly explicit:

> The nurses whose number should be proportionate to the extent of the hospital and the number of patients, should be women of humane disposition and tender manners; active and healthy. They should be neat and cleanly in their persons; and without vices of any description. They should reside in small convenient apartments adjoining the wards they belong to. They are to attend with fidelity and care upon all the sick committed to their charge.

It was almost 100 years later—May 13, 1908—before Dr. Barton's recommendations on inclusion of nurses bore fruit; for that intervening period, the ships' surgeons who cared for the men of the fleet were still to carry on without trained nurses. The colorful pages in the history of the United States Navy contain many testimonials to the surgeons' courage and resourcefulness. Their only assistants were members of the crew assigned to them. These surgeons, charged with the care of the sick and wounded, felt the need for trained workers. As the science of medicine and general concern for the humane social order developed, medical care for the Armed Forces grew in importance, both to those whose interests were in an efficient military organization and to those who held the lives and welfare of our fighting men to be a vital obligation.

It was in accord with this trend that a Bureau of Medicine and Surgery was established by act of Congress in 1842, and in 1898 the hospital corps was authorized, raising the status of the "baymen"—referring to the men in attendance in the ship's sickbay—to an organized group of corpsmen, with specified qualifications and duties.

Meanwhile, the development of nursing, first as a vocation and art, and later as a science as well, had proceeded steadily in all civilized countries of the world. What had begun as the merciful ministration of untrained women, many from religious orders, had grown into a young, but uniquely endowed profession. This profession brought education and training to the inherent arts and sensitivities that made women so peculiarly adapted to caring for the suffering. By the close of the 19th century, the work of these pioneer nurses had gained recognition, not only from the medical profession but also from the general public. Women nurses began to be considered as indispensable in the conduct of all hospitals of repute.

It was natural that the medical officers and others interested in the welfare of the Navy should begin to seek the aid of this new profession. The first trained nurses in the Navy, though not an official unit, were a group of women employed at the naval hospital, Norfolk, Va., in 1898, to care for the sick and wounded of the Spanish-American War. This group was neither enrolled nor enlisted, nor were they sure of being paid. A verbal agreement was made that they should be reimbursed for the traveling expenses and receive moderate pay if means could be found for such. Later, they were paid from a fund not appropriated by Congress. They served 50 days.

At various other times, on recommendation of its medical officers, the Navy employed trained nurses on a contract basis to meet needs in certain naval facilities.

Upon establishment of the Nurse Corps as an integral unit of the Navy in 1908, nurses were assigned to the Naval Medical School Hospital, Washington, D. C. The group consisted of a superintendent, a chief nurse, and 18 nurses. As the Navy did not provide quarters for these nurses, it was necessary for them to rent a house and open their own mess.

Early in 1909, nurses were sent to the naval hospitals in Annapolis, Md., and Brooklyn, N. Y. Soon they were receiving orders for duty at Mare Island, Calif., and other naval hospitals. In 1910, the Navy sent its first nurses to the Philippine Islands, and soon after to Guam, Honolulu, Yokohama, Samoa, the Virgin Islands, Haiti, and Guantanamo Bay, Cuba.

As the only women of the Navy, the nurses were a unique group. Congressional order designated them neither as officers nor enlisted men, but they had a military as distinguished from civilian status. On several occasions the decisions of the Judge Advocate General officially recognized them as members of the naval service, and amenable to naval discipline.

With the First World War came the first great challenge to the Navy Nurse Corps. By now, the nursing profession had developed into a self-sufficient, organized unit. Women had entered into a new era of recognition and were participating in many activities and occupations from which the prejudices of an earlier day had barred them. Schools of nursing had been elevated to high standards, and the training of nurses was a well-ordered educational process. It was well for the Nation that this body of trained nurses was ready to assist in caring for the wounded and ill of the Armed Forces. The epidemic of influenza which swept the civilian population as well as the military establish-

ments added to the urgency of nursing needs.

During the First World War, the professional nurses of the United States established their worth for all time, and their sacrifices, their courage, their devotion to duty, as well as their achievements, earned them the respect and love of the fighting men and their countrymen.

Navy nurses shared creditably in this coming of age, and their record during that war is an enviable one. They were assigned to hospitals in England, Ireland, Scotland, and the coast of France. On loan to Army medical facilities, some Navy nurses served with field units in France. Four Navy nurses were awarded the Navy Cross for outstanding service, three of the awards being made posthumously; two other nurses received the Army citation "for special, meritorious, and conspicuous service."

After the war, the Nurse Corps advanced steadily in military and professional standing. Time brought enrichment of tradition and acceptance of the nurses within the naval order.

In January 1945, a destroyer, the U. S. S. *Higbee*, was named after Lenah S. Higbee, the second Superintendent of the Nurse Corps, and one of the four women of the Navy who received the Navy Cross. This was the first time in the history of the naval service that a fighting ship was named after a woman in the service.

The opportunities for travel and service in the farflung stations attracted many young women of spirit and imagination to the Navy. Wherever the American Fleet sailed Navy nurses followed, caring for the men and aiding in public health programs in remote stations. The record is filled with varied and rich experiences, from the teaching of native girls in primitive Pacific isles to assisting with major surgical operations at sea, aboard the white hospital ships.

Along with these colorful accounts, the log shows the steady progress of the corps through the years. Soon after World War I, the Nation began a program of disarmament. With abandon, the United States Navy, along with other services, was stripped of power and ships and men. The Nurse Corps was reduced in numbers until in 1935, under the Economy Act, its membership dwindled to 332.

Some months before the Japanese struck, American dependents of servicemen, along with other women nationals, were evacuated from most of the Pacific islands, but Navy nurses stayed on at their stations to care for the men of the service. When the attack came, Navy nurses were on duty at Pearl Harbor, Kaneohe Bay, the Philippines, Guam, and aboard the U. S. S. *Solace*.

Five nurses were captured at Guam, but were repatriated after being interned in Japan for 6 months. One of these nurses returned to Guam in 1944, the first Navy nurse to set foot on that island again after it was retaken from the Japanese.

Eleven Navy nurses, taken at Canacao in the Philippines, were freed in February 1945 at Los Banos, near Manila, 25 miles inside enemy lines, after 37 months of imprisonment by the Japanese. In March 1945 the nurses arrived in San Francisco by naval air transport. All during the imprisonment these courageous women cared for the sick and wounded in the internment camp working under tremendous difficulties. All were awarded, in September 1945, the Bronze Star Medal by the Army for meritorious service in the Philippines, a Gold Star in lieu of a second Bronze Star Medal by the Navy, and the Army's Distinguished Unit Badge.

One Navy nurse, part of a Navy operating unit serving with the Army on Bataan, escaped from Corregidor in a submarine to Australia and in July 1942 returned to the United States. This nurse was the first person in the entire naval service to receive the Legion of Merit, an honor designated by Congress for outstanding devotion to duty. This nurse also wears the Army's Distinguished Unit Badge.

All through the war, thousands of Reserve nurses served beside the members of the Regular Corps all over the world. On July 31, 1945, a fortnight before the surrender of Japan, the grand total of nurses was 11,021; 1,799 of whom were in the Regular Corps and 9,222 in the Reserve.

In spite of acute shortages throughout the country, the Navy was still able to hold its standards and enroll nurses of fine qualifications and experience. In the Nurse Corps they have found opportunities for the exercise of all their special abilities and skills. Thousands of young men of the Navy had to be trained during the war to be hospital corpsmen. The majority of these hospital apprentices and pharmacists' mates had never been inside a hospital before their enlistment. Their teaching and supervision were important duties of the Navy nurses, many of whom were experienced instructors. Their contribution to this work was invaluable. Navy nurses were proud of the record of these men who tended our naval and marine casualties aboard fighting ships and on invasion beaches.

Navy schools for teaching native nurses on Samoa and Guam have through the years been performing a real service. After Guam fell to the Japanese in 1941, native girls trained by Navy nurses supplied the only skilled care to their people during the occupation. The school was reopened a few months after our forces retook the island from the Japanese in 1944. These native nurses have splendid influence among their people and do much to improve health conditions on the island.

The school for native nurses on American Samoa also has a proud record. The work of this school was not interrupted to a large extent by the war. The native girls make good nurses, are highly respected by the people of the villages, and by the time the girls are through they are quite conscious of their influence for better public health on the island.

The schools on the Virgin Islands and Haiti were maintained for some years by the Navy, but gradually these schools were turned over to the governments of those islands as Navy facilities there were reorganized.

Late in 1943, two Navy nurses were sent to Brazil, at the request of the Brazilian Government, to establish and train a Nurse Corps for that country's Air Corps. In spite of great handicaps of language and a reluctance on the part of the women of Brazil to enter nursing or other occupations, these two nurses made progress. The school opened September 11, 1944, and the first class completed the 8-week course in November. Classes were held in a part of the Government's airfield at Rio de Janeiro especially set aside for the flight nurses. Because of large jungle areas and mountainous terrain, transport of sick and injured by plane from these areas is an important health advancement in Brazil. To the nurses there, learning the art of caring for the sick while traveling by plane, comes the satisfaction of pioneers making history for their country.

At home, the first class of 24 flying Navy nurses completed flight indoctrination January 22, 1945. They immediately started active flying service on 24 flying teams, consisting of a nurse and a pharmacist's mate. After some transcontinental trips with wounded, the teams went to the Pacific to serve in the Naval Air Evacuation Service, the first arriving in Guam in early February 1945. They worked tirelessly during the Iwo Jima and Okinawa campaigns flying out the wounded. Within 30 days, approximately 4,500 injured men were flown out of Okinawa alone.

Another of the many new and rewarding responsibilities of our Navy nurses in World War II was the training of young women reservists—Waves—for the Hospital Corps. These trained young women replaced corpsmen in their many duties in hospitals in this country and Hawaii, relieving those men for duty in forward areas. For Waves, schools were established at the National Naval Medical Center, Bethesda, Md., and at the United States Naval Hospital, Great Lakes, Ill., with Navy nurse instructors.

Also at home, the successful establishment of the Cadet Nurse Corps in naval hospitals won recognition and support from foremost educational and nursing institutions.

With the great expansion and multiplication of duties of the nurses of the Navy new recognition came to the corps. On July 3, 1942, an act of Congress granted nurses permanent relative rank of commissioned officers. Corresponding base pay and, with some exceptions, allowances were legislated December 22, 1942. The bill granting permanent commissioned rank with commensurate pay and allowances was signed by the President on April 16, 1947. With the great expansion of responsibilities of the nurses, actual rank was only a just recognition and protection. It defined the position of the nurses within the Navy organization.

Immediately following the violation of the 38th parellel by North Korean forces, Reserve nurses who had served during World War II were ordered to

report for active military service to care for casualties. This was the first involuntary recall experienced.

During this critical time, Navy nurses have continued to serve with distinction aboard three hospital ships anchored in Korean waters, aboard planes evacuating sick and injured from forward areas, aboard Navy and MSTS transport vessels and at some 150 other medical department activities at home and abroad. Three nurses have been awarded Bronze Stars and six have received letters of commendation with ribbon for meritorious service. For the first time in the history of the corps a Navy nurse who was an amputee and retired, returned to assist with the rehabilitation of others.

Navy nurses provide professional nursing service and supervise and teach Hospital Corps personnel who in turn provide nursing service. Hospital corpsmen receive a basic training program in nursing and related sciences in Hospital Corps schools. They are then assigned to hospitals where they work under the supervision of Nurse Corps officers and continue their preparation so that they are ultimately prepared for duty aboard ship or with the Fleet Marine Forces.

The Nurse Corps has some 2,100 nurses on active duty, about equally divided between the Regular and Reserve components. These nurses are serving in hospitals, infirmaries, dispensaries, and Hospital Corps schools within the United States; overseas they are assigned to activities in Alaska, British West Indies, Cuba, Hawaii, Italy, Japan, England, France, Marianas Islands, Newfoundland, Philippine Islands, Spain, and Formosa. At sea they are serving aboard naval transports and ships of the Military Sea Transportation Service. A small number of qualified flight nurses are assigned to air evacuation with both Navy and Air Force activities. A few are assigned to Offices of Naval Officer Procurement to process applicants for appointment in the corps.

On May 13, 1958, the Navy Nurse Corps celebrates the 50th anniversary of its founding and looks back with justifiable pride over a period of five decades of accomplishment. More important, it looks forward to ever greater performance within the framework of the Navy Medical Department in the years to come.

Mr. Speaker, all of us are proud of this Navy Nurse Corps, and we join with them in the celebration of their 50th anniversary.

We wish for Captain Houghton a most successful administration and to all the Navy Nurse Corps a continuation of their glorious record.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to my colleague from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Speaker, Captain Jackson is a very illustrious and valiant member of the Third District of Ohio. We are very proud of the great record of achievement that she has made, and of her great service to our United States Navy.

I should like to associate myself, Mr. Speaker, with the very fine tribute paid to all of these members of this great Nurse Corps by the gentleman from Ohio, Mr. Bow.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Speaker, I concur in the statement made by my distinguished friend from Ohio and commend the gentleman from Ohio [Mr. Bow] for calling to our attention on this particular day the splendid services rendered by this great organization. As the distinguished gentleman from Ohio knows, I, too, have been in the Naval Hospital and have had the opportunity to gain an appreciation of the services that this great unit has given not only to me, but to the people of the country.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, may I congratulate the gentleman from Ohio on bringing this anniversary of the Navy Nurse Corps to our attention. It is a fine corps of high standards, and the gentleman has rendered a real service to the House in bringing it to our attention at this time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentlewoman from Massachusetts who has done so much for all of the armed services and for the veterans of this country.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted the gentleman is paying this very much deserved tribute to this wonderful Navy Nurse Corps. I know of the lives they have saved and of their self-sacrifice. I am overjoyed and wish I could say even more.

Mr. BOW. I thank the gentlewoman from Massachusetts.

HONORING WINNERS OF HANDICAPPED ESSAY AND POSTER CONTEST AT PATERSON, N. J.

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from New Jersey [Mr. CANFIELD] is recognized for 5 minutes.

Mr. CANFIELD. Mr. Speaker, recently it was my privilege to attend a luncheon in Paterson, N. J., at which time the Paterson Physically Handicapped Committee honored the winners of the handicapped essay and poster contest. I am reminded, as I was at the time of the luncheon, of the significant elements of personal and community endeavor which were so apparent. I would like to bring to the attention of my colleagues in the House of Representatives some of the thoughts that I have in retrospect.

Six senior high-school students were the honored winners. The essay winners were: First prize, Mary Koss, St. Mary's High School; second prize, Jane Earl, Butler High School; and third prize, Caroline Friedhoff, St. Mary's High School. Top award poster winners were: First prize, Jane McCormack, Hawthorne High School; second prize, Barbara Morrison, Wayne High School; and third prize, Donald H. Acheson, Fair Lawn High School.

Dr. Karl Platzer, manager of the Paterson office of the New Jersey State Employment Service, and members of his office staff joined officials in the field of labor and management to acknowledge publicly the efforts of the essay and poster winners. Judges of the contest were Elwood C. Bengert, Miss Elsie Reiffen, Dr. William Fisher of Rutgers University, Prof. Bernard Siegel of Montclair State College, and John L. Botte, instructor of English at Seton Hall University.

Significant progress has been made by the Paterson office in helping disabled workers to compete more favorably for jobs with the nondisabled. From January through December 1957, the office has placed 375 handicapped persons, a State record. In 1958, through the end of March, 78 have been placed in useful occupations.

An incident which took place in January 1958 tells better than any comments of mine the efficiency and understanding with which the local Paterson office has approached the performance of its daily tasks. After closing hours on January 7, an employer visited the office and spoke with members of the supervisory staff relating to the hiring of a handicapped man. At approximately 8:45, the following morning, the selective placement counselor was informed that there was a possibility of an opening at a nearby silk-weaving company for a handicapped individual. The counselor immediately called the employer to obtain confirmation and a statement of the job content.

During this telephone conversation a severely handicapped applicant walked into the employment office. He was 32 years of age, paralyzed on his right side from early childhood. He walked with a pronounced limp and had about 20 percent use of his right arm and hand. He spoke with a pronounced stutter and slur. He had had 2 years of high school to his credit and formerly held a hotel porter job in a large city in another State. This chap had been without income for a considerable length of time, and only through the effectiveness of the local Salvation Army was he fed and clothed.

The employment counselor, recognizing the handicapped applicant, and knowing his background, needs, and abilities, described him on the telephone to the employer. As a result of this, the employer arrived at the local employment office, interviewed, tested, and hired this worthy handicapped fellow. All this was accomplished in the Paterson office by 10 o'clock in the morning. The efficiency and perception which accompanied the happy solution of this particular case is only one of the many, many services daily performed in Paterson, and other local employment and rehabilitation offices.

From an economic standpoint, we have gained immeasurably by transforming nonproductive, dependent tax consumers into productive, self-sufficient taxpayers. From a social viewpoint, important human and social values, benefiting the individual, his family and the community, have been promoted.

The end of 1957 saw steady progress in the employment of the physically handicapped. I am told the number of job placements of physically handicapped persons by public employment services surpassed the 300,000 made in 1956.

The most encouraging aspect of this picture is the fact that every year industry successfully absorbs more severely disabled persons than the previous years. This has resulted from the greatly increased emphasis placed on vocational rehabilitation since 1954.

Community projects, such as the essay and poster contest, are valuable sources for making the community more aware of the benefits to be derived—both social and economic—from giving more handicapped persons a chance at gainful occupations.

Yet much remains to be done. The handicapped constitute a deep reservoir of skills, talents, and energies. We do ourselves a disservice by any reluctance to employ those with the will to do.

Although it was my privilege at the time of the luncheon to congratulate personally the winners of the Paterson essay and poster contest, and the committee sponsoring the contest, I again offer my hearty congratulations. It is my sincere hope that in the Paterson area these dedicated efforts will continue to result in the employment of the handicapped on the basis of their abilities.

A COMPROMISE COTTON PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. JONES] is recognized for 30 minutes.

Mr. JONES of Missouri. Mr. Speaker, I have requested this time to talk about cotton, one of the basic and more important commodities, inasmuch as it is the world's most versatile and most widely used fiber. The production, distribution, processing, and merchandising of cotton directly affects the lives of more people, and influences the economy of more communities throughout the United States than any other product of this land of ours.

More than 7 million Americans are employed in producing, manufacturing and delivering cotton to the consumer. Cotton has supported a large part of our economy for two centuries. Its export maintained the financial integrity of the United States before the whole world for a hundred years.

Never, during the 10 years that I have been a Member of Congress, can I remember when there was more misunderstanding about the problems confronting those who depend upon cotton, as there is today. Cotton has problems which are peculiar to no other crop or commodity, being affected by social, economic, and political influences.

Because they know of my interest in this problem, there is hardly a day that some Members of this body, both from areas of production and from the industrial areas wherein are located the mills which process this fiber, do not ask me how our Committee on Agriculture is progressing in the writing of a cotton bill. Almost every day I receive letters inquiring as to this progress, or suggesting plans which might be helpful in solving this problem.

I am happy to report today that I believe we have made some progress in developing legislation which will be helpful to not only the producers but to the processors and the consumers of cotton. On yesterday afternoon the Cotton Subcommittee of the House Committee on Agriculture, of which my neighbor and colleague, the Honorable E. C. (TOOK) GATHINGS, of Arkansas, is chairman, approved and reported to the full committee with the recommendation that it be included in the overall omnibus farm bill, what has been referred to as the committee print of a proposed cotton program for 1959 and succeeding years.

Cotton is an important crop in Missouri, and it might be surprising to some to learn that in at least 7 years out of 10, cotton is the largest cash crop in Missouri, although more than 99 percent of Missouri's production is grown in 7 of the 11 counties that I am privileged to represent in the 10th Congressional District. While the normal production of cotton in Missouri, in the absence of controls, is usually around 400,000 to 450,000 bales, last year, due to a combination of circumstances, including rains and floods that set new records, and the Soil Bank, this area produced only slightly more than 179,000 bales. The previous year, 1956, with one of the highest yields in history, and the largest yield of any State outside of the irrigated areas of the Far West, Missouri produced approximately 448,000 bales.

Unless this Congress takes some action, the cotton farmers of this Nation face a 20 percent reduction in acreage in 1959. This means that the United States could not possibly produce sufficient cotton to meet the domestic and export demands, which are conservatively estimated, both by the Department of Agriculture and the cotton trade to be in the neighborhood of 13 million bales. Last year, the United States produced less than 11 million bales, and the year before slightly more than 13 million. This year, with a very large acreage in the Soil Bank, and with the unfavorable planting season which has prevailed throughout a large portion of the Cotton Belt, it is doubtful if the total production in the United States will exceed 10 million bales. If the provisions of the present law remain in effect, which would permit the planting of only slightly more than 14 million acres in 1959, and unless Congress takes some effective affirmative and positive action during this session, there is every reason to believe that the total production in the United States in 1959 will not exceed 10 to 11 million bales of cotton.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Missouri. I will be glad to yield to my colleague from Arkansas, the distinguished chairman of our Cotton Subcommittee, who has worked tirelessly on this problem.

Mr. GATHINGS. I should like to commend the gentleman from Missouri on a job well done in his work on behalf of the cotton farmers of America. He has worked zealously all along the line for the past many years as a member of the Committee on Agriculture in the espousal of measures beneficial to American agriculture. It has been a distinct pleasure on my part to serve with him on that committee. He is chairman of the Subcommittee on Soybeans, which is now regarded as a major commodity over a wide area of the country.

We have had his able counsel and energetic assistance in our recent work in coming out with a new cotton program for 1959, 1960 and 1961 that will be reported to the full committee in a very few days. I congratulate the gentleman wholeheartedly for his splendid work. In my service here as a Representative of the district that adjoins his I want to say that I have never known a Member to be more diligent and effective in representing his people.

Mr. JONES of Missouri. I thank the gentleman for his compliment.

Everyone, including the experts in the Department of Agriculture, agree that an acreage allotment of only 14,200,000 acres in 1959 would lead to a disastrous situation, practically the destruction of the cotton industry in the United States. With such a shortage of cotton as would result from such a drastic reduction in acres, we would not only be encouraging but would actually be forcing the mills of this Nation to further increase the use of synthetics. Also we would be inviting—yes, even forcing—greater expansion of cotton production in other countries. The United States long ago lost its historic share of the world market, and the record shows that every time production is reduced in the United States it is increased in other areas of the world. From experience, bitter and costly experience, we have learned that once markets are lost, either at home or abroad, they are most difficult to regain.

No one realizes more than I do that to regain and hold these markets, cotton must be competitive, not only in quality—and ours is the best—but in price, which it can be with a minimum amount of assistance from this Government, which must assume at least a part of the responsibility for the condition in which the cotton industry finds itself at this time. A great deal has been said about surpluses which were built up over a period of years, but these surpluses now have been greatly reduced through a realistic export program.

I cannot refrain from reminding you, Mr. Speaker, and my friends, that a large portion of this surplus which caused so much of our trouble and which brought about much of the criticism and opposition to continuation of a cotton

support program, was due directly to actions of our Government, which at the time were not only justified, but accepted as the only course which could be followed.

Let me remind you that in 1950, the year that the Korean war began, we were operating under quotas, and on top of that the farmers of the United States produced a small cotton crop, less than 10 million bales. In 1951, because of the war, and with a small backlog of cotton, next to steel the most strategic war material, the Government called on the farmers of America to produce as much cotton as possible—in fact, the goal was set at 16 million bales, but the production amounted to only 15 million bales. The following year in 1952, there were still no quotas and again the Government pleaded with farmers to produce 16 million bales, but again the production fell short, being 14,861,108 bales. In 1953, there were still no quotas and farmers produced in excess of 16 million bales.

If there had been no embargoes, if there had been no allocation of sales of cotton, the cotton farmers of America could have been selling some of this surplus. Yes, they could have sold some of it for the world price which was close to and above $1 a pound during a part of that war period. But cotton was a strategic material, it was needed at home if hostilities continued. Let us not forget these things when we talk about the farmers contributing to surplus. Let us remember that if there had not been controls on sales abroad he could have sold a part of this crop for more than twice what he was permitted to receive in the domestic market when there was an embargo on exports. Yes, I maintain that the Government, and this Congress still have an obligation to the American cotton farmer, since this Government has played an important part not only in causing him to lose his foreign markets, but also in encouraging the expansion of cotton production in many lands throughout the world, through the advancement of funds in the nature of both gifts, loans, and technical assistance.

Now, the question is, what can be done to help the cotton industry of the United States? Again, there is a vast amount of misunderstanding about the various plans which have been proposed and which have been discussed by the Cotton Subcommittee of the House Committee on Agriculture.

The two proposals which have been given the greatest publicity during the past few weeks and which have been discussed in our Cotton Subcommittee are the plans known as the Farm Bureau Dallas plan, and the so-called committee print.

Just this past week, I received a letter from a friend of mine in southeast Missouri, a former president of Farm Bureau in his county, who asked me to support "the Farm Bureau plan which is supported by the Missouri Cotton Producers Association." Well, there just isn't any such plan. The American Farm Bureau Federation has had more than one plan during the past few months, but during a meeting of Farm Bureau representatives held at Dallas on April 12, to which representatives of some other organizations interested in cotton were invited, the Farm Bureau came up with its latest plan. But, contrary to some statements which have been made by American Farm Bureau Federation representatives, the other groups did not then, and have not since endorsed the Farm Bureau proposal.

Now, let us look for a moment at the Farm Bureau proposal, and then I'll tell you why I do not think it is the answer to our problem, and why it does not take care of the people who are involved and who need help at this critical hour.

THE FARM BUREAU PLAN

First, Farm Bureau says it offers a long-range program for cotton, and suggests two steps in reaching this long-range program. The two steps, for 1959 and 1960, would provide a choice for individual cotton producers. Personally, I would like for farmers to have a choice, but not the choice offered in this plan.

Farm Bureau proposes legislation to be passed this year which would provide:

In 1959: Farmers would be given a choice of:

(A) Staying with the present program, which would result in approximately a 20 percent reduction in acres—from the 1958 allotments—but with the same price support structure as in the present law which would result in higher supports next year—conceivably as high as the 90 percent of parity maximum provided in the law. Price supports for the crop this year are estimated to be around 84 percent of parity.

(B) A price support program providing for 15 percentage points of parity less than that available under choice A, and a 40 percent increase in individual acreage allotments that would otherwise be effective for such farm in 1959 under the present law.

Explanation: Under the present law, and if it is not changed, cotton allotments next year will be about 20 percent less than this year, and the farmer who has a 40-acre allotment this year will find himself with a 32-acre allotment next year. Thus the farmer who would be willing to accept a reduced support of 15 parity points would be allowed under the Farm Bureau proposal to plant between 44 and 45 acres, instead of the 40 acres he had this year at the higher support.

The Farm Bureau plan for 1959 also includes a CCC release price for cotton at 110 percent of the lower support price—choice B—plus carrying charges; and the export program would be changed from the current program to one providing for direct subsidy in cash or in kind, with emphasis on payment in kind. There is considerable doubt that this would make cotton competitive, and in my opinion would result in building up surpluses.

In 1960 the Farm Bureau proposal would give individual cotton producers a choice between (A) the acreage allotment provided under the present law and price support as provided under present law—same as under choice A for 1959; or (B) a support price equal to 90 percent of the previous 3-year average market price as reflected in the 14 spot markets, which means the parity formula is abandoned. The CCC release price and the export would remain the same as in 1959.

The plan also provides that the additional acres authorized under choice B for 1959 and 1960 shall not be taken into account in establishing future State, county, and farm acreage allotments.

Under the Farm Bureau long-range plan, in 1961 all producers would have the same price-support program. This would be a price support equal to 90 percent of the average 3-year market price. This is not, and I repeat not, 90 percent of parity. An acreage allotment, based on meeting the requirement for cotton in 1961–62. This includes both domestic and foreign markets. The CCC stocks would be set aside as of August 1, 1960, and released at not less than 115 percent of the price support level, effective in 1961, except as necessary to acquire the funds needed to pay the export subsidy for cotton. Farm Bureau explains this by saying that if, for example, exports are 5 million bales and the subsidy is 6 cents per pound—$30 a bale—this would require the sale of approximately 1 million bales from CCC in order to acquire the necessary dollars to pay the export subsidy.

Farm Bureau stated in its presentation of this program that it was drafting legislation to accomplish the step-by-step program outlined above, but has repeatedly and consistently refused to draft this legislation without including also plans for other commodities.

I know that someone might say that I was prejudiced or unkind, if I made this next statement, so I am merely going to quote from the May 10 issue of the Washington Farm Reporter, of the National Agricultural Research, which says: "Officials of the AFBF concede that the effect of their program would be to force small growers out and concentrate production in large farm areas, principally, the West." Personally, this Representative from the 10th Missouri District is not about to support any program which its authors say has this objective.

THE COTTON SUBCOMMITTEE PLAN

After weeks of hearings and study, and particularly after attempting to meet most of the objections of the Department of Agriculture, the Cotton Subcommittee drafted legislation, previously referred to as a committee print, and, on May 12, recommended that this plan be referred to the full Committee on Agriculture for inclusion in a general farm bill being drawn together to deal not only with cotton but also to embrace programs for several other crops.

The subcommittee plan calls for a referendum of cotton producers not later than December 5, on whether they want to continue to operate under the present program, with an allotment of only about 14,200,000 acres in 1959, or move to a new program with larger acreage allotments and a 2-level price support system over the next 3 years.

If more than one-half the cotton farmers favor a new program, under the

subcommittee plan, the base national acreage allotment for cotton would be set in each of the next 3 years, 1959, 1960, and 1961, at the number of acres required to produce the needs of American cotton for domestic use and for export. Present estimates are that this base acreage would be approximately 17,777,777.

Then each individual farmer would decide whether to (A) stay within his individual allotment under the national allotment of around 17,777,777 acres, and receive a price support in 1959 at not less than the 1958 level—probably about 84 percent of parity—and a price support level in 1960 and 1961 based on the supply situation as provided in the present law, between 75 and 90 percent of parity; or (B) plant up to 30 percent above this base allotment, and receive a reduced support price, which could be no lower than 65 percent of parity.

In alternative (B) the Secretary of Agriculture would determine in each of the next 3 years, the level of price support, at 65 percent of parity or above, and would say by what percent the farmers choosing plan B might increase their acreage, up to the limit of 30 percent of their base allotments.

Each farmer would have complete freedom to choose either one of these two routes.

Under the legislation approved by the subcommittee for inclusion in the general farm bill, the Commodity Credit Corporation would purchase all cotton produced by farmers who choose to stay within their base allotments, assuming the market price was not above the support price, and the CCC then would offer this cotton for immediate sale at no less than 105 percent of the lower support level provided for those farmers who elected to plant up to 30 percent more acres, plus carrying charges. Thus, it would be assumed that if the Secretary set the support level for farmers planting above base allotments at 65 percent of parity, the market price for cotton probably would be no less than 69 percent, due to the fact that CCC would not sell below that level.

The subcommittee approach would assure that American cotton not only will be competitive on the world market but also that our cotton will be made available to domestic mills at a price comparable with the export or world market price.

There would, of course, be a subsidy just as there is at the present time, but the benefits would be shared not only by the producers who stay within their basic allotments, with no reduction in acreage, but also by the domestic mills which would be placed in a more favorable competitive position with foreign manufacturers. A part of the burden would be borne by those producers who are in a position to increase their production at a lower cost.

It would appear that while the Secretary of Agriculture is opposed to compensatory payments or subsidies which would be involved in the committee print proposal, that this administration has recognized the equity and I might say the necessity for deficiency payments, through its acceptance or endorsement of a 5-year plan for deficiency payments which would go to the mining industry for the production of five minerals which are hard hit at this time. Even the Department of Agriculture has supported direct payments and subsidies for both wool and sugar, and the AFBF also supports these programs.

I might say, Mr. Speaker, that as one who has attended practically every hearing conducted by the Cotton Subcommittee, and who has participated in most of the discussions in an attempt to arrive at a satisfactory solution to this problem, I am convinced that this committee is not wedded to any one plan, and while each member has his own ideas about the best plan, the committee print approved yesterday comes near meeting the problem and is a satisfactory compromise. Naturally, I believe the bill I introduced last year still offers the best solution.

As a Representative from one of the great agricultural districts of this Nation, whose main crop is cotton, I am not advocating lower income for any farmers. I have consistently voted to continue 90 percent of parity because I believe our farmers are entitled to comparable and equitable treatment accorded to other segments of our economy. Already this session I have voted for legislation, passed by the Congress, which would have guaranteed acreage allotments for 1959 at least as large as those in effect for 1958, and which would have prevented support prices from slipping below those now in effect. Unfortunately, upon the recommendation of Secretary Benson and the American Farm Bureau Federation, the President vetoed that bill. There is still need for Congress to override that veto, and even greater need for Congress to pass, and the President to sign, a long range farm bill, which will guarantee the economic security of the farmers of America. Our committee is working diligently to reach this goal, and we earnestly solicit the support of every Member of this body in getting this legislation passed and approved.

ATOMIC ENERGY COMMISSION—ENIWETOK TESTS

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the KGW-TV—Portland, Oreg.—News Beat program, May 7, 1958, referred to my recent trip to the Eniwetok Proving Grounds and to my speech last Wednesday in the House. The relevant portion is:

Introduction by DICK ROSS. The Atomic Energy Commission has confirmed that the first test shot of the "58 series at Eniwetok was fired 9 days ago. But this was not announced until Congressman CHARLES PORTER of Oregon broke the news in Congress. PORTER strongly criticized the AEC for not announcing the test previously.

I think Tom McCall has a comment or two on Mr. PORTER's statement today. Tom?

TOM MCCALL. As you probably know, Dick, Representative PORTER—although a relative newcomer to Congress—is accustomed to converting controversy into headlines.

This energetic young lawyer from Eugene has conducted a justified vendetta with South American dictators * * * and highly publicized battles with the Defense Department and Atomic Energy Commission.

He went to the Eniwetok test site last month at the invitation of California Congressman CHET HOLIFIELD, who is chairman of the House Atomic Energy Committee.

PORTER was there as one of X number of observers. How many hundreds of others were in the area, working on the actual test—I don't know, either.

But you can safely conclude that a great host of persons were entrusted with the secret of the April 28 blast.

Congressman PORTER criticizes the AEC for withholding the information. He reports that AEC Chairman Lewis Strauss told him secrecy was necessary to keep the Russians from testing their nuclear-detection equipment.

It would seem to me, though, that this difference of opinion is no excuse for the Congressman's disclosure on the House floor today.

Representative PORTER owes Americans an explanation of why he alone, of the hundreds who knew the secret, felt privileged to break the rules of the game. This was one headline that was not his to make.

Mr. Speaker, in disclosing the first blast of this test series, I did not "break the rules of the game" in any way. My speech, every word of it, was cleared by Charles Marshall, the chief security officer for the Atomic Energy Commission, the morning of the day I delivered it. Every change recommended by Mr. Marshall was made by me. These changes included six excisions and one addition for clarity. Incidentally, I did not go to Eniwetok at the invitation of the gentleman from California [Mr. HOLIFIELD], but he did emphatically approve my going.

Mr. McCall is usually an accurate, fair, and perceptive commenator.

He must have been misled by incomplete wire reports. I deny the necessity for the strict security practices of the Atomic Energy Commission but as long as they are supported by law I shall, of course, abide by them.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MACHROWICZ, for 30 minutes, on tomorrow.

Mr. JOHANSEN, for 90 minutes, today.

Mr. CANFIELD, for 5 minutes, today.

Mr. JONES of Missouri, for 30 minutes, today.

Mr. HIESTAND, for 60 minutes, on Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOGGS and to include extraneous matter.

Mr. MACHROWICZ and include extraneous material.

Mr. SILER.

Mr. MUMMA and include an article entitled "We Are in Serious Trouble."

Mr. OSTERTAG.

Mr. KILBURN (at the request of Mr. OSTERTAG).

Mr. OSMERS and include extraneous material.

Mr. SIMPSON of Pennsylvania (at the request of Mr. MARTIN) and include extraneous material.

Mr. VAN ZANDT and include a statement.

Mr. PHILBIN in two instances.

Mr. ABBITT (at the request of Mr. EDMONDSON) and to include extraneous matter.

Mr. LESINSKI (at the request of Mr. EDMONDSON).

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard; to the Committee on Armed Services.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. H. 11470. An act to adjust the method of computing basic pay for the officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On May 9, 1958:

H. R. 3604. An act 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;

H. R. 7568. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to provide that service in the grade of inspector and the grade of private in the Fire Department of the District of Columbia shall be deemed to be service in the same grade for the purpose of longevity increases; and

H. R. 12009. An act to amend Public Law 85-162 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

On May 13, 1958:

H. R. 7300. An act to amend section 15 of the District of Columbia Alcoholic Beverage Control Act; and

H. R. 11470. An act 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.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.), the House adjourned until tomorrow, Wednesday, May 14, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1913. Under clause 2 of rule XXIV, a letter from the Comptroller General of the United States, transmitting a report on the audit of the Commodity Credit Corporation for the fiscal year ended June 30, 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 382), was taken from the Speaker's table, referred to the Committee on Government Operations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 11382. A bill to authorize the conversion of term insurance issued under section 621 of the National Service Life Insurance Act and to adjust the basis for premiums and other calculations on such insurance; with amendment (Rept. No. 1717). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 11577. A bill to increase from $5 to $10 per month for each $1,000 national service life insurance in force the amount of total disability income benefits which may be purchased by insureds, and for other purposes; with amendment (Rept. No. 1718). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H. R. 7306. A bill to amend title 28 of the United States Code to provide that notice of an action with respect to real property pending before a United States district court must be recorded in certain instances in order to provide constructive notice of such action; with amendment (Rept. No. 1719). Referred to the House Calendar.

Mr. HOLTZMAN: Committee on the Judiciary. H. R. 10378. A bill to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes; with amendment (Rept. No. 1720). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H. R. 12477. A bill to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States; to the Committee on the Judiciary.

By Mr. CLARK:

H. R. 12478. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H. R. 12479. A bill to authorize the modification of the existing project for improvement of Miami Harbor, Fla.; to the Committee on Public Works.

By Mr. FINO:

H. R. 12480. A bill to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption for a taxpayer supporting a dependent who has attained age 65 or is blind; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 12481. A bill to amend the Internal Revenue Code of 1954 to provide that the manufacturers excise tax on business machines shall not apply to stencil cutting machines of the type used in marking freight shipments; to the Committee on Ways and Means.

By Mr. IKARD:

H. R. 12482. A bill to protect the rights of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. MAY:

H. R. 12483. A bill to extend the time for filing certain claims for income tax refunds based on deductions for educational expenses of teachers under section 162 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H. R. 12484. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMPSON of Pennsylvania:

H. R. 12485. A bill to amend section 355 of the Internal Revenue Code of 1954 with respect to distributions of stock and securities of a controlled corporation; to the Committee on Ways and Means.

By Mr. TAYLOR:

H. R. 12486. A bill to provide for the issuance of a special postage stamp on May 1, 1959 to commemorate Law Day, U. S. A.; to the Committee on Post Office and Civil Service.

By Mr. WALTER:

H. R. 12487. A bill to provide for the judicial review of orders of deportation; to the Committee on the Judiciary.

By Mr. BYRNE of Illinois:

H. R. 12488. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H. R. 12489. A bill to amend section 210 of the Highway Revenue Act of 1956 to extend the time for making the final report on the highway-cost-allocation study; to the Committee on Ways and Means.

By Mr. REED:

H. R. 12490. A bill to amend section 210 of the Highway Revenue Act of 1956 to extend the time for making the final report on the highway-cost-allocation study; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 12491. A bill to amend section 210 of the Highway Revenue Act of 1956 to extend the time for making the final report on the highway-cost-allocation study; to the Committee on Ways and Means.

By Mr. GRAY:

H. R. 12492. A bill to expand the public-facility-loan program of the Community Facilities Administration of the Housing and

Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. BOGGS:

H. R. 12493. A bill to increase the amount of benefits payable under the Federal old-age, survivors, and disability-insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. COOLEY:

H. R. 12494. A bill to authorize the Secretary of Agriculture in selling or agreeing to the sale of lands to the State of North Carolina to permit the State to sell or exchange such lands for private purposes; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 12495. A bill making an appropriation for grants-in-aid for the construction of civil defense shelters and other protective facilities; to the Committee on Appropriations.

By Mr. McCORMACK:

H. Con. Res. 326. Concurrent resolution relative to the establishment of plans for the peaceful exploration of outer space; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL:

H. R. 12496. A bill for the relief of Elsa Temple; to the Committee on the Judiciary.

By Mr. HÉBERT:

H. R. 12497. A bill for the relief of Anna Grazioli; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 12498. A bill for the relief of Flint Industries, Inc., Winter Park, Fla.; to the Committee on the Judiciary.

By Mr. PORTER:

H. R. 12499. A bill for the relief of William D. Walton; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

618. By Mr. BROWNSON: Petition of Hazel E. Gray and 25 other residents of Indianapolis, Ind., urging enactment of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

619. By the SPEAKER: Petition of Herbert C. Holdridge, Washington, D. C., relative to H. R. 3789, and requesting protection for the Hopi Indians; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Community Spirit Helps Teacher Training

EXTENSION OF REMARKS

OF

HON. HAROLD C. OSTERTAG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. OSTERTAG. Mr. Speaker, at this time when we are all concerned about the effectiveness of our school systems and efforts to strengthen them, I should like to call the attention of my colleagues here to a simple but effective program of aid to secondary schoolteachers which is being carried on at LeRoy, N. Y., in the 39th District which I have the privilege to represent.

I speak of this program here because of the very worthy attitudes and philosophy it reflects and the meaning it could hold for all our school districts. It illustrates a way in which local industries and civic organizations can do something today to help their own education systems by improving the quality of teaching in their secondary schools and giving more incentive to teachers to remain in their profession.

This is the program:

In each of the past 2 years, Mr. Lester A. Pridgeon, manager of the Jell-O plant in LeRoy, has presented a $1,000 grant to the LeRoy school district to enable one or more of the local high-school teachers to take advanced courses of study during the summer to improve their professional knowledge. The aim is to strengthen the school system by increasing teaching skills where most needed.

The school system administers the program, establishes its own standards, and selects the teachers according to the needs of the school system. Two teachers have been selected each year and two more will be chosen again this year by the school district.

To date, the program has enabled teachers to gain special training in science, guidance, retarded reading, and administration at universities of their choosing. But the benefits of the program have been evident throughout the entire school system.

Dr. Donald Horr, superintendent of the LeRoy schools, enthusiastically acknowledges that the program has paid dividends far in excess of its monetary worth. He explains that the program not only has enabled teachers to increase their knowledge and improve their skills in areas of need, but it also has demonstrated community appreciation for teachers and has benefited considerably the morale of the entire school system. Dr. Horr points out, too, that the program has particular impact because it is a local, personal award and not one endowed by a "Great White Father." It meets educational, financial, and psychological needs, he says.

Now, on the basis of this local success, the parent company, General Foods, has decided to expand this program to other plant communities. So this year 12 more plants in 12 more States are instituting this program in their local communities. It is a source of great satisfaction to me that this simple, direct, and effective program which originated in the town of LeRoy, N. Y., is now spreading to other communities across the country.

It does not require a vivid imagination to see the potential of this program if it were adopted by other industries or organizations. In my opinion it is this type of local, self-help program, operating with many variations throughout the communities of the Nation, which could have a very significant and immediate favorable effect on the secondary education of our Nation.

I wish to commend the leaders of industry and education in LeRoy who recognized this need and took steps to meet it. I commend also the General Foods Corp. for expanding this valuable program to its many other plants across the country. This is not a profound program, neither is it spectacular or costly, but it represents a commendable, straightforward solution to an immediate problem. Our Nation is stronger and better every time our people act directly and responsibly to solve such problems.

Summer Fellowship Program for Secondary School Teachers

EXTENSION OF REMARKS

OF

HON. CLARENCE E. KILBURN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. KILBURN. Mr. Speaker, I was extremely interested in the remarks of my fellow colleague and neighbor, Representative OSTERTAG, from the 39th District of my State, when he referred to a high school teacher fellowship grant program which the Jell-O company originated and is sponsoring in LeRoy, N. Y.

I am interested, and also agree that this type of teacher aid is something which should be noted by us and by other industries and civic groups, as I feel any program to help high school teachers obtain advanced studies during the summer strikes directly at an area in education which needs to be helped the most.

I would like also to bring to your attention and to the Members that this same program, "The Summer Fellowship Program for Secondary School Teachers," is being initiated this summer in my own District at Fulton, N. Y., by the Birds Eye Division of the same General Foods Corp.

I think that Claude Webb, the plant manager of Birds Eye in Fulton, and his parent organization, General Foods, are to be commended in offering such a practical teacher-aid program to the profession at this critical time. I also commend this program to the attention of other industry and community civic organizations.

I know that this summer Fulton high school teachers will be able to take advantage of these grants for further study, and they will certainly be appreciated.

I join with Representative OSTERTAG in congratulating the Jell-O and Birds Eye companies in New York for initiating such a fine and constructive program.

Necessity for Construction of Civil Defense Shelters

EXTENSION OF REMARKS

OF

HON. JOHN LESINSKI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. LESINSKI. Mr. Speaker, I am today introducing a bill to make an appropriation of $250 million out cf money in the Treasury not otherwise appropriated to be expended by the Administrator of Civil Defense in making contributions to States for the construction of bomb shelters and other protective facilities.

For some time I have been very much concerned over the lack of action on the part of the Government to provide shelter facilities for our citizens in the event of an atomic attack. I have been exploring this problem thoroughly with local and Federal officials and believe that some immediate action is called for.

Although the top-secret Gaither report has not yet been released, that document is reported as portraying the United States in the gravest danger in its history. Faced with growing Soviet might and a powerful, ever-increasing Soviet economy and technology, the United States is daily becoming more and more exposed to political, propaganda, and psychological assaults on all sides. We do not know when actual armed attack might also come; we must therefore be prepared for it, as we must for the other assaults.

The Gaither report, in addition to recommending a rapid increase in spending for the military, has recommended that $5 billion a year for several years be spent for a civil defense shelter program. While the appropriation I recommend is not that high, I believe it would provide a good start on the program.

It is regrettable that the administration, in spite of repeated requests from the Civil Defense Administration and in the light of the Gaither report has not seen fit to include in its budget presentations a request for funds for such a project.

I am cognizant of the fact that such shelters may never be used; perhaps that may explain the reluctance of the administration to embark on the program. As a result of my study of the situation, I believe that structures can be built which would serve dual purposes—with appropriate modifications they could be used for civil defense purposes and for everyday community services. With the wonderful cooperation of the city officials of Detroit, Mich. I have explored, for example, the possibility of underground tunnels being utilized as shelters. A series of tunnels, approximately 15 feet in diameter, about 20 or more feet underground could be constructed with appropriate entrances and exits, air filtration plants, facilities for storing food, water, and other necessities, to be in standby condition until such time as it was determined that there would be no need for them. They would then be converted for use as sewers. The same principle could be applied to underground garages and other facilities; they could be constructed with appropriate modifications for civil-defense purposes and still serve other needs of the community.

Cost of constructing these facilities would be shared on a matching basis by the Federal Government and local governments. Authority for such participation already exists under the Federal Civil Defense Act; the only thing lacking is the money to go ahead on the projects. This I am proposing to take care of partially with the bill I am introducing.

The extreme necessity for the project at this time, not disregarding the employment opportunities it would create, is the fact that these shelters cannot be built overnight. It will take time to complete them and I am fearful that there may not be sufficient time. Neither I nor anyone else is convinced that we will not in the future be attacked. If, as we have been informed, from 50 percent to 90 percent of the enemy bombers penetrate our defenses, there will not be enough time to evacuate our cities and only a very small percentage of the population would escape. These shelters should be considered an integral part of our defense system, for by providing shelters to protect our people in main industrial areas, our Nation will preserve retaliatory power.

I am hopeful that both Congress and the administration will see the wisdom of immediate action in this field and will provide the necessary funds, as I have in part recommended, to commence work on shelter projects.

Rumanian Independence Day

EXTENSION OF REMARKS

OF

HON. THADDEUS M. MACHROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. MACHROWICZ. Mr. Speaker, the 10th day of May is celebrated throughout the world as a Rumanian national holiday. Toward the end of 1944, when the Soviet troops occupied Rumania, that country lost its freedom and independence. Its enslavement is so complete that even the 10th day of May, a national holiday, celebrating the unity and independence of the Rumanian nation, has been forbidden by the occupying power, which has forced instead upon the subjugated people the celebration of their invasion under the guise of liberation.

The Rumanians reestablished their independence during the 19th century, after the Crimean War. They had played a significant role in the history of Europe, at the time of the Crusades, through their heroic stand against the Ottoman invasions. The Rumanians, a Latin nation, have always constituted an obstacle in the path of Muscovite imperialism. Since the time of Peter the Great, they have been invaded more than 10 times by their insatiable neighbors and are now again suffering the blight of Moscow's military aggression in Europe on the Russian expansionist route toward the Mediterranean and the Middle East.

Never, during the last 13 years, since the end of the war, have the Russian tanks left Rumania. The country has been bled white by Soviet exploitation and tens of thousands have perished through deportation and slave-labor camps. It was in vain that a peace treaty was concluded with the Moscow puppet government of occupied Rumania and that afterward this stooge government was accepted in the United Nations. Neither were the provisions of that treaty or of the United Nations Charter implemented.

All reports coming from Rumania indicate that, despite the frantic Communist efforts to sovietize Rumanian life, the people have remained deeply attached to the West and have preserved their unshakable faith in America's ultimate will that they should regain the freedom they have lost. It is in the interest of the Free World's policy, in its efforts to promote a secure peace, to support these legitimate hopes and ideals of these silent, waiting allies behind the Iron Curtain.

On this anniversary of Rumanian independence, I wish to add my voice with those of many in the Free World today, in sending a message of encouragement in the hope that it will contribute in sustaining the spirit of resistance of the Rumanian people to Communist tyranny, the importance of which is more and more felt in the Free World.

TVA

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 13, 1958

Mr. SPARKMAN. Mr. President, Sunday, May 18, is the 25th anniversary of the Tennessee Valley Authority. My colleague, the able senior Senator from Alabama [Mr. HILL] is one of the few still in Congress who had an active part in establishing TVA. As a Member of the House he joined with Senator George Norris, of Nebraska, in sponsoring and in pushing through Congress the act setting up TVA.

No one can speak of TVA with greater authority and better understanding than Senator HILL.

On May 7, Senator HILL delivered a speech on TVA before the American Public Power Association in New Orleans, La. It is a fine presentation. I commend its reading by every one.

Mr. President, I ask unanimous consent to have this speech printed in the RECORD.

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

TVA: ENGINE FOR DEMOCRACY

(Address of United States Senator LISTER HILL commemorating the 25th anniversary of TVA, before the American Public Power Association, New Orleans, La., May 7, 1958)

Mr. Chairman, delegates to the American Public Power Association convention, guests and friends, I am honored and happy to be with you today and to join with you in commemorating the silver anniversary of one of the greatest victories ever won for the people of America—the creation of the Tennessee Valley Authority.

Twenty-five years have passed since the enactment of the legislation creating the TVA and a new generation of Americans has grown to maturity. A generation is time enough to test the strength of an idea and the truth of a concept. It is likewise time enough for people to forget what life was like before that idea was placed in action and that concept built into our Nation's life.

I am specially proud to have this opportunity to remind you of TVA's beginning, for I was one of the sponsors of the legislation which created TVA. Of all the members of the conference committee appointed to adjust the differences between the two Houses in 1933, I am the only who is today a Member of Congress. I am the only who has had the privilege of participating year by year in legislation affecting TVA, first from my seat as a member of the Military Affairs Committee of the House which used to handle legislation concerning TVA and in these later years as a member of the Appropriations Committee of the Senate. Alone of all the group gathered to witness when the President signed the act in 1933, I have seen the dreams, the hope and the faith that we wrote into the statute become a reality.

Those of us who have worked and fought through the years to make TVA a reality know that it can never be taken for granted. We recall that there was a great river, its tributaries rising in the mountains of North Carolina, of Tennessee, and of Virginia, flowing southward through the foothills of Tennessee, then west to meander across the sun-baked fields of Alabama and of Mississippi, northward to meet the Ohio River in Kentucky, and finally to join the mighty Mississippi on its southward course to the gulf. It was a moody and inconstant river, changing from season to season, an angry flood in spring and winter, a sluggish trickle in summer and autumn, when shoals and sandbars held it almost useless for navigation. In flood and in drought, racing or heavy with summer's langor, in every season the river was dark with the precious cargo it carried, the fertile soil of the valley, to be wasted in the sea.

For generations that soil, the priceless heritage of the people, had washed away. This was an agricultural area, one of the oldest in the Nation, an area of small farms, growing the cash crops for which the climate was ideal but which left no cover on the ground to protect it as it lay, bare and helpless against the pelting winter rains. Once majestic forests had been devastated, a sacrifice to avarice, to ignorance, and to hunger. So the rains were unimpeded. They took the soil to the river, and the river carried it to the sea, and every year the brown scars of erosion grew wider and deeper over the landscape. Every year more farms were abandoned. Every year fewer jobs became available, and the youth of the land was exported along with the soil and the timber. Every year the people had less hope and less faith in the future.

This was the Tennessee River and its valley before the establishment of TVA. On this anniversary, this occasion for remembrance, for recognition, and for reappraisal, let us remember that the dream of the unified development of all the resources of a great river basin for the people's benefit was not born of sectional interest nor parochial concern. From the beginning TVA has been a national project. It was born because statesmen from the Great Plains, from the mountain West and the industrial East saw this Nation as a whole, and knew that it would be strong only as each region grew in strength. It was the great and indomitable Norris of Nebraska who was the first to envision that the Government-owned properties at Muscle Shoals might be the beginning of a comprehensive program of resource development in the Southeast. I recall his tireless efforts to educate his colleagues, to arouse the public conscience that the dam and the chemical plants built in north Alabama, a heritage of World War I, should be held for public use.

The fight, first to keep those properties in the hands of the Government, and then to devise a method to promote their effective use, went on for over a decade. Twice bills to provide for Government operation of the properties at Muscle Shoals were adopted by the Congress, only to be vetoed by Presidents Coolidge and Hoover. Each time the fight was renewed, and in 1933, after years of struggle, President Franklin D. Roosevelt added his vision to the concept, and his support and moral leadership to the valiant bipartisan group in Congress. Then the statute creating TVA was finally approved, the properties at Muscle Shoals were turned over to the new agency, and a great concept started the road to realization—the concept that makes TVA unique in America's history, the concept that has made TVA the admiration and awe of millions of visitors, the model in 20 countries for resource development.

As we worked to set out the concept in legislative language, we had doubts; we were uncertain about a great many points. We were creating a new kind of Federal instrumentality. The tasks to be undertaken were not all new; the problems were not novel; only the kind of agency was different. Reluctant rivers had been improved for navigation from the beginning of the Nation. The problem of vanishing resources had been with us for a long time. But always rivers and resources, problems and opportunities had been considered piecemeal. In TVA we tried something new and bold. The heart of the concept lies in the fact that for the first time in the history of Federal legislation Congress accepted the unity of Nature. For this one river basin the interrelationship of land and water, of trees and pastures, of men and nature, was recognized in a Federal statute. This was a more startling innovation than it sounds. For then and now the traditional organization of the Federal Establishment divides responsibility for the resources of a river and its basin among a dozen bureaus and departments, each with a single purpose, a different head, working under separate statutes. When we created TVA we abandoned the familiar pattern. We gave one agency responsibility to inaugurate a total program committed to the full development of all Nature's resources for all the people.

At the same time we tried as we drafted the statute to build a bulwark against the steady tide of centralization. We knew then as we know now that too many decisions were made in Washington on the basis of papers and reports; too much was decided by remote control. The experts were too far from the problems, the administrators too far from the people. So we told the Board of TVA to make its headquarters in the region, close to the work to be undertaken. We authorized it to work with State and local governments and groups of citizens. We made it an independent agency, corporate in form, removed from centralized control in Washington. We gave the power of decision to the men in the field.

We wanted TVA to be efficient, and we accepted the basic principle of modern management, still too often not recognized in government. We gave authority commensurate with responsibility and we determined to judge by results. By law we freed the agency from rigidities of the classified civil service. We told the Board to select its own employees, but absolutely barred political considerations in appointments. We authorized the Board to buy or condemn the land and the equipment required in its program, and to sell whatever proved to be surplus. They could enter into contracts, and sue and be sued in the courts.

All these characteristics have proved to be essential—the unified approach, the location in the region and the encouragement to management to develop a decentralized administration, the accountability which is the counterpart of independence, the stern rejection of political interference. All have been vital to TVA's success. All of them have required defense against attack over the years, but to this date each one has been preserved. But TVA achievements, its matchless spirit, rest I think on something greater than all of these together. It is rooted in the fact that the overriding purpose of the statute was clear on every page.

The administrative innovations were not to be ends in themselves, nor were the projects and the programs they would facilitate to be objectives in themselves. Every undertaking was to be seen as a means to widen the economic opportunity and promote the well-being of the people. That is assumed to be the ultimate objective of every government program, but the purpose for which projects are undertaken is too often obscured by the projects themselves. Dams and plants and projects are judged as engineering achievements. Construction becomes an end in itself. Somehow, in some way, some ingredient in the formula we devised for TVA has so far kept the overriding purpose sharp and clear. TVA still knows that what happens to the river, the land, and the forests is not the final test. It is still aware that its success must be judged by what happens to the people when the resource base is strengthened, when energy is made abundantly available for their use.

Because of this bold and imaginative and unique concept and the magnificent TVA management that has given the concept such rich meaning, today the river is no longer a menace and a problem. It has been put to work for the people. A series of majestic dams has transformed it. Now a chain of lovely lakes, its bars and shoals have vanished, and commerce moves in stately sequence over a modern water highway. Last year over 2 billion ton-miles of freight was carried on the river, in contrast to less than 33 million ton-miles which moved, mostly in short hauls, in 1933. Grain comes down from the upper Mississippi, oil and sulfur move up from the gulf, automobiles, trucks, and steel and coal are carried for unloading at thriving river ports on the Tennessee. From the Great Lakes to the gulf the products of other regions come to new markets in this valley, and the river serves the people.

Today the people know that when the rains come and the water rushes down in angry torrents the same massive dams which create the navigation channel will stand watch through all the days and all the nights of peril, silent guardians of their safety.

This is the only river so controlled, the only river in the world where, under a single management, a whole system of dams and reservoirs is mobilized in harmonious unison to protect the people and their property.

Today transmission towers rise high from the valleys and the hills, supporting over 11,000 miles of lines which carry to the people power generated at these multipurpose dams and the gigantic modern steam plants built by TVA. Through the efficient and dedicated management of TVA, 20 dams have been built and 8 great steam plants have been constructed, along with chemical plants and other facilities. In 1933 the TVA service area had only a little over 800,000 kilowatts to meet all its power requirements. Today the area has over 10 million kilowatts of capacity. In 1933 there were only 225,000 residential electricity consumers. Today TVA reaches more than 1,300,000 domestic consumers through more than 150 municipal and cooperative distribution systems. These systems have a total plant investment of their own of almost $600 million and are partners with their Government in the great enterprise. In 1933 TVA consumers used an average of 600 kilowatt-hours in their homes every year. Today their average annual use has increased more than tenfold. In 1933 only 3 percent of the farms, just a few near towns and cotton gins, were connected to lines for electric service, and all over the region the countryside was dark at twilight. Today more than 95 percent of the farms use electricity in their homes and in their barns. Every year the farms of this area use as much power as all the region used, in all its towns and cities, in all its business enterprises, before TVA.

The river is only one resource which is providing more abundantly for the people because of TVA. Since 1934, 328 million seedlings have gone from TVA nurseries to stimulate forestation programs. The forests and the soil are in the process of rebuilding and the cycle of devastation has been reversed. Slowly the scars of erosion are healing. Where acres were brown and barren in 1933, trees stand tall and pastures lie green beneath the sun. The landscape is more beautiful, the land is more productive, and the region has started the long road back to robust strength and full productivity.

The Tennessee Valley is no longer the heart of what was once called America's economic problem No. 1. Within a generation, average annual income has increased eightfold. Agricultural income has nearly tripled and the index of family living—the measure of the comforts of modern living—has improved 130 percent. This is double the national rate. With diversification as the watchword, the number of industrial establishments has increased about twice the national rate of increase. Manufacturing income increased more than 10 times during the first 20 years of TVA's existence, from $127 million to $1.4 billion. Progress toward more finished products has meant higher wages and greater return to valley industry. With its greater earnings the region provides a better market for the goods and services of other areas.

Improved land use with TVA's concentrated fertilizers was demonstrated on some 3,500 farms in 28 States during 1957. Through the years some 72,000 farms in 35 States have taken part in farm demonstration programs.

Recreation and fishing, waterfowl and deer conservation, and other activities add to the benefits and satisfactions of living in the valley.

TVA was not conceived as a military project. But today TVA is in the forefront in the development of atomic weapons, missiles, vital light metals, and new chemicals. Almost three-fourths of TVA's power output goes to defense and defense-related industries. More than half—a staggering 30 billion kilowatt-hours in 1957—goes to the Atomic Energy Commission plants at Oak Ridge and Paducah. These plants alone use twice as much electricity as New York City, and more than is used by all the homes, businesses, and industries in each of 41 States.

Large amounts of power go to the Army's guided-missile center at Redstone Arsenal, Ala., where the two successful Explorer satellites were produced; to the Air Force wind-tunnel center at Tullahoma, Tenn., where missiles and supersonic aircraft are tested; to the defense-related industries throughout the valley—titanium, aluminum, ferroalloys, chemicals, and others.

I am proud when I survey the financial record of TVA. My colleagues of 1933 would be proud if they could know that from the beginning revenues from power sales have covered all the costs of operation, including depreciation, and in addition have provided for the Government, the owner, a return which has averaged 4 percent on the investment. I am proud to say that over $400 million from proceeds has been reinvested in the system, enhancing the Government's investment without requiring appropriation, and that $240 million has been paid to the United States Treasury in cash.

TVA has demonstrated the ancient democratic principle that participation in their Government stimulates and releases the initiative and resourcefulness, the creative energies of a people. TVA began as an experiment in grassroots democracy and it has proved to be a matchless example of democracy functioning at its best. TVA works with and through local and State governments, businessmen, farmers, labor, colleges, and public and private groups of the Tennessee Valley, and thus it has given new life and meaning to Thomas Jefferson's dream that every citizen be a sharer in the direction of his Government. This partnership with the people is the hallmark of TVA. It has enriched the lives and the welfare of the people, it has made stronger State and local governments, and it has made our America stronger.

In the quarter of a century since TVA was established we have had time to forget some of the myths slain by TVA, myths that were advanced as truth when we were fighting to establish this new instrumentality of Government. There was the myth that Government activities could not be competently managed, but were bound to be wasteful and inefficient. You would be surprised to know how stubbornly that dogma was imbedded in our national folklore. Today it has been vanquished by the record. TVA projects have not been let out to contract, as the custom is. These projects have been designed and built by TVA itself. World records in construction time have been broken, new standards for safety in hazardous employment have been established. Costs have been held within estimates, as men working for their Government have turned in a record of performance to destroy a myth forever.

There was another myth. As we wrestled with the legislation the private power companies tried to frighten us with tales of the vast surplus of electric energy which they said would be wastefully created if multipurpose dams were built by TVA. I find, for example, that when one official testified before our committee in 1935, he said in a colloquy in which I engaged him, as we were considering the first amendments to the TVA statute:

"There is not the slightest present economic justification for the building of any of the hydro plants now being built by the Tennessee Valley Authority, nor for the building of any of those planned."

The building of dams continued in spite of his advice, and just a few years later the hydro resources of the region were approaching exhaustion as the people found more uses for electricity every year, and TVA turned from dam building to the construction of modern steam plants. Then coal, another resource of the region, was put to work for the people, and another myth had disappeared.

The myth of surplus capacity rested on some other legendary notions. It rested, for example, on the dogma that electric energy could not be made available to rural areas. We remember how firmly that conviction was rooted in the creed of America's private power suppliers a quarter century ago. In the printed transcript of the hearings I just quoted I find the same witness benignly advising the committee that we were in error if we expected TVA to find a market for power on the farms of the area. He said:

"The records of the Bureau of the Census indicate that only about 33⅓ percent of farms have an annual income in excess of $1,000. We do not consider any farm customer a prospect unless his income is in excess of $1,000."

With that complacement formula hope of obtaining electric service was denied to two-thirds of the farms of the region. This myth died too. It died because the statute creating TVA rejected the approach and the advice of the private power companies, and adopted a new standard for TVA to follow.

In the TVA Act we specified that municipal and cooperative agencies should be given preference in the sale of power. This is a common provision in Federal legislation. But in the TVA statute we did much more than that. We required the resale rates to be established by TVA to be such as would encourage use, particularly in the homes and on the farms in the area. These were the consumers neglected by the private companies. And the communities which voted and groups of farmers that organized to exercise the preference rights to power which the statute made available to them on their part accepted a responsibility beyond the responsibility of providing the capital to finance the facilities of distribution. They joined wholeheartedly in carrying out the program envisaged by the act creating TVA. This is a point too often missed when TVA is discussed. We made clear that this Government investment was not made in order that towns and cities, or even rural cooperatives, should purchase power at low rates for resale to consumers at high prices. Nor was it to be made to transfer to the electric ratepayers of any community burdens which should be borne by the local taxpayers. This public investment in power facilities was made that a demonstration might be provided of the results achieved when power is made available to consumers at lowest possible costs.

In contracts with TVA the distributors agree to charge the rates established to promote abundant use and to dispose of revenues in such a way as to achieve the objectives we set out in the statute. In the beginning they took a risk, for when TVA's resale rates were announced in 1933 no one knew what revenues those rates would provide. We know now. The high-use, low-rate pricing policies which the private-power companies had been too timid to try turned out to be sound from the point of view of earnings. At low rates, the volume of sales rose as we had hoped, and increased revenues resulted. In spite of the rise in costs over the years, TVA's wholesale rate has been little changed and the resale rates to the consumer, considered low in 1933, have already proved for almost half of the present distributors to be too high to carry out the statute's injunction and they have been reduced. The trend of rates is downward in the TVA area and another myth has died. Sometimes an overriding concern for the public interest can accomplish miracles. This is the lesson of TVA.

The preservation of TVA as a strong, adaptable, responsive agency is just as necessary in 1958 as its establishment was in 1933. I know of no other agency of our Government which has met so well the problems of public responsibility. It is vital to our democratic processes to have government

which can stand up under the hardest public scrutiny—even unjustifiable vilification and abuse—yet reply, not with guilt, but patiently with candor, as TVA has done. We must have government which can build strength for defense while concentrating on the arts and needs of peace, as TVA has done. We must preserve in the example of TVA our national determination to act for all our people, giving them always something more than second sitting at the table of special interests.

The new generation of Americans may well ask, "If TVA has been so triumphantly successful, why is its example not more readily followed?" Why, after 25 years of proof, do we yet behold the spectacle of those who would undermine and destroy TVA?

The answer is a story of the never-ending struggle between special privilege and democracy. After the First World War, private interests blocked the use of Wilson Dam and the nitrate plants and the development of the river. When Congress twice enacted legislation for navigation, power, and flood control on the Tennessee, the bills were vetoed.

For years after the creation of TVA, private power companies dragged out court injunctions and vexatious litigation. They built spite lines. Through false propaganda they sought to turn the farmers and municipalities against TVA. They tried every strategem to make TVA a failure.

Year after year, in virtually every session of Congress, we have had to fight off attacks on TVA—curtailed appropriations and crippling amendments that among other things would even deny TVA its authority to use its power proceeds for plant expansion and that would hamstring TVA's ability to grow and to meet the expanding needs of municipalities, industries, farmer cooperatives, and the national defense.

In recent years new impetus has been added to the threat against TVA.

First came the Dixon-Yate's deal. Under this secret scheme, the Atomic Energy Commission opened negotiations with private companies for plant construction and power in the TVA service area, at high costs. The power would not have gone into atomic plants but to TVA customers. Another Government agency was to be the instrumentality for violating the TVA Act, boosting power costs, destroying TVA's yardstick rates, and opening all public power investments to similar private exploitation. Public exposure in the Senate caused even its proponents to turn against this blatant conspiracy.

A straightforward, self-financing plan, under which TVA will finance future capital expansion through the sale of revenue bonds to be paid off from TVA power revenues, is now before Congress. The private utilities, which a few years ago urged revenue-bond financing for TVA when they thought it was impractical, now cry out against this plan. They have publicly announced lobbying plans to defeat the proposal. They continue to carry on their nationwide campaign of false and misleading propaganda against TVA.

Why the unceasing fight against TVA?

The private utilities hate TVA because TVA is a yardstick against which the people in all the States can measure excessive rates and monopolistic practices. TVA stands as a perpetual challenge to the utilities. It is an argument they cannot answer. Consequently they would destroy it. They will never cease their attacks. This generation and the next and the next must stand mobilized and alert. We can never take for granted this great engine for democracy.

In evaluating and reappraising this magnificent experiment of 25 years duration, let us always remember that the triumph of TVA is recorded in the homes and the farms of the valley—in installation of stoves and washing machines, refrigerators and freezers, milking machines, pumps, water systems, and hay driers. It is recorded in the increased use of electricity by the people, not only in the region it serves but all over the Nation. It is recorded in the contributions of the great REA, which was born in this valley, of the faith and courage of the people. The symbol of our TVA is revealed when the lights go on at nightfall all over the region. They shine out at dusk from barns, from kitchens, and from parlors, deep in the coves and high on the hillsides.

This is the realization of the dream, the dream of energy made abundantly available to lighten the hours of the people's toil, to brighten the time of their leisure, to nourish their aspirations for the future, and to strengthen the Nation and the Nation's defense.

This is TVA on its 25th anniversary. This is indeed a time for remembrance, for recognition and for reappraisal of TVA, our great engine for democracy. With the faith of our fathers in the future generations, with calm confidence in the material and spiritual resources and vital strength of our America and her people, and with the firm resolution to defend and protect our heritage, we shall go forward to the glorious achievements and the rich rewards that on this historic and memorable occasion await the new generation of Americans.

Herb Child Steps Down

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include a timely editorial in the Clinton Daily Item concerning the service of my valued friend, Mr. Herbert S. Child, a public servant of great ability and distinction.

I also include as part of my remarks the contents of a letter I recently wrote to Mr. Child, commending and thanking him for his invaluable service.

The able editor of the Item, Mr. William Coulter, performed a distinct public service in acknowledging and praising Mr. Child's memorable contributions.

HERB CHILD STEPS DOWN

Herbert S. Child, Clinton's financial watchdog, will soon step down as the town's accountant for the past 13 years.

It is with considerable regret that we see this being done. Although he will turn 75 April 27, the town has reaped rich rewards because of his presence in townhall.

A stubborn believer in what he thinks best for his town, he has become the center of many a controversy over the years. His love of the principle of home rule prompted his recent remark, "The hell with the State" as to whether or not Clinton needed State financial aid for a new high school.

Born in Brockton, he came to Clinton to work as an accountant for the Shuman Mill where he remained until the depression forced it out of business. Several town accountants were broken in under Herb's guiding hand.

It was thanks to Herb that Clinton adjusted so easily to the uniform system of accounts then being adopted by every city and town in the State. Herb became accountant in 1945 and since that time has never faltered in his bid to help the townspeople gain a better understanding of the town's finances.

In 1950, Tax Commissioner Henry F. Long told Herb, "It is so obvious that it does not need repeating, but the way you have kept the finances of Clinton sound through the years is just marvelous * * * you are entitled to tremendous commendation from those in Clinton who would face a rather difficult situation were it not for the able way in which you have handled the finances of Clinton."

It was on Herb's recommendation in 1953 that the selectmen voted that each voucher for traveling expenses must show the exact number of miles used for business purposes by town officials.

In the 1957 town report the finance committee paid its annual tribute saying, "To our able and distinguished town accountant, Herbert S. Child, who has so materially and invaluably advised and assisted us, we express deep gratitude."

Able he is, and distinguished too.

Herb's beliefs are summed up in one of his annual reports:

"My motto is there is no substitute for the right way of doing my duty, and the town is entitled to value received for money expended."

This was more than a motto for Herb Child. It was his way of life. The town has benefited indeed and we congratulate him for it.

PHILBIN LAUDS TOWN ACCOUNTANT HERBERT CHILD

Under date of May 2, Congressman PHILIP J. PHILBIN mailed a letter to Town Accountant Herbert S. Child, reading as follows:

"Let me state that we will all miss you in the public service of Clinton, where for so many years you have rendered such distinguished, outstanding service.

"Your honesty, efficiency, high competence and devotion to duty mark you indelibly as one of the greatest and finest public servants the town has ever had.

"You are also admired, and will long be remembered, for your faithful performance and your forthright, candid expressions of what you deemed in the public interest.

"For the finance committee and myself, I tender you our sincere and profound thanks for your many notable services to our board throughout the years.

"The entire community owes you a very deep debt of gratitude, and it is sincerely felt by our fellow citizens.

"I hope and pray that you and Mrs. Child may enjoy many more happy years of devoted married life marked by good health and personal fulfillments.

"With usual good wishes to you both, I am,

"Sincerely yours,

"PHILIP J. PHILBIN,

"Chairman, Clinton Finance Committee."

Simple Solution of a Serious Situation

EXTENSION OF REMARKS

OF

HON. EUGENE SILER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. SILER. Mr. Speaker, under leave to extend my remarks in the RECORD, I repeat a radio speech recently made by me in favor of my bill, H. R. 4835:

This is Congressman EUGENE SILER of the Eighth District of Kentucky speaking to you on the subject of the liquor evil and the desirability of having an effective law enacted by the Congress of the United States

to ban the advertising of all alcoholic beverages in interstate commerce or through any medium that crosses the boundaries of our different States of the Union.

Congress can only take jurisdiction of this alcoholic advertising and banish it by law upon the theory that such interstate advertising does constitute interstate commerce within the meaning of our Federal Constitution. And, of course, the Supreme Court of the United States has repeatedly held that almost every kind of transaction or any transmission of anything between two or more States is in fact a form of interstate commerce. Therefore, my own bill, H. R. 4835, introduced by me in Congress on February 14, 1957, would make it an unlawful offense, within constitutional authority, to transport any alcoholic advertising, whether by publication or radio broadcasting or television transmission, across State lines and would provide a fine of $100 to $1,000 or a prison sentence of 6 months to a year, or both the fine and prison sentence, for offenders against such a law if it should become enacted by Congress.

It is a rather tragic and ironic situation when the great majority of citizens and homeowners in some areas of the country, for instance in my home county down in southeastern Kentucky, have voted themselves entirely dry and wish always to keep their areas and their homes dry like hickory chips, yet have to encounter alcoholic advertising wet like the Atlantic Ocean in their very homes and at their family hearthstones, morning, noon and night and at most of the periods in between.

A great many people all over America are interested in this subject. Several hundred persons have written or informed me of their support of this bill, and I am sure that thousands of others would have so informed me, except for the fact that it is generally known and very well publicized that I am for this bill with my whole heart and soul, and, therefore, it is adequately realized that it would be a pointless gesture to write me in support of my own legislative proposal, namely, H. R. 4835. All of these good people well understand that only through enactment of my bill can their home towns and home counties and their places of abode be truly free from this continuing liquor evil. For without this enactment, the slithering, slimy reptile of deceit that is called alcoholic advertising will constantly, consistently, and conveniently come right into their homes and whisper lies and misrepresentations into the tender ears of their children. "This is a man of distinction," says the bright-colored liquor ad, but genuine truth would say, "A man on skid row drank this liquor, and he now has delirium tremens and a chronic case of cirrhosis of the liver, and he won't be around here much longer." Also, the liquor advertising says, "This is Manhattan melody," but the unvarnished fact is that it should really say, "This is a funeral dirge of hell." Why do the liquor advertisers always tell so many lies and half-truths and send them into your homes? Well, the answer is that they worship that god known as mammon to such extent that the advertisers are willing to say anything or do anything to promote that pagan worship. But if my bill should become the law of the land by action of Congress, these untruths and misrepresentations would cease to transgress within the precincts of our American homes and among all of our growing families.

We are always quick to affirm our interest in crime prevention. But how interested are we in this great problem? I notice J. Edgar Hoover, of the Federal Bureau of Investigation estimated some time ago that our annual crime bill is $20 billion, and he further stated that about half of the arrests made each year were for drunkenness, drunken driving, and for other liquor-law violations. In Chicago, a police liaison officer stated that 80 percent of the disturbances that police were required to handle were traceable to alcohol causation. What a price the American people pay for alcohol products. And yet we continue to allow promotion of them daily through publications and radio broadcasting and television transmission. All of this could be prevented and stopped by a very simple law at the hands of the United States Congress. And yet we just go ahead year after year and permit a promotion of our own destruction and a wastage of our own resources—financial, physical, spiritual, and moral. When will the American people dry their tears and bind up their wounds long enough to demand that this evil, lying, injurious advertising of harmful products be stopped by act of Congress? Even after the advertising is stopped, the evil will still continue to be among us, but at least it will no longer be encouraged in a public manner, and it will not burglarize your homes with its criminality and all of its evil designs.

Many eminent physicians and well-known scientists have gone on record placing alcohol in the same category with narcotic poison. Now, of course, all of us would be truly shocked and repulsed if any kind of advertising of narcotics for daily consumption should come into our homes. Yet we constantly face this devastating alcoholic advertising of the different harmful forms of alcohol that comes into our family circles, and most of us do nothing about it whatsoever. Even though we know that alcohol is truly the handmaiden of narcotic poisons, yet hundreds of earnest, well meaning people will merely yawn and tolerantly thumb through the liquor ads in their magazines or they will smile complacently at the silly jingles of the beer advertisers as they flow into their family sitting rooms through television channels or by radio broadcasting.

Juvenile delinquency has become a tremendous problem here in America. It is said to have increased 28 percent in the last 6 years. Youthful gangs roam the streets of large cities like New York, and Detroit, and Chicago, and even in a number of smaller towns, and cities of our country. These gangs sometimes wear peculiar clothes, have strange haircuts, call themselves by fearful names, do the rock and roll throughout the night. Frequently they commit murder, rape, and robbery. Often they drive their teachers to distraction and some of them seem to take pride in presenting themselves as daily problems wherever they may chance to roam. Now, a prominent juvenile court justice in Boston made a statement in recent years that liquor was the greatest single factor in juvenile delinquency and that this liquor evil had led the youth of our land down the wide-open road to narcotics, immodesty and immorality. I am sure that the justice knew what he was talking about and I am equally confident that the banning of alcoholic beverage advertising in interstate commerce would go a long way toward helping to restore normal sanity and a wholesome outlook among our young people all over our country. Why should we wait or hesitate to use a good water bucket when the house is burning down? Likewise, why should we hesitate to promote and enact good legislation to help correct juvenile delinquency through banning the liquor evil from in front of youthful faces all over our land? Only this week a news item told of a group of boys that broke into a place and stole about $70 in order to have money to attend a movie. Then they attended the movie, but afterward they went back and reentered that same place of their theft and they replaced about $65 of the remaining stolen money. The movie they saw was The Ten Commandments. This incident is a forceful argument for our belief that young people are influenced and persuaded in a powerful way by what they see before their very eyes. It also means that constant alcoholic advertising will succeed in persuading young, impressionable minds that it is truly smart and desirable and entirely in good order to take up the alcohol habit. But if we should legally ban this form of advertising there would then be just that much less persuasion upon the American boy and girl towards adopting a social custom that first becomes an occasional habit and then changes from occasional habit to constant curse in a very subtle manner and in a short period of time.

By way of illustrating the foolishness of permitting legalized advertising of alcoholic products, some writer said: "Suppose there were 170 million cows in America. Then suppose there was a big industry selling Old Scarecrow hay made of locoweed, but described as soothing and mellow, resulting in the cows turning from their sober alfalfa to begin eating Old Scarecrow. And suppose this made the cows do silly things like running into fences or automobiles so that 500,000 were killed or injured every year. And suppose milk production was cut down because the Old Scarecrow users lost 50 million cow-days yearly. And suppose the cows' life expectancy was reduced 10 percent and that it made over 4 million so sick that they were useless much of the time and that for every one that was cured, the industry made 10 new addicts for Old Scarecrow. And suppose caring for all these sick cows required 80 percent of the farmers' time. And suppose, in spite of all of this, sellers of Old Scarecrow were allowed to advertise in every cow pasture proclaiming that cows of distinction use their stuff. How would you expect farmers to react? Don't you think all the farmers of the country would try to protect their cows by banning this false and harmful advertising? And now just suppose we cared as much about our children and our fellow men as we would expect the farmers to care about their cows. Would we not leave no stone unturned to help our children, our families, our neighbors through using our influence to persuade the Congress of the United States to pass a reasonable, simple, helpful law that would ban all alcoholic advertising in interstate commerce. How about it?"

We may not be farmers with cows, but we are supposed to be citizens with conscience and we should be willing constantly and consistently to fight for the right. And we do know that this is right.

H. R. 10464 Provides a Partial Answer to Our Shortage of Scientific and Engineering Manpower

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. VAN ZANDT. Mr. Speaker, this morning it was my privilege to appear before the Subcommittee on Health and Science of the House Committee on Interstate and Foreign Commerce in support of my bill H. R. 10464, which is designed to attack the problem resulting from our shortage of scientific and engineering manpower.

My statement follows:

STATEMENT BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, BEFORE THE SUBCOMMITTEE ON HEALTH AND SCIENCE OF THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, IN BEHALF OF H. R. 10464, MAY 13, 1958

Mr. Chairman, the opportunity of appearing before this Subcommittee on Health and Science of the House Committee on Interstate and Foreign Commerce in behalf of my bill, H. R. 10464, is appreciated.

My bill, H. R. 10464, is a companion bill to H. R. 10456 introduced by my colleague, Hon. MELVIN PRICE, of Illinois, chairman of the Congressional Joint Committee on Atomic Energy Subcommittee on Research and Development, of which I am ranking House Republican member.

Both of these bills result from lengthy hearings by the Joint Committee's Research and Development Subcommittee held in the spring of 1956 on the shortage of scientific and engineering manpower and our visit to Russia last fall as members of the Congressional Joint Committee on Atomic Energy.

Therefore, this is truly a bipartisan legislative effort.

Mr. Chairman, the Price-Van Zandt bills amend the National Science Foundation Act of 1950 in order to provide for certain educational programs which will improve mathematics instruction in our secondary schools as well as refresher courses and fellowships for mathematics and science teachers.

The legislation is designed to attack one of the greatest deficiencies to be overcome in this country that exists in our secondary schools where a serious deterioration in the quality of mathematics instruction has taken place.

It is pretty well agreed that this deterioration in the quality of mathematics instruction has prevented many of our young people from pursuing college level studies in science and engineering.

To remedy this situation, the Price-Van Zandt bills provide that an award program be set up—with no strings attached—to provide a $500 scholarship to all high school seniors who can pass an examination of prescribed difficulty in mathematics.

This program will serve not only to remedy the enormous annual waste of potential scientific talent but will help restore mathematics to its rightful place as a basic element of the high school curriculum.

In addition to the scholarship program, another provision of the Price-Van Zandt bills provides a stepping up of the present summer institute program administered by the National Science Foundation by providing refresher courses for high school mathematics and science teachers.

In this connection, the present program is handicapped by the fact that the National Science Foundation was only able to provide funds for 108 institutions last year on its relatively small budget of $5.3 million.

There were over 200 qualified institutions which proposed to set up summer institutes with the Foundation's cooperation but were unable to do so because of the lack of funds since the $5.3 million available was wholly inadequate.

It is conservatively estimated that in addition there are at least 200 other qualified institutions in the country which would participate in the program if adequate funds were available.

Therefore the Price-Van Zandt bills increase the funds for summer institutes from $5.3 million to $25 million, this making possible the quadrupling of the present summer institute program of the National Science Foundation as a concrete means of assisting high school mathematics and science teachers by improving the quality of their instruction.

In addition to scholarships and the summer institute program, the Price-Van Zandt bills provide that there should be established by the National Science Foundation a program of summer fellowships for those high school teachers who already have their bachelor of arts degrees and who desire to increase their scientific knowledge.

The program—at a level of $10 million a year—will be a valuable supplement to the summer institute program and will provide the advanced training needed to stimulate and guide talented young people in our better schools. Then too, it will provide the added advantage of improving the quality of instruction among teachers.

Mr. Chairman, the proposals made in the Price-Van Zandt bills if translated into action will be an important first step toward insuring that this country will have an adequate supply of scientific and engineering talent to meet the scientific challenge of the future.

Moreover, if the intent of these bills is enacted into law the need will be met without creating serious unbalances in the social and economic fabric of this country by serving to strengthen the country measurably through improvements in the basic educational preparation we give to all our young people.

Mr. Chairman, the provisions of the Price-Van Zandt bills represent a means of meeting to a marked degree the Soviet challenge to American education, which we as members of the Joint Committee on Atomic Energy came in contact with last October in visiting Russia and talking with Russian scientists.

When Congressman PRICE and I returned to the United States last October, and after reviewing our observations in Russia, we concluded that no time should be lost in perfecting appropriate legislation to meet the Soviet challenge. As a result, we drafted the Price-Van Zandt bills. When we introduced them we made the following joint statement:

"MEETING THE NEED FOR SCIENTIFIC MANPOWER—AN INTELLIGENT APPROACH TO THE PROBLEM

"(Joint statement by Representative MELVIN PRICE (Democrat, Illinois) and Representative JAMES E. VAN ZANDT (Republican, Pennsylvania), chairman and ranking House minority member of the Research and Development Subcommittee, Joint Committee on Atomic Energy, in the House of Representatives on Monday, February 3, 1958)

"We believe that the time has come, and in many respects is long overdue, for a forthright facing-up to the challenge presented to this country by the Soviets in their massive educational program aimed at outproducing the Free World, both in quantity and quality, in the output of trained scientists and engineers.

"We are witnessing a life and death battle for brainpower in an age of rapid technological advance. The penalty for losing this battle is Soviet domination of the world and the destruction of our way of life as a free people. It is clear that we must act—and act promptly—to meet this threat. At the same time, we must not lose sight of our long-range objectives and adopt hasty measures which will jeopardize the attainment of these objectives.

"This battle for brainpower is not new. Back in the spring of 1956 the Research and Development Subcommittee of the Joint Committee on Atomic Energy, mindful of the mounting threat to this country posed by the Soviet Union, held extensive public hearings on the shortage of scientific and engineering manpower. As members of the subcommittee, we believed then, and we continue to believe today, that concrete remedial action is needed urgently if we are to meet the Soviet challenge successfully.

"Recent events, including Russian achievements in launching two earth satellites, serve to underscore this urgent need for action. We are faced not so much with a new situation as with dramatic proof of what many experts have been saying all along regarding the large scale efforts of the Soviets to achieve technological mastery of the world. Our recent firsthand visit to Russia where we had an opportunity to talk directly with top Russian scientists has clearly confirmed these findings.

"Since the advent of sputnik we have heard much in public forums and in the press about the need for crash programs to regain America's technological supremacy. We have heard proposals for stepping up scholarships in the individual scientific disciplines such as physics, chemistry, and biology and for channeling our young people into specific lines of activity within the scientific and engineering fields. These statements are reminiscent of the line of thinking which we ourselves indulged in prior to the subcommittee hearings in 1956.

"As the hearings progressed, however, it became clear that only by attacking the roots of the manpower problem, not its surface manifestations, can we effectively meet future requirements. We recognized then, as we do today, that in our haste to catch up with the Russians there is a natural tendency to call for special purpose legislation to cope with the pressing problems of the moment.

"But the more we looked at the problem, the more we became convinced that the shortage of scientists and engineers is only part of a larger shortage of specialized talent in all fields, and that the best and surest means of meeting future requirements in the scientific and engineering fields is to increase the overall supply of specialized talent—across the board. Laying undue emphasis on any one specialized field of scientific endeavor, to the exclusion of others, would create serious imbalances which would in the long run only serve to undermine the very strengths we are attempting to build up.

"In brief, we came to recognize that the shortage of specialized talent is total and that deficiencies exist in many areas which must be dealt with at the same time we are directing our attention to the scientific and engineering fields. Loading the deck in favor of one over the other is not only futile but may well be fatal to the long term national interest.

"It is clear, then, that any measures which are taken must be developed in the context of our overall needs and must serve to strengthen the Nation as a whole. This is not to say, however, that specific actions cannot be initiated now as part of a broad program of improvement, provided they contribute to our general long-term objectives.

"Going to the roots of the scientific manpower problem, the subcommittee found that one of the greatest deficiencies to be overcome is the serious deterioration in recent years in the quality of mathematics instruction in our high schools. We found that through inadequate preparation in our secondary schools, particularly in the traditional subjects of mathematics, many of our young people who might be scientifically inclined are actually prevented from pursuing college-level courses in science and engineering. This represents an enormous annual waste of potential scientific talent which we can ill afford if we are to compete effectively with the Russians in the years to come.

"Fortunately, this is one area in which concrete remedial action can and should be initiated immediately. We have been particularly impressed with the proposal originally made to the subcommittee at the 1956 hearings by Dr. I. I. Rabi, of Columbia University, that an award program be

set up to provide a $500 scholarship to all high-school seniors who can pass an examination of prescribed difficulty in the traditional subjects of mathematics. There would be no strings attached to this award and there would be no requirement that the winners of such awards pursue a particular line of study, either in the scientific or other technical fields.

"The advantages of such an award program are obvious. In the first place, it would help restore mathematics to its rightful place as a basic element of the high-school curriculum through stimulating greater student interest in mathematics. An essential background would thus be provided for those intending to pursue scientific and engineering careers and at the same time the general curriculum would be strengthened for all students, whether or not they go on to specialize in these fields.

"The award program would also serve as an indirect stimulus to parents and community groups to seek improvements in mathematics instruction in their own local high schools. Since the program would be on a purely voluntary basis it would not involve the problem of Federal control of local educational institutions. Major emphasis would still remain on action by local groups but a new incentive would be provided for such groups to take the necessary corrective measures. This, it seems to us, is a common-sense approach to the problem and one which would achieve tangible results without upsetting delicate social and economic balances in this country.

"Intimately allied with interesting young people in science, is the caliber of the science teachers they have in high school. Without good teachers, well equipped with knowledge of recent developments in the scientific field, there will be no stimulus for students to excel in their subject, no one to alert youthful imagination to the challenges of the scientific frontier. It is difficult to calculate the influence good teachers have had in helping produce our scientific and other leaders of today, but no one would question that it has been substantial. Do we dare embark upon the future without assuring ourselves that we are doing everything possible to provide our young people with the best teachers available to prepare them for what lies ahead?

"But good teachers don't just happen. Incentives must be provided to attract young men and women of high intellectual caliber to the teaching profession. Once they are recruited, there must be continuing incentives provided to keep them in the profession. The question then arises: What form should these incentives take?

"As in the case of improving the high-school curriculum, much depends on the initiative and resourcefulness of local communities, particularly with regard to increasing teacher salaries, which in many areas are shockingly low. But beyond this, some means must be devised through which the Federal Government can lend assistance in cooperation with local authorities. Once again, this Federal assistance would have to be provided in such a way as to avoid undue interference with local school boards and State authorities.

"Perhaps the greatest need at the moment is to provide high-school teachers with the opportunity to improve their own knowledge of their subjects and thereby improve the quality of instruction offered their students. This applies to teachers of all subjects, but the need for improvement has become particularly critical in the case of mathematics and science teachers.

"One of the most successful means to date of meeting this need has been the summertime refresher courses for high-school teachers which have been held for the past several years under the auspices of the National Science Foundation. Through the cooperation of universities and institutions throughout the country, hundreds of teachers have attended special summer courses which average about 6 weeks in duration. Stipends of $75 per week are offered, together with $15 per dependent. The cost of running the courses is borne mutually by the Foundation and the participating university.

"While the program is excellent as far as it goes, it does not go far enough on its present limited budget to meet mounting needs. For example, the Foundation was able to provide funds for 108 institutions last year on its relatively small budget of $5.3 million. However, there were double that number of qualified institutions who proposed to set up summer institutes with the Foundation's cooperation but were unable to do so because of lack of funds. It is conservatively estimated that in addition to this, there are at least 200 other qualified institutions in this country who have not made specific proposals to the Foundation but who might be encouraged to join the program if funds were made available.

"We therefore propose, as a concrete means of assisting high-school math and science teachers and improving the quality of their instruction, that the present summer institute program of the Foundation for high-school teachers be quadrupled in size and that the present funding level for the program be increased from $5.3 million to $25 million. Chief value of such action would be to take an already going concern and, through expanding its activities, increase the number of teachers being assisted with a minimum of delay and a maximum of effectiveness.

"In addition to the above program, we believe a new program should be established by the Foundation to provide summer fellowships for those high school teachers who already have their bachelor of arts degree but who desire to increase their scientific knowledge. Such a program—at a level of $10 million per year—should be a valuable supplement to the summer institute program and should provide the advance training which some of our teachers need to stimulate and guide talented young people in our better schools. It would have the added advantage of helping bring up the quality of instruction among teachers all the way up and down the line and would place a premium on competence.

"It is our conviction that the proposals we have made, if translated into action, would be an important first step toward insuring that this country will have an adequate supply of scientific and engineering talent to meet the scientific challenge of the future. They will help meet this need, moreover, without creating serious imbalances in the social and economic fabric of this country. They will, in fact, serve to strengthen the country measurably by providing improvements in the basic educational preparation we give to all our young people. This is the true answer to the Soviet challenge and in keeping with the best traditions of our free society.

"We are today introducing legislation in the House to carry out these proposals. We are hopeful it will receive prompt and favorable consideration."

Mr. Chairman, it was my privilege to address the annual meeting of the Pennsylvania Seconday School Principals Association at Harrisburg, Pa., on October 29, 1956, almost a full year before Sputnik I was launched.

My address was based in considerable measure on hearings held in 1956 by the Subcommittee on Research and Development of the Joint Committee on Atomic Energy, of which I am a member.

These hearings delved in considerable detail into the reasons for the shortages of scientific and engineering manpower and showed conclusively that the deficiencies of our educational system are the fundamental reason for this shortage. Actually the crucial shortage is not that of scientists today, it is today's and tomorrow's shortage of talented teachers.

As experts testified in the course of these hearings the progress made in science and technology, in such fields as nuclear weapons, jet propulsion, radar, plastics, and electronic computers, has been so great that our educational system as a whole has lagged.

Compared to today's needs our elementary and secondary schools, and even many of our colleges, are living in a horse and buggy era.

Nearly 2 years ago these hearings revealed, and I repeated in my Harrisburg, Pa., speech that Russians are training intensively about 3 times as many scientists as we are, that by 1960 every Russian child in the Soviet 10-year school program will have to study 5 years of physics, 5 years of biology, 4 years of chemistry, 10 years of mathematics through trigonometry, and 1 year of astronomy.

I told my Harrisburg audience in October 1956 that not only are the Soviets training engineers at a rate three times as fast as we are, but, despite the fact that their own industrial capacity is only half the size of ours, they are sending scores of these engineers into other lands, engineers who will, of course, help convert these lands to communism. In December 1955, Khrushchev and Bulganin offered to build and staff a technological institute in Rangoon, "a gift to the people of Burma from the people of Soviet Union," as they put it. The following year Russian technicians started building a steel mill for the Indians in India. Enticing inducements have been advanced to Egypt, Afghanistan, and Latin America.

I warned my Harrisburg audience that this type of penetration by the Soviets may be expected to grow rather than wane as the supply of trained Russian personnel becomes ever greater. As I have stressed again and again, we must not allow ourselves to fall behind the Russians. If this ever happens we could easily find ourselves outwitted, outmaneuvered, outthought, and outbuilt throughout the world.

I continued by saying that as never before we know the key to our continued leadership in the Free World lies in our schools. Therefore, there is no project in the Nation that should have a higher priority than the rapid improvement of our educational facilities. The teacher shortage is desperate and must be dealt with aggressively. This problem cannot be solved on the present basis of recruitment, preparation, and utilization of teachers. The problem of the teacher shortage must be attacked on many fronts. Local communities and States must face up to the fact that this is their problem and must provide the tax support required. Teachers' salaries must be increased to attract more capable persons into the profession. Greater incentives and rewards for outstanding teachers should be provided. Teachers can be relieved of a good many routine housekeeping and clerical chores.

Ways must be found, as I told the convention of Pennsylvania secondary school principals in October of 1956, "to make sure that our teachers receive the recognition and the prestige which is commensurate with their high responsibility of training our young people."

We must also make certain that we obtain more thorough means of identifying talent and more effective guidance for our young people.

The need is great and it is immediate. The future of America lies not just in the hands of its educators. The burden of responsibility for America's future lies upon all of our citizens. We must lift ourselves to a new and higher plain of concern, of hard work, of expenditure, and of dedication to the increased development and un-

dergirding of America's key to the future, our educational system.

Mr. Chairman, let me repeat again that what I have read to you represents excerpts from my speech in Harrisburg, Pa., in October 1956.

In calling my views to your attention, I do not pose as an expert in the field of education. I share, however, the concern you and all other Americans have in our educational system which we like to think is the best in the world.

My views are based on the lengthy hearings of 1956 by the Joint Committee on Atomic Energy, my visit to Russia last fall, and my great desire to enable the United States to meet the Soviet challenge to the American educational system.

Therefore, I sincerely hope that the Price-Van Zandt bills will receive your favorable consideration.

Truth and the Democratic Tradition

EXTENSION OF REMARKS

OF

HON. J. ALLEN FREAR, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, May 13, 1958

Mr. FREAR. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "Truth and the Democratic Tradition." These excellent remarks were delivered by my good friend and most able colleague, the Senator from Missouri [Mr. SYMINGTON], on the occasion of Delaware's annual Jefferson-Jackson Day dinner, last Thursday evening, May 8.

This gathering, Mr. President, brought together the greatest number of Delawareans ever assembled for such a meeting in our State. Senator SYMINGTON'S address was so well received that I feel it will be of interest and value to Members of the Senate and to many other persons throughout the Nation. For that reason, I ask unanimous consent that it be printed in the RECORD.

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

TRUTH AND THE DEMOCRATIC TRADITION

(Address by Senator STUART SYMINGTON, Democrat of Missouri, at Jefferson-Jackson Day banquet, Wilmington, Del., May 8, 1958)

Mr. Chairman, Senator Frear, General Craven, Chairman Lyons, Speaker Mahew, Senator Steen, and distinguished Democrats, it is always a privilege to address an audience of Democratic workers, those who furnish the backbone of our great party.

And it is a special privilege to gather with the friends and neighbors and supporters of one of America's great Senators—a man whose name in Washington is synonymous with ability and integrity, the two most priceless assets which can be possessed by any public servant.

All Senators of both parties are proud to be serving with the statesman I am referring to, the able gentleman from Delaware, ALLEN FREAR.

Much of my youth was spent in your neighboring State of Maryland; but my ancestors were closer to you than that.

When JAMES SYMINGTON first came to this country from Scotland, he started a flour mill in Brandywine, a town which is now a part of this great city of Wilmington.

His son Thomas, my great grandfather, was born right here in 1793, 6 years before the death of George Washington.

Later Thomas moved from Wilmington to Baltimore. An article in the Baltimore Sun, Two Generations That Span United States History, features his son, my Great-Uncle John, who lives in Baltimore today.

For these and many other reasons, I am especially proud to be visiting with you in Delaware tonight.

We Democrats have gathered here in Wilmington to reaffirm our faith in the Democratic Party, and in the principles for which that party stands.

We know that the United States has become the greatest country in world history primarily because of the philosophy and convictions of the two men we honor tonight.

Thomas Jefferson and Andrew Jackson believed in government for all the people, not just the few.

They passed that mandate on to us; and we as a party have been faithful to it over the years.

That is why in our country today there is normally so much purchasing power at the base; and why millions of Americans have achieved a standard of living never before equaled in history.

The physical base of any modern industrial complex is the production of steel. Our automobile industry is the greatest user of that steel.

In this connection, the more expensive cars are fine, but the true extent of our prosperity can be measured by the utilization of steel production in such products as Fords and Plymouths and Chevrolets.

Until recently, nearly all Americans had good food, adequate medical care for themselves and their loved ones, the right to an education, and the blessing of those labor-saving devices in the home which have contributed so much to a better life.

Thanks to Democratic policies, we now have had more time to enjoy life, with radios and television sets, and stimulating vacations.

And at least as important, we have the leisure to explore and appreciate the arts and humanities.

That is what the Democratic Party's policy of purchasing power at the base has done for the American people.

Once again, however, the Republicans, now that they have obtained control of the Federal Government, are taking the short-range view—disregarding what is best for the many in favor of what is best for the few.

In the past, Republican policies have always ended up by weakening that base of our prosperity described as "mass purchasing power"; and that is exactly what is going on today.

After 5½ years of Republican rule, business is down. In some instances—example, steel—production has now been curtailed over 50 percent.

Unemployment is up. Between five and six million men and women are now out of work, with unemployment benefits running out for many.

Because of decreased hours of work, take-home pay is also down for those who still have jobs.

Such are the statistical highlights of the current recession.

But they reveal only part of an involved economic picture.

Declining production and increased unemployment would normally result in lower wholesale and lower retail prices; and this would be particularly true when, as in the present case, there has been an actual decrease in the amount of wages and salaries paid to workers.

But the most recent price indexes show that both wholesale and retail prices are at alltime highs.

And so it is now clear that, if there was any true price competition in the market place, prices would now be lower, not higher, than they were a year ago.

Despite much rumor to the contrary, wage and salary payments have actually been declining for months. Week before last, for example, manufacturing workers received $1.36 per week less than they did a year ago; and less people are working.

Decreased employment and decreased hours per worker have resulted in the March annual rate of payment to labor being $4 billion lower than the annual rate just 12 months ago.

Last year the agriculture policies of this administration squeezed nearly 2 million more people off the land.

Many, if not most, of these displaced farmworkers are now in the cities, competing against urban workers for jobs, adding to the lack of purchasing power, to unemployment, and, therefore, to the general recession.

The Secretary of Agriculture advises the farmers squeezed out to go to the city to get a job.

At the same time the Secretary of Labor is advising unemployed city workers to go back to the farm.

How mixed up can you get?

This is just another illustration that the Republican Party does not have a good policy for combating this recession; nor does it have a poor policy. It has no policy at all.

The Republican Party's idea of leadership is to continue to sit on its hands, the same old story, hoping things will cure themselves, a policy which not only brings distress to millions, but also actually endangers our security.

In the last recession, which started in the fall of 1953, this administration promptly announced planned tax cuts of more than $7 billion.

But in the present recession, which is much deeper than the one of 1953–54, no tax cut, or any other positive action, has been announced to date.

In recent weeks the Democratically controlled Congress passed two bills which would have added purchasing power to the economy. One was to support the prices of agriculture; the other to provide more employment by means of a rivers and harbors bill.

Both bills were promptly vetoed by the President, however.

And so we stumble on, with little leadership at a time when leadership is becoming absolutely vital.

As this recession continues to dry up our income and profits, where are we going to get the money to pay for adequate defenses against communism?

Because in our way of life, defense strength can only come from economic strength, and the taxes which supply that defense strength can in turn come only from one source—income, including, of course, profits.

Private profits are essential to any economy operating under a system of free enterprise.

That is not true of a state-controlled economy, where the coin of the realm is the order of the dictator—and therein lies the economic danger which may be just as serious as any military danger.

As illustration, probably the best gage of a modern industrial complex is the production of steel.

Steel is the physical base of any modern economy.

Fifteen years ago, the Soviet Union had been laid waste for a thousand miles inside its borders. The Nazi armies were at the gates of Stalingrad.

Last week Director Allen Dulles of the Central Intelligence Agency made a shocking announcement; namely, in the first quarter of this year the Russian Communists produced more steel than the United States.

What more warning do we need about how necessary it is to get our own production back on the rails—now?

For years this administration has justified passing over quantitative military superiority to the service on the grounds we were retaining qualitative supremacy.

That premise, however, was blasted last October, when the American people saw the world's first satellite orbiting in the cool autumn sky.

The Russian sputniks required all of us to consider problems of national value and survival which did not exist before.

As a result of these launchings, President Eisenhower promptly promised the American people "a critical examination of our entire defense position."

Over 7 months have now passed, however; and very, very little has been done.

It is ironic that tens of thousands of our unemployed could be working on needed national defense items, which are being held back by the administration's self-imposed fiscal ceilings.

Yes, the iron hand of budget control of expenditures is back in control.

In my hometown, heavily hit by unemployment, the leading employer could double his employment if the rigid fiscal restrictions now in force were taken off his Government orders.

Six months after the Soviets launched their first Sputnik I, the United States has again fallen back into its former ostrich-like state of complacency.

As the beep of the Communist satellites fades into silence, inaction, delays, and expenditure ceilings have popped back into view.

The truth of the matter is they never really left. They were just temporarily unnoticed, as our attention was diverted by public statements of promised actions—and also by growing economic problems at home.

After sputnik, the President assured that the American people would not "sacrifice security worshiping a balanced budget."

Many of us were thereupon willing to overlook the Government's record during the previous years—a record of disgraceful disregard for our declining strength vis-a-vis that of the Soviets.

We were eager to cooperate to do everything possible to recover lost ground, and build up our defenses to the point where we could negotiate for peace from a position of relative strength.

Last November the Senate Preparedness Subcommittee started hearings; and received expert testimony from both civilians and military leaders.

On January 23, the subcommittee issued a unanimous report, signed by all Republican members as well as Democrats.

This report contained 17 specific recommendations for action.

Those recommendations—nonpartisan in origin and constructive in content—presented a framework for positive action on the part of the administration.

The Congress was ready and eager to do its part—and to this end, the subcommittee had the Secretary of Defense appear on February 26, and again on April 3.

We found then, and know now, that little or nothing has been done to translate most of these recommendations into action.

On the contrary, and solely to save money, SAC aircraft, defense missile facilities, and other important military equipment have actually been further concentrated on vulnerable bases, instead of being dispersed as recommended.

This action, or rather lack of action, can only please Mr. Khrushchev, the gentleman who has announced that he intends to bury us.

Let's take just one illustration of how little is being done.

Despite sputnik, almost every major expenditure item in the 1959 budget for the Army shows a cutback over expenditures for the fiscal year 1958.

There has been no modification of the program to further cut down to 14 the number of divisions in the Army (Russia alone has 175).

This continued reduction of Army divisions is being taken in the face of sworn testimony before our committee that 28 modern divisions is the absolute minimum required to meet our worldwide commitments.

Sworn testimony was also received that today the United States cannot lift and properly support overseas a single division.

Only 4 days ago a brilliant and dedicated officer, Lt. Gen. James Gavin, whose battle record equals that of any American, made the following statement on a public telecast:

"We have the Army today deployed overseas, facing an opponent it can't defend itself against and can't shoot back against."

Five of our divisions with families are today stationed in Germany, directly facing the vastly superior Communist forces.

What has happened to the President's promised "critical reexamination of our entire defense position"?

Adequate defense effort is being retarded and shackled by lack of decisive leadership.

Our position in the world, our very freedoms are being undermined by this continuing policy of placing fiscal objectives ahead of security.

It has been well said that the strength of a nation depends upon the will of the people—and that in a democratic form of government that will can only function if the people are informed.

The people cannot participate in the great decisions which now face this democratic country unless they are given the facts.

The other day a great Democrat said, "We have now become a Nation of slogans, at the expense of the truth."

Whereas we Democrats regard the people as responsible partners, the Republicans consider them merely customers, to be sold a bill of goods regardless of logic or accuracy.

You know the promises that were made about agriculture.

What has been done to keep those promises?

You know the promises that were made to reduce Government costs.

What has been done about those costs?

You know the promises about education, and the building of more schools, and measures to reduce unemployment.

What has been done about those promises?

In their place, we have such slogans as Liberating Eastern Europe, Unleashing the Formosa Chinese, Rolling Back Communism.

Candor has apparently left our Government.

Month after month the Senate Armed Services Committee heard in closed session about Russian long-range missile firings, before this Nation was test firing any such missiles.

But at the same time, the American people were being told by a member of the President's Cabinet that this country was ahead in the missile race.

My friends, there has been very little candor about our true strength vis-a-vis that of the Communists, economic, military, or diplomatic.

The progress of Soviet education has been ignored, and the growing weakness of our foreign alliance has been carefully concealed.

As has been well said, "Our prestige and influence and confidence has declined, and every setback and every disappointment and every defeat has been reported as a triumph of statesmanship from which we have emerged more respected and invulnerable than ever."

We all remember Operation Candor, the project for telling the truth about nuclear weapons.

You read and listen to the news every day. Have you ever seen anything as mixed up in the minds of the public as this question of nuclear testing?

Only a few months ago, this administration was assuring the American people that Russia was on the point of collapsing.

What has collapsed has been our own foreign policy, together with much of our prosperity; and most, if not all, of our military superiority.

As has been well said by the chairman of the freedom of information committee of the American Society of Newspaper Editors, when you act on the basis of partial truth, you act on the basis of what those people believe who gave you that partial truth; but when you act on the basis of all the truth, you act on the basis of what you believe is right.

Why won't this administration recognize the people's right to know?

There will be many issues discussed in coming months.

The problem of unemployment—millions of people walking the streets in the most prosperous country in world history.

The problem of education—rather the lack of it—brought home to the American people by the sputniks.

The problem of the growing economic menace of communism—and our vacillating behavior in meeting that problem.

No issue will be stronger, however, than the issue of telling the people the truth.

The position of our party on these issues is clear.

Great Democratic city, State, and Congressional victories next fall will be but a prologue to an even greater victory in 2 years.

Believing in the importance of a leadership which recognizes that the Government should be in partnership with the citizen, in 1960 the voters of this country will return their Government to the people, in the greatest Democratic victory this Nation has ever known.

Address of Hon. William M. Tuck at a Dinner in Honor of Senator Harry Flood Byrd, at the Washington National Airport on Thursday, May 8, 1958

EXTENSION OF REMARKS

OF

HON. WATKINS M. ABBITT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. ABBITT. Mr. Speaker, it was my privilege to attend the testimonial dinner given Senator HARRY F. BYRD by the people of Alexandria last Thursday evening, May 8.

I am proud of the great services rendered the State and the Nation by the distinguished senior Senator from Virginia. He and his family are making a great sacrifice that he might continue to serve the Nation.

The principal speaker at the banquet was the Honorable W. M. TUCK, former Governor of the Commonwealth of Virginia and presently a Member of the Congress from the Fifth Congressional District of our great State. It was a privilege for me to be one of the guests along with Congressman TUCK.

Congressman TUCK delivered an outstanding address as he always does. I am in entire accord with his sentiments. Under leave to extend my remarks, I include herewith a copy of his address which is as follows:

Mr. Toastmaster, Senator BYRD, distinguished guests, ladies, and gentlemen, this is indeed a happy occasion. I am pleased and privileged to join this fine group in honoring a great American statesman who is deserving of the highest commendation and praise.

I have been associated with our dear friend, Senator HARRY FLOOD BYRD, in the public life of Virginia for 35 years. I served in the general assembly with him before he was Governor. Because of his ability, his steadfastness, and his sterling qualities of character, I have respect and unbounded admiration for him. His strength and forte lie in his determination to see straight through a problem and his absolute unwillingness to do wrong. In short, he has the ability to know the right and the courage to do it. He possesses a natural aptitude for governmental service and the fine conditions existing in Virginia today are attributable to him as to no other public figure.

Senator BYRD, although an aristocrat of truly illustrious ancestry, maintains the common touch and, in his daily contact with the public, demonstrates a sincere interest in his fellowman.

At the early age of 15, he assumed duties and responsibilities the average adult would have considered arduous, but soon demonstrated unusual ability and acumen in business and agriculture.

He developed rapidly in politics and while still a young man evinced a rare sagacity for values in that field. His first office was as a member of the city council of Winchester at the age of 21. By the year 1915 he was in Richmond as a State senator and soon gained statewide recognition for his leadership in opposition to the $50 million road-bond proposal and thus became father of Virginia's successful pay-as-you-go system. This was a natural role for the able young senator, who is so deeply and constitutionally opposed to public debt, except under the most extraordinary circumstances.

In January 1926 our guest was inaugurated Governor of the Commonwealth and his administration is vividly remembered. When he assumed office, the State government was topheavy with bureaus and agencies. He recognized the need for reorganization and successfully espoused a plan which brought Virginia to the forefront. He employed the practical and thrifty method of naming a small commission of prominent men to recommend amendments to the State constitution. The amendments were approved by the general assembly and the people, thus revising and modernizing the 1902 constitution. As Governor, among other things, he reduced taxes, lowered the State debt, launched a sound and economical highway program, expanded and improved the State service, and, all in all, gave the Commonwealth a program of progress which was truly an outstanding achievement.

He sponsored a State antilynching bill and there has not been a death by lynching in Virginia since the enactment of that law.

This indefensible crime is all but extinct in the South—the incontrovertible and final answer to continued agitation for Federal laws on this and kindred subjects.

Senator BYRD came to the United States Senate in 1933 firmly dedicated to a program calling for a reduction in Federal expenditures, strict economy in government, and steadfast adherence to the principle of States rights. He has not swerved or faltered and still holds to the time-honored virtues of free enterprise and self-reliance. He has steadfastly opposed the opening of the coffers of the Federal Treasury to the wastrels and squanderers who would debauch our currency and bankrupt our country.

Although it may have appeared at times that his was as a voice crying in the wilderness, be it said to his everlasting credit that he has struggled courageously against the forces of centralization and fought consistently in defense of the powers of the States, and he will continue in that effort.

With regard to party politics, you may recall Senator BYRD's response some years ago when an insistent questioner kept asking: "What kind of Democrat are you?" his reply was:

"I want to tell you what kind of a Democrat I am. I am not a Republican, I will tell you that. I vote with them when they are right, and against them when they are wrong, but I am not a Republican. The kind of Democrat that I try earnestly to be is that kind of Democrat that two of the greatest Presidents of these United States were, both from Virginia. Thomas Jefferson and Woodrow Wilson. The kind of Democrat I try to be is the kind that Andrew Jackson was, who boasted that the proudest achievement of his administration was to pay off in toto the public debt. That is an opportunity that no one will ever have again. I am the kind of a Democrat that Grover Cleveland was, who said * * * it was the duty of the people to support the Government, and not the Government, the people * * *. The test of my vote in the Senate and my actions elsewhere, now, as they have been in the past, and as they will be in the future, is determined by what I believe to be best for my country."

I was greatly saddened when Senator BYRD announced early this year that he planned to retire and I joined his host of friends and admirers in an earnest appeal that he reconsider.

Thousands of Americans who respect integrity, economy, conservatism, and devotion to sound doctrines, and realized that Senator BYRD symbolizes, practices, and promotes these virtues, were likewise dismayed at the thought of his leaving the Senate.

Our joy was unbounded when he yielded to the unprecedented demand and agreed to serve for another term. His presence there at this critical juncture is imperative.

The name of Senator BYRD is synonymous with the good government with which Virginia is blessed.

Our Virginia government is interested in the well-being and happiness of all for whom government was established. We still believe in the fundamental principles—that all authority is vested in the people, and that government is the servant of the people and not their master.

We have been steadfast and firm in our determination to adhere to the fundamental principles of good government promulgated and established on the soil of Virginia, which we cherish and which have made our Commonwealth and our country great. Virginia has always been in the vanguard of the champions of free democratic government.

We believe that the faithful and impartial enforcement of law is paramount, and we recognize that as the first and foremost function of government. We have always believed in self-reliance, thrift, and hard work. Even during the darkest days of the depression, we still adhered to the principle of balanced budgets and made horizontal cuts in appropriations to the extent of more than one-third in order to wind up each biennium with a balanced budget.

Virginia is free from bonded debt. We have a relatively low rate of per capita taxation. Our expenditures exemplify the wisdom of our adherence to the pay-as-you-go system and the careful control which has been exercised over State expenditures under the executive budget and unified accounting system. These are such that the Governor at all times may know the financial status of the government, as well as that of each institution or other governmental activity. At the close of each biennium all unexpended appropriations are returned to the general fund and are reappropriated or not, in accordance with the wish and wisdom of the general assembly. In Virginia there is only one appropriation bill, wherein the full financial needs of the State are studied in their relation to each other and acted upon in the same bill and at the same time.

We do not have a State tax on real estate, and the tax imposed on farmlands in Virginia by the localities is lower than all other States in the Union except three.

Despite our relatively low tax rates, we have been able to discharge our governmental functions in a satisfactory and commendable manner. Great improvements in our public-school system have been accomplished during the last 15 or 20 years; and our system of highways, for which the people of Virginia do not owe a penny, is unsurpassed, if indeed equaled, by any other State in the Union. Similar statements could be made with reference to other functions of our government.

Our relations between industry and labor have been exceptionally good. It is a tribute to both that they can examine each side of the picture and enjoy such cordiality in their negotiations. Both know that they can look to the Commonwealth of Virginia for fair treatment and for the protection of their rights. Virginia has an average hourly earning as high as any State in the South, being equaled only by Alabama and Tennessee. During the last year, only one State in the Union showed a higher increase in average per capita income than Virginia, and only one other State equaled Virginia's per capita income increase.

We have been careful to safeguard the fundamental rights of the individual worker. In 1947 the general assembly, pursuant to my recommendation, enacted Virginia's right-to-work law, declaring it to be the public policy of the Commonwealth that the right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor union or labor organization. The free and untrammeled right of every man to earn an honest living for himself and family, irrespective of membership in any organization, is a fundamental right, and cannot rightfully be abridged.

We have in Virginia the vigor and the determination to preserve our liberties. We will not consort with union racketeers and gangsters. We will not succumb to the venal influences which threaten many other states and the national government.

Virginia has met all of her governmental obligations and duties in a commendable and satisfactory manner, and continues to operate on the basis of a balanced budget.

If we are to avoid fiscal chaos in this country our National Government must return to the same principles and practices. Indeed, this wild and uncontrolled orgy of spending on the part of the Federal Government constitutes a hazard which is itself a grave threat to our national safety.

It is a strange paradox that the Federal Government instead of being the protector and the guardian of our liberty has through its various branches and agencies been the usurper of our freedom, and seeks to deny us the exercise of constitutional rights and privileges which we have enjoyed since the foundation of the Republic.

The Supreme Court of the United States, the very body set up under our Constitution for the protection of our liberties, is the greatest offender. In its school decision of May 17, 1954, and its subsequent decisions in the Illinois case, the two Pennsylvania cases, the New York case, the New Mexico case, the California case, the DuPont case, the FBI case, and a host of others, ignored precedents of long standing and undertook

to write the substantive law of the land without regard to the rights of the Congress, the States, or the people. The Supreme Court, as at present constituted, has shown by these decisions great concern for the preservation of the integrity of the 5th amendment to the Constitution and none for the 9th and the 10th.

If these decisions are allowed by the Congress to stand, I can tell you now that our local and State governments will topple over into the abyss of destruction and remain nothing more than the hollow shells of a lost liberty. It is a sad commentary that the Supreme Court, the very instrumentality set up in the Constitution by the Founding Fathers for the protection and preservation of our rights, should use its powers to rob the people of liberties they have enjoyed for hundreds of years.

And now the Federal courts threaten to close our public schools by ordering integration of the races in violation of our constitution and laws and in contravention of our fixed habits and customs extending over the centuries.

Although exposed as no other Southern State to the evil influences emanating from Washington and from other places north of the Potomac, we have successfully resisted these efforts to integrate our schools for 4 long years and as long as we can avoid the faithless and perfidious leadership which has plagued so many other sections, there is no reason why we cannot continue to do so.

The white and Negro races of Virginia have lived together in peace, harmony and understanding for more than 300 years—longer than any other place on the Western Hemisphere. They will continue to do so if left free from the extraneous and unwarranted interference of certain political rapscallions in both our national parties who know nothing of the Negro and his problems and who care less except to use him as a vehicle upon which to ride into high public office.

Strict adherence to the philosophy and principles of our constitutional system is the surest means of conveying to our children and *succeeding* generations the blessing we have enjoyed as citizens in a free America.

Let us never forget that all power rests with the States and the people, except such as has been expressly delegated by the States to the Federal Government.

With the encouragement and leadership of men like Senator BYRD, a type of leadership which the people of Virginia and America deserve, we can restore to the States their proper and historic role in the government of our country and drive from the structure of our national life, the lingering termites of selfish interest and un-Americanism who for partisan political gain would destroy our Constitution and shatter our Bill of Rights.

Our Trade Problems With Canada and the Latin American Countries

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. BOGGS. Mr. Speaker, I cannot emphasize too strongly the remarks that I made on the floor on yesterday with respect to the Soviet economic penetration in Latin America.

As I pointed out at that time I have been attempting to acquaint the Members of this body with the problems existing there since my subcommittee made a tour of the area late last year.

You will recall that I incorporated a speech in the RECORD, which I made before the Mississippi Valley World Trade Conference in New Orleans way back in January.

In this talk I pointed out that the Soviets were exploiting the economic distress in most of the areas of Latin America; how they were negotiating for the purchase of raw materials and agricultural commodities from Colombia, Brazil, Peru, and other countries; and how many of our policies were helping them in building up unrest and animosity against the United States.

I specifically pointed out the very damaging effects of the recommendations of the administration with respect to lead and zinc, not only in Mexico and Peru, but in Canada as well. As I said on Thursday, it helps us not one whit to bury our heads in the sand about these proposals. We had best face up to them and come up with constructive solutions.

I am very happy that we have reported a good reciprocal trade agreements bill. Development in Latin America point up the necessity for passing this bill better than any arguments that I can advance. It can certainly be said that if we fail to pass the bill we will have tremendously aided the Communists in their economic penetration of the good-neighbor countries.

I include herewith an article which I wrote for the New Orleans Item some months ago:

OUR TRADE PROBLEMS WITH CANADA AND THE LATIN AMERICAN COUNTRIES

(By HALE BOGGS, chairman, Subcommittee on Foreign Trade Policy, of Committee on Ways and Means)

As Chairman of the Subcommittee on Foreign Trade Policy, I have just returned from an extensive trip to Canada and South America, studying the trade problems of these countries with the United States. This subcommittee of the Committee on Ways and Means has also just now completed 2 weeks of panel discussions on all phases of our foreign trade policies. So I am very pleased, indeed, to comply at this time with the request of the item and write some of our observations about our recent trip, as well as speculate on the prospects for trade legislation in the approaching session of Congress.

I might first point out that the Subcommittee on Foreign Trade Policy was created by the Ways and Means Committee in the closing days of the 84th Congress and has been continued for the life of the 85th Congress. In a period of about 15 months, the subcommittee has completed one of the most thorough studies ever made of the trade relations of our country. In this work we have been greatly aided by Mr. Charles Nutter, the very able secretary of International House.

In the fall of 1956, we divided the subcommittee into two groups. One group headed by myself studied trade relations in the Far East, principally in Japan but we also made inquiries in Formosa, Hong Kong, the Philippine Islands and Thailand. At the same time, half of the subcommittee was conducting investigations in all of the free nations of Europe. Prior to starting these journeys, we conducted hearings in Washington on the history and background of our tariff policies.

In March of 1957, the subcommittee reported on the trips abroad and also made a comprehensive report to the House of Representatives on the general subject of tariffs. This report—known as the Report to the Committee on Ways and Means on United States Customs, Tariff, and Trade Agreement Laws and Their Administration from the Subcommittee on Customs, Tariffs, and Reciprocal Trade Agreements—is now found in practically every library of any consequence throughout the country and has become almost a standard textbook on our trade laws. The report has recently been supplemented by a compendium of papers which has also gained wide attention throughout the commercial and trade centers of our country.

The subcommittee now contemplates filing its recommendations with the House of Representatives shortly after Congress reconvenes in January. These will be the first recommendations of the subcommittee.

Thus, I think, it may be said that our subcommittee has worked quite hard. Whether or not we will be able to contribute to a further liberalization of the trade policies of the United States remains to be seen.

Now back to some observations relative to our recent tour through Canada and South America.

First off, I believe that your readers will be interested in the type of schedule we followed and the people that we contacted.

Upon arrival in a given country we would be briefed by our Ambassador and his staff. This briefing would consist of a comprehensive summary of the political conditions existing in the given country, economic developments and finally a rather close look at trade between that country and the United States and the frictions, if any, existing therein.

After this briefing, we would generally meet with the Foreign Minister of the country and members of his staff, followed by similar meetings with the Minister of Commerce and the Minister of Finance and other officials of the Government. On successive days we would meet with the American business community, with the local business leaders, with Members of the Congress, and frequently with the President or Prime Minister. In Canada we had the great privilege of meeting with the new Prime Minister Mr. John Diefenbaker who impressed us as a devoted and dedicated public official. We also met with President Perez Jimenez of Venezuela and with Provisional President Pedro Aramburu and Vice President Admiral Isaac Rojas of Argentina.

In a short space, it is difficult to do much more than make rather general observations. Among these are the following:

We have a tremendous reservoir of good will throughout Latin America, but even our very good friends sometimes find it difficult to understand some of the vagaries of our foreign policy.

For instance, when the administration recommended an increase in duties on lead and zinc last summer, this created very little attention in the United States but to Canada and Mexico and Peru, three of our best friends, it was most alarming. In the case of Peru, it nearly brought about a panic. I can cite similar instances.

We have no better friend on earth than Canada. Historically, we have held up to the world the example of these two great nations with a common frontier of 3,000 miles dedicated to friendship, and, yet our surplus wheat disposal program has created a very serious problem in Canada. Canadian officials pointed out to me that our policy had resulted in transferring a hundred million bushels of wheat from American storage to Canadian storage. The political impact of this sort of thing is very difficult to judge,

yet these are the things which create friction and strain friendly relations.

Unfortunately, I could go on with many such examples.

On the affirmative side of the ledger, South America is probably the finest potential area for development in the world and no section has done more to establish friendly relations than has our own city of New Orleans. I think that Mayor Morrison is probably the best known public official in Latin America and International House has done a magnificent job throughout the area. Probably the most impressive thing about South America is the effort being made everywhere to establish economic stability as well as political stability. This is particularly true in the great country of Argentina which is trying desperately to overcome the legacy willed it by Peron and his henchmen.

If you can imagine a nation almost the size of the United States which has almost all of its rail system in disrepair, which has built no roads of any consequence for the last 10 years, which has incurred a fabulous debt and which is going through a period of staggering inflation, then you get some concept of the problems facing the Provisional Government. The important thing, however, is that here, as elsewhere in South America, the Government is facing up to its problem and reestablishing confidence.

One of the encouraging signs is the maturity of our American businessmen abroad.

I met with the American Chamber of Commerce in Caracas, Rio, Sao Paulo, Buenos Aires, Santiago, Lima, and Bogotá. In each country I found the officers and members of the American business community anxious to translate to the American Government and American officials the importance of encouraging more trade and the dire consequences of the imposition of new trade barriers.

For instance, the most eloquent spokesmen against new duties on lead and zinc were not found in the Government officials of Peru, although they too recognized and pointed out the serious problems involved, but among American businessmen.

Throughout the area, the Russians are watching what we do. The Khrushchev regime in Moscow is using trade as a weapon for political action and Latin America has not been neglected. Only recently, you will recall, Mr. Khrushchev said that Russia would buy more coffee and sugar from Brazil, providing Brazil established friendlier political relations with Russia. Actually, if Russia desires to purchase these commodities she can do so with the greatest of ease, but invariably Russia considers the political consequences of such trade and in many areas of the world is using this weapon to subvert or to attempt to subvert free governments throughout the world.

That is why it is so important that we do not reverse the direction of our foreign trade policy. As I write this the NATO nations are meeting in Paris. The free Europeans for the first time in modern history are about to create a common market. The implications of this market on American trade have not even been explored, but this much can be said. For us now to reverse ourselves and to change the policy created by Cordell Hull in 1934 would be, in my opinion, a catastrophic thing for America.

That brings me to the approaching session of Congress. On June 30, 1958, the existing trade-agreements program expires. Although it seems elementary that this program should be extended without crippling amendments, there are many forces at work in our country today opposed to such an extension. Some people argue that failure to extend the program would simply mean that the President of the United States would no longer have the power to negotiate multilateral trade agreements, and this failure would really have no consequential effect upon the foreign trade of the United States. Actually, nothing could be further from the truth. Foreign trade is simply an extension of domestic trade. Those of us who live in New Orleans understand this perfectly. We see it happen everyday. We see manufactured articles from plants on the Ohio come down the Mississippi River to New Orleans. From New Orleans, these manufactured articles, tractors, let us say, may move through the inland waterway system to parts of Texas or Florida. This is domestic commerce. Some of the same tractors may move by ship across the Caribbean Sea to Venezuela; this is foreign commerce.

The same essential factors are involved. The seller must have a buyer in whom he has confidence. The buyer must be able to pay for what he buys. Now, if we fail to extend the Trade Agreements Act, buyers all over the world will interpret this action as a return to the high protectionist policies of the late 1920's. They will lose confidence. They will decide that the American market is closed to them and that they will no longer be able to turn to buying from American manufacturers, from whom they are now buying.

This psychology will in turn be translated to the governments of these nations, and they, in turn, will reflect their uncertainty in many different ways. The net effect will be that Russia will be given an opportunity to move into areas which heretofore have totally and completely resisted this influence.

I previously mentioned the European common market. The treaty establishing this common market will come into being in January. For us to face this new type of Europe without the ability to negotiate with the common market would be a very serious thing from the point of view of our own exporters and importers.

From the point of view of New Orleans, the necessity for maintaining liberal trade policies is obvious. A few days ago, when we had the ceremony marking the beginning of work on the tidewater canal, I saw a great number of oceangoing vessels waiting at anchor near the mouth of the industrial canal because they were unable to obtain berths along the riverfront docks. In other words, business is booming in our port. But this is because nations are trading with us and we with them. If we reverse this policy we won't see all of those ships bringing goods and commerce and progress and work into our city.

So, we face a fight which is a very difficult one, but one which I am proud to have a part in. The battle on trade agreements will begin almost simultaneously with the opening of the next session and will continue through most of the 2d session of the 85th Congress. I know that it will be followed carefully here in New Orleans.

Mineral Subsidies and the Trade Agreements Act

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, conditions at home and abroad have forced the Congress and the executive branch to add vast sums to the budget which was submitted last January. Under these circumstances we should exercise great caution before embarking on new programs which will involve large expenditures.

There are apparently some individuals who are willing to pay any price to secure Congressional approval of a further extension of the trade agreements program. On April 14, Mr. James Reston of the New York Times reported that:

> The administration is deeply worried about the future of its foreign trade program—so much so that the State Department is now seriously considering a revision of two of this Government's pet economic doctrines.
>
> These are its longstanding opposition to the principle of international commodity agreements, and its opposition to prolonged Government purchases of such things as domestic-produced lead and zinc.
>
> Thus, to save the reciprocal trade agreement program in the Senate, State Department economic experts are urging a new Government-buying program of United States lead and zinc for stockpiling.

This statement was followed by Secretary Seaton's appearance before the Senate Interior and Insular Affairs Committee urging a 5-year Government price support program for 5 minerals. It is readily apparent that this program was proposed as an alternative to tariff relief for lead and zinc producers. Secretary Seaton estimated the cost of this subsidy program at $161 million for the first year. I challenge his prediction that the cost will diminish as the economy resumes its long range growth. In my opinion a subsidy program will immediately encourage foreign producers to ship more of their products to the United States. This will further depress the market price of these minerals and thus require even greater subsidy payments. It is my understanding that the foreign producers do not favor this program, since it will tend to depress world market prices.

Instead of authorizing a new spending program, we should all remember that a tariff in addition to providing protection for domestic producers also provides revenue for the Federal Treasury. Any added revenue should make it easier for us to finance some of the additional expenditures we have authorized without further increasing the national debt.

It is quite obvious to all informed persons that this new subsidy plan was designed for only one purpose, namely, to assist in mobilizing Congressional sentiment for the extension of the trade agreements program. The Wall Street Journal of April 29 carried this headline with reference to Secretary Seaton's program: "Administration Proposes 5-Year Price Support Plan for Five Minerals as Alternative to Tariff Hike, Quotas."

Mr. Speaker, I want to remind my friends who represent mining districts that the authorization of a subsidy program does not guarantee that the Congress will appropriate the necessary funds. Last year the Appropriations Committee was asked to provide funds for a mineral subsidy program authorized during the closing days of the 84th Congress. During the hearings on the urgent deficiency appropriation bill, the gentleman from Iowa [Mr. JENSEN] expressed the sentiments of many Members of the Congress. He made it quite clear that the authorization of a subsidy

program by a Congress does not commit future Congresses to appropriate the funds to implement it. Mr. Speaker, under unanimous consent I include at this point excerpts from the hearings before the subcommittee of the Committee on Appropriations with reference to the urgent deficiency appropriations bill, 1957:

Mr. JENSEN. I have been sitting here listening to this colloquy among you, and one thing comes to my mind, as it always does when we talk about subsidies, subsidizing anyone in America.

As I understand it, the reason for this subsidy to these mine operators is that they must be subsidized in order to meet foreign competition to at least some degree. Is that correct?

Mr. WORMSER. Correct.

Mr. JENSEN. Can you tell the committee what the ad valorem tax is on these different minerals involved?

Mr. WORMSER. Yes, sir. I think we have the rates here, and if we have them we can insert them in the record.

Mr. LIEBERT. Roughly $8 a unit. I don't have the specific ad valorem rates. I didn't anticipate this question.

Mr. JENSEN. Put the tariff for each one of these minerals in the record.

(The information follows:)

Tariff schedules for the four program commodities and antimony are as follows:

Tungsten, ore and concentrate (pound)	$0.50
Fluorspar, acid grade (short ton)	2.10
Asbestos, chrysotile	(1)
Columbium-tantalum, ore and concentrate	(1)
Antimony, ore, and concentrate	(1)
Regulus (pound)	.02

[1] Free.

Mr. JENSEN. The facts are that if we had a sufficient tariff to protect the domestic mine operators there would be no need for the expenditure of all this money which you have already spent and are here asking for $30 million more?

Mr. WORMSER. That is right.

Mr. JENSEN. This is a fair example of many other things where we have reduced our tariff walls to the point the country is being flooded by products from foreign countries, where labor costs are one-tenth to one-half of what our labor gets, and where the land is worth possibly only 5 cents an acre compared to $50 an acre here. Our land and labor is far higher than that, from twice as much to 10 times as much as mining labor in foreign countries.

It is wonderful to be bighearted. We have been so bighearted that I am afraid we will bust out at the seams one of these days, and the whole world will laugh at us and say, "Uncle Sam, it was wonderful, but you are sure a darn fool for spending money like a drunken billionaire."

I don't know whether the world will appreciate it in the long run or not.

I will make my speech very short and sweet. Just because Congress authorizes something, and just because someone got on the floor of the House or testified before a committee that they thought they needed $90 million to carry on this project, that doesn't mean this Appropriations Committee has to furnish the money. We don't.

Many times authorization bills go through, money is authorized, and the Appropriations Committee doesn't furnish one single dime to support that authorization.

If I vote for this this time, I promise you this much: It will be the last time I vote for money for this purpose. I will make you that promise, gentlemen, unless we put our tariffs up to protect the American worker and American industry to the point where we do not need at least this much money.

Reciprocal-trade treaties are wonderful, but it happens they are not reciprocal in too many places.

I will not promise you right now, gentlemen, that I will even vote for this, because I don't like the picture.

You have plenty of these materials for our defense program, and my guess is that most of these operators could live and possibly make a little money without this subsidy. I am not sure about that, but I do not like this kind of business. The quicker we get away from it, the better it will be for us and everybody else, I think, and also for industry, so they will know they cannot depend on Uncle Sam for such business as this.

That is the way it strikes me, gentlemen. I am just talking from my heart, and I don't want to be contrary.

But I sit here and listen to our chairman, who did a magnificent job in bringing out the facts, and I think you folks did a wonderful job in trying to answer as to the facts. I think you were honest. From the discussion I gather that Uncle Sam is being taken for a great big ride.

Do you have any answer to that little speech?

Mr. WORMSER. One short comment, Mr. JENSEN. The justification for it I see. I share your misgivings.

The tungsten mining industry deserves a bouquet. We didn't have a tungsten industry before. We had just a small industry. They did a fine war job and should be given a reasonable period to readjust themselves. I felt I could subscribe to this bill because it represented a transition period, and it also gave us a breathing spell to come out with some program which would enable that part of the tungsten industry to survive which could meet a competitive platform as delineated by whatever long-range program the administration and Congress adopts.

Mr. JENSEN. The big concerns that are in the tungsten business, certainly they can get along without this subsidy; can they not?

Mr. WORMSER. I am sure some of them can; yes, sir.

Those remarks by the gentleman from Iowa should serve as a warning to any Member who believes that the authorization of a 5-year subsidy program would provide necessary stability for our domestic mining industry. Nothing could be farther from the truth.

Proponents of the mineral subsidy program are only interested in securing an extension of the trade agreements program. They seek to prevent the Congress from exercising its constitutional responsibility in accepting or rejecting the findings of the Tariff Commission. If they achieve their goals, I predict that the subsidy program will lapse and domestic minerals producers will have no relief.

When Secretary Seaton was asked whether the subsidy program had been offered as an offset to tariff legislation, he said:

I resent any implication that this is a slick political deal.

However, Secretary Dulles dispelled any doubt as to the purpose of this new program. He said:

It is the administration's hope and expectation that the subsidy program will avoid the necessity for higher tariffs or quotas. * * * Indeed, the subsidy is an alternative to higher tariffs or quotas. We don't need both.

Mr. Speaker, so that all the Members of the Congress may see through this obvious plan to secure the support of the mining districts at the taxpayer's expense, I include the New York Times article of April 15 and the Wall Street Journal article of April 29 which refer to relief for the mineral industry in lieu of a tariff may be included at this point:

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

ADMINISTRATION MAPS MOVE TO SAVE ITS TRADE PROGRAM

(By James Reston)

WASHINGTON, April 14.—The administration is deeply worried about the future of its foreign trade program—so much so that the State Department is now seriously considering a revision of two of this Government's pet economic doctrines.

These are its long-standing opposition to the principle of international commodity agreements, and its opposition to prolonged Government purchases of such things as domestic-produced lead and zinc.

Thus, to save the reciprocal trade agreement program in the Senate, State Department economic experts are urging a new Government-buying program of United States lead and zinc for stockpiling.

Coincidentally, these same experts are discussing the feasibility of an international coffee commodity agreement to avoid financial distress and political trouble, particularly in Brazil and Colombia.

The administration ended its zinc-buying program last month, and allocated no funds for Government purchases of lead after June 30, 1958. These decisions, coupled with the competition of foreign-produced lead and zinc, have caused widespread unemployment in United States lead and zinc mines, and have greatly increased the demand in the Senate for high tariffs against lead and zinc imports.

In short, the situation is as follows:

Lead and zinc: Senators from the lead and zinc States—New Mexico, Arizona, Colorado, Idaho, Utah, Montana, and to a lesser extent Wyoming—have served notice on the administration that they will not vote for the reciprocal trade agreements program unless the lead and zinc miners are given relief in one form or another.

This informal mining bloc, most of whose members have previously favored the reciprocal trade agreements program, is working closely with the Senate textile bloc and oil bloc, both of which also want protection againt foreign competition. And the combination has convinced the State Department economic experts that unless some concessions are made to the protectionists, the reciprocal trade agreements program will be severely crippled if not defeated.

Coffee: Brazil, Colombia and several other Latin American countries get 80 percent of their foreign exchange from the export of coffee, primarily to the United States and Europe. Their revenues from this country have been dropping steeply in the last 18 months.

COMPETITION FROM AFRICA

Meanwhile, competition from French and British African coffee has been hurting their market, particularly in Europe, and when the European common market agreements get into full operation, African coffee will enjoy a greater priority in the European market.

The question raised here, therefore, is whether to sit down with the Latin American coffee producers and discuss the problem, knowing that such a discussion would inevitably lead to proposals for an international coffee agreement similar to the sugar agreement now in operation.

In the past, the United States Government while feeling that the commodity agreement for sugar worked fairly well, has opposed the extension of this device to coffee. The idea here has been that the United States was the world's largest consumer of coffee and that it should buy coffee anywhere it could for the lowest possible price.

Accordingly, United States officials have refused to enter into international negotiations on a coffee commodity agreement. Now, however, they see serious trouble ahead for the Latin American nations—Guatemala and Costa Rica are involved as well as Brazil and Colombia—that depend primarily on this one crop for foreign exchange.

EXPORTS FROM BRAZIL

For example, Brazil's coffee exports to the United States dropped from $604,731,000 in 1956 to $528,402,000 in 1957—a decline of $76,329,000. Colombia's dropped in this same period by $24,638,000 and the estimates for the future are even more disturbing.

This is happening when the Soviet Union is in the midst of a major trade drive in Latin America. The State Department's argument is that it would undoubtedly be cheaper and safer in the long run to revise our theory about commodity agreements than to deal with the economic and political consequences of a financial crisis in the coffee-producing countries in the south.

There is, however, serious opposition to this line of thought within the administration. Some officials think the controversy over commodities agreements and stockpiling payments for lead and zinc will be the major issue within the executive branch of the Government in the next 3 months.

A QUESTION BY OPPONENTS

The opponents of commodity agreements ask why the administration should start down the road toward more commodity agreements when it has had so much trouble with trying to fix prices and agricultural quotas at home. The free market is the best market, these officials say. Therefore, they are opposed to the arguments being heard in the State Department.

Nevertheless, political considerations in both the lead and zinc and the coffee controversies are forcing a review of economic doctrine.

Even the State Department officials who are advocating a modification of present policies do not like commodity agreements or perpetual stockpiling programs, but they are faced with harsh alternatives and feel that the time has come to talk out the differences with the administration.

It is difficult to be precise about the Government purchases of lead and zinc in the past, for these are not published. Reliable estimates, however, put the cost at about $50 million a year.

The State Department argument is that this will be very little to pay if, as it believes, the future of the Trade Agreements Act depends on the votes of the mining bloc in the Senate.

State also argues that the Latin-American market for United States automobiles and other products will seriously decline unless some way is found to avoid a financial crisis in important parts of the hemisphere.

The Secretary of State, John Foster Dulles, dealt with the Latin-American commodity price problem in a speech at Pan American Day ceremonies here this afternoon.

He said that the United States Government had realized "the potential consequences of violent fluctuations in the prices of Latin America's exports and is daily searching for ways and means to contribute toward a solution."

"I can assure you," he said, "that we are truly anxious to help within the limits of what is sound and within our governmental capabilities. And we are always ready to discuss with our neighbors these mutual problems in an effort to find practical and acceptable solutions."

[From the Wall Street Journal of April 29, 1958]

ADMINISTRATION PROPOSES 5-YEAR PRICE SUPPORT PLAN FOR FIVE MINERALS AS ALTERNATIVE TO TARIFF HIKE, QUOTAS—COPPER, LEAD, ZINC, FLUORSPAR, TUNGSTEN NAMED; LIMIT SET ON AMOUNT

WASHINGTON.—The administration proposed a 5-year Government price support program for 5 minerals, apparently as an alternative to tariff relief for lead and zinc producers.

Interior Secretary Seaton, who outlined the proposal to a Senate Interior Subcommittee, urged quick approval so Tariff Commission recommendations for higher duties and import quotas would become completely academic.

Declaring the price-support scheme does more for lead and zinc than the tariff proposals, the Secretary said the administration plan contemplates extending present tariffs. He seemed to be indicating President Eisenhower would reject, or at least tone down, the Commission's recommendations.

Mr. Seaton asserted the new proposal has the endorsement of the President, who believes it to be the best way of solving the problems which confront us.

The program calls for payments to make up the difference between the domestic market and a stabilization price, with annual limits on the quantity the Government would support.

MINERALS' PRICE AND LIMIT

The minerals, with their new stabilization price and yearly limit, would be: Copper, 27.5 cents a pound, 1 million tons; lead, 14.75 cents a pound, 350,000 tons; zinc, 12.75 cents a pound, 550,000 tons; fluorspar (acid grade), $48 a short ton, 180,000 tons; and tungsten, $36 a short ton unit, 375,000 short ton units.

Mr. Seaton offered the scheme as an economic bridge across the present and temporary valleys of low consumptive requirements.

Four of the five minerals are now selling at a market price below the Government support figure listed by Mr. Seaton. Committee aids furnished current approximate prices as: Copper, 25 cents a pound; lead 12 cents a pound; zinc, 10 cents a pound; fluorspar, $50 a short ton for acid grade; and tungsten about $20 a short ton unit.

Government-delivered fluorspar in the high quality acid grade is more expensive at $53 a short ton, officials said. Interior Department aides said they arrived at the $18 support price as a compromise effort to help producers reorient themselves to the competitive commercial market. The bulk of domestically produced fluorspar is being sold now to the Government, which pays the premium price. However, the Federal purchase plan expires December 31.

COALITION GROUP

Some 15 Western States Senators are reported to have formed a coalition with lawmakers from textile and oil-producing States in an effort to use opposition to the President's bid to extend the Reciprocal Trade Act as a lever for higher tariff protection. The administration's minerals plan appeared to have been drawn up in an effort to placate the western bloc, where unemployment has reached serious proportions in the mining industry.

Senator ANDERSON, Democrat, of New Mexico, and Senator MANSFIELD, Democrat, of Montana, both leaders in the mining State coalition, were surprised by the proposal. Mr. MANSFIELD remarked, "It looks to me like a Brannan plan now in effect for wool," and added "Off hand, the stabilization prices look too low and not realistic enough." Former Democratic Agriculture Secretary Charles F. Brannan once advocated direct subsidy payments similar to the minerals program for supporting farm commodities.

Mr. ANDERSON said he had not had time to study the minerals measure but commented "it may be something that will mean stability to the mining industry."

DISTRIBUTION SAFEGUARDS PLANNED

The 5-year plan will include safeguards to insure fair distribution of Government payments within each industry, Mr. Seaton promised. This specifically means limits upon each company to give both small and large producers a chance to participate, he said. The program would not require a new agency but would be administered by the Assistant Interior Secretary for mineral resources.

The support prices would be applied only to domestic new-mine production, and not to refinery operations. For 1957, the interior department estimates the following new mine production for the 5 minerals: Lead, 333,493 tons; zinc, 520,128 tons; copper, 1,076,922 tons; acid grade fluorspar, 192,000 short tons, and tungsten, 378,000 short-ton units. A short-ton unit, weighing 20 pounds, contains 15.862 pounds of tungsten.

Mr. Seaton acknowledged that the current slump in demand for minerals has created grave problems both abroad and domestically. He said the 5-year scheme is aimed at insuring strategically sound domestic minerals production without disrupting economies of other nations.

The cost would be about $161 million the first year, he predicted, but would diminish as the economy resumes its long-range growth.

The minerals industry's financial woes have sparked various proposals for Government help. Last year, the administration backed lead and zinc and when these were not approved, urged quick action by the Tariff Commission on the industry's plea for relief.

Meanwhile, the problem has been complicated by completion of the Government stockpiling program for zinc, and the imminent end of Federal lead buying.

Now, however, the Tariff Commission has come up with a split decision recommending two types of relief. The three Democratic members urged duties be raised to the Smoot-Hawley tariff levels passed in 1930: 1½ cents a pound on lead ore, 2⅛ cents a pound on lead pigs and bars, three-fifths of a cent a pound on zinc ores and 1¾ cents a pound on zinc blocks, pigs, or slabs.

Levels backed by the three Republicans were at the highest permissible mark of 50 percent above 1945's legal rates. These would be 1⅕ cents a pound on lead ores, 2 11/20 cents on lead pigs and bars, 1⅕ cents on zinc ores and 2 1/10 cents on zinc blocks, pigs and slabs. This trio also called for annual quotas on imports of lead ores of 82,700 tons and lead pigs and bars of 139,000 tons. They also recommended quotas of 237,400 tons on zinc ores and 88,200 tons on zinc blocks, pigs, and slabs.

The current tariff levels are three-fourths of a cent a pound on lead content of ore, 1 1/16 cents a pound on lead and bars, three-fifths of a cent a pound on zinc ores and seven-tenths of a cent a pound on zinc blocks, pigs, or slabs. There are no quotas.

Whether mining State lawmakers would accept the price support scheme as an alternative to tariff relief was not clear. Senator WATKINS, Republican, of Utah, termed it a "fair compromise on the international situation."

He told reporters the plan isn't better than the quota and tariff urged by the Commission but is better than "just a straight tariff

because we couldn't get one high enough to do the job."

WORST OF SLUMP OVER

The Senator specifically questioned whether the proposed support prices on zinc and lead would be high enough to stabilize the industry. "If we're going to keep the mines going, we will have to have reasonableness *all around*," he said. He warned that this applies to labor too, adding, "Consumers have a right to strike too, and apparently they've struck."

Senator ALLOTT, Republican, of Colorado, said he had information some mines were operating at a loss but were continuing to stay open in the hopes of a rise in prices. "They are in effect gambling against the future," he declared.

Mr. Seaton said it is the considered judgment of the administration that the worst of the current slump is over and that we may soon see an upturn. Many of the problems now plaguing the minerals industries should be alleviated when this occurs, Mr. Seaton said, adding that the administration, therefore, was recommending legislation to enable the Government to help private enterprise in long-range explorations of mineral resources.

He warned that one of the most serious aspects of the current slump is its impact upon exploration, an activity which is the first to be cut back and the last to be put again in operation.

Under present law expenditures for exploration may be treated as an operating expense for tax purposes up to a maximum of $100,000 a year for 4 years. Mr. Seaton said his Department has been discussing with the Treasury the possibility of raising this limitation. No decision has been reached, he stated.

Visits of State

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. PHILBIN. Mr. Speaker, the Members of this House have great esteem and affection for the distinguished Vice President, our former colleague, Hon. RICHARD M. NIXON.

Many people have been impressed by the obviously favorable impressions of the previous state visits, which our esteemed colleague has made. However, thousands of Americans are distressed by the reactions of his present tour of South America. In almost every country that he has visited, organized and unorganized protests of his presence have occurred. We have had the unhappy and very shocking spectacle of a Vice President of the United States being openly hissed, jeered and stoned in the streets and public places of some of our South American cities.

I appreciate that these demonstrations have come to large extent as the result of organized Communist propaganda and action. However, in some places, the news reports indicate, that many of the general public have approved of this discourteous treatment of our Vice President and joined in the cry that is taken up in many places of the world, "Go home Yanks" and "Down with Yankee imperialism," "Yankee Dog" and the like.

Like many Members of the House and many of the American people, I greatly deplore these insults and discourtesies to the esteemed Vice President of the United States while he is engaged in discharging his duty as a goodwill ambassador. I seriously doubt, considering the current experiences, that much good will is being developed as the result of his visit to South American countries. To the contrary, I think that bad will is being developed and the outbreaks occurring are simply giving opportunities to Communists and disgruntled elements to stage anti-American demonstrations, which are played up by the Communist and pro-Communist press and spread to all corners of the world.

Visits of state may well have their place in our foreign relations, but where they occasion derogatory outbursts and demands that distinguished visitors get out and other discourtesies, I doubt very much that any contribution is being made to bettering the relationships between our own Nation and our South American friends.

Perhaps there are more facets to the situation than meet the eye. For years we have known of the planned operations of the Communist conspiracy in many countries directed against this Nation and all friendly nations, indeed directed against democracy and freedom.

This question is for the executive department to decide, but I do not believe that the visit of any American dignitary to a foreign country should be the occasion for insults, vituperations, physical attacks and public disorder. Unless it can be assured in advance that our distinguished visitors are to be welcome and will receive respectful and courteous treatment, I believe that we should discontinue the practice of so-called state visits because, under the circumstances, there is reason for believing that they are currently doing more harm than good and causing humiliation, gratuitous insult and personal danger to some of our highest and most distinguished American leaders. We do not have to take that from any nation. We should not take it.

Repeal Excise Taxes Now

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. OSMERS. Mr. Speaker, the time has come for the House to take decisive action on repealing excise taxes. Prompt action will stimulate business at all levels and really help end the recession.

I have introduced a bill, H. R. 12508, which repeals excise taxes on automobiles; automobile parts and accessories; jewelry; furs; cosmetics; ladies' handbags; luggage; electric, gas and oil appliances; electric light bulbs and tubes; photographic equipment; telephone and telegraph; and transportation of persons and property. Some of my views are contained in a letter I have written to the Honorable WILBUR D. MILLS, chairman of the House Ways and Means Committee.

I strongly urge every other Member of Congress who feels as I do to express his views to the committee. Under unanimous consent, I include the letter, in its entirety, in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 15, 1958.

Hon. WILBUR D. MILLS,
Chairman, House Committee on Ways and Means, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: The grave economic condition of our Nation prompts me to address this letter to you urging that you and your committee give early and prompt consideration to my bill pending before your committee which in my judgment would contribute immeasurably to the economic recovery and stability of our country. I have reference to H. R. 12508 introduced by me on May 14, 1958.

This bill is designed to repeal the excise tax on automobiles and automobile parts and accessories retroactive to March 1 of this year. It also repeals, effective July 1, the excise taxes on the following: jewelry; furs; cosmetics; ladies' handbags; luggage; electric, gas, and oil appliances; electric light bulbs and tubes; photographic equipment; telephone and telegraph; and transportation of persons and property.

I know of no quicker nor more effective way to help small merchants and consumers than to reduce the price of retail merchandise by repeal of the excise taxes provided for in my bill. This will give manufacturers and retailers a nationwide shot in the arm without causing inflation. This is a practical, immediate proposal to end the recession.

The economic plight of the automobile dealers and manufacturers is being almost daily compounded by the remarks of Members of Congress and other responsible Government officials which indicate that the reduction or removal of the automotive excise tax is a subject likely to be considered at this session.

Every auto dealer I meet tells me that there will be no marked pickup in automobile sales until such time as a final decision by Congress on this all-important matter is reached. It's watch and wait with thousands of potential buyers. Even a flat refusal by Congress to repeal the tax would clear the air and be better than no action at all.

The automobile industry plays a dominant role in the Nation's economy. Take 1956 for example. This industry purchased 42 percent of the total United States consumption of sheet steel, 24 percent of bar steel, and 23 percent of stripped steel. Additionally, the automobile industry purchases 65 percent of the United States consumption of natural rubber and 61 percent of the synthetic variety.

Insurance premiums paid by motor-vehicle owners run near the $5-billion mark, and some kind of installment credit is used to buy about 6 out of 10 new vehicles. About one out of every five patents issued each year is for an automotive device. Automobiles also contain unusual products like beeswax, sugarcane, resin, cork, and iodine.

The new-car purchaser of today pays considerably more for his automobile than his

father did for his, but a good portion of the purchase price of today's new car is hidden in taxes—27 cents of every auto dollar. Of the total cost of a $2,500 car delivered in 1956 to a resident of Michigan, taxes were responsible for $599, with other States about the same.

So the Federal Government, to a large degree, prospers when the auto industry experiences boom years, and suffers, through losses in tax revenues, when car sales experience a slump.

States, too, reap benefits from the automotive industry, receiving 30 percent of their total tax revenues from motor-user taxes. In 1956 alone the 48 States collected almost $4 billion from motor-vehicle fuel and license taxes.

The American people have the money and want to buy 1958 automobiles. Savings are at an alltime high. The new models have been well received. It seems to me that the time has come for us to act promptly and decisively to end the paralysis in the giant auto industry, where unemployment is so prevalent.

One of the important things to remember is that all of these taxes were either imposed or increased as a World War II measure. The war ended 13 years ago. It's about time we repealed them.

If these excise taxes on automobiles and merchandise are repealed, the income taxes that the Government will receive on increased profits and earnings resulting from greater sales would more than make up for the loss of the excise-tax revenue. Since the taxes on transportation and communication are in many instances charged against business income, the revenue loss from their repeal would also be offset by increased income-tax receipts.

Delay in the enactment of H. R. 12508 will prolong and deepen the recession. In the national interest, I strongly urge that your Committee report out this bill immediately.

Best regards.

Sincerely,

FRANK C. OSMERS, Jr.

Digest of Business Conditions and Probabilities

EXTENSION OF REMARKS

OF

HON. WALTER M. MUMMA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1958

Mr. MUMMA. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following digest on business conditions and probabilities.

WE ARE IN SERIOUS TROUBLE

Our goals of economic progress and national safety should be more goods and more jobs combined with stable buying power for our dollars.

There are dangers which threaten the attainment of these goals.

One danger is that we may not maintain the superiority of our industrial and economic progress over that of the Soviet Union; the other is that continual erosion of the purchasing power of our money may injure most Americans, and in the end curtail our individual liberties and destroy our system of free competitive enterprise.

More Americans should understand these related dangers.

WILL WE WIN THE PRODUCTION BATTLE?

McCann-Erickson, Inc., in an advertisement under the above title said:

Khrushchev has just put this challenge to the American industrial system: Can it match and finally top the pace of Russia's global military-economic offensive without destroying its own freedom in the effort?

Hedley Donovan, editor of Fortune, reported Khrushchev as having said in his interview with the three American observers of the recent Russian election:

Our rates and tempos of growth are three and four times those of your country.* * * We are all convinced that we will overtake you, and this is not a matter of theory, but of fact.

The startling fact for it is that our rate of growth in physical output of goods and in productivity per man-hour worked has slackened, while Russia's has increased. And now we are in a serious recession in production and employment, yet with our prices of goods and services still rising.

We cannot hope to maintain our present economic superiority over Russia by working shorter hours, by feather-bedding, by increasing the cost of everything we produce, or by calling upon Government to subsidize a large part of our population.

There appears to be little if any willingness among the leaders of industry, labor, farmers, and governments to consent to the adjustments that would correct these conditions.

Arthur Krock, in the New York Times of December 12, mentioned 11 evidences of this attitude, among them the following:

1. Illegal and unjustified strikes and violence.

2. Opposition by labor union leaders to even mild legislative reforms to protect union members from abuses by their officials, and their condemnation of a Congressional committee's statement of facts about labor racketeering.

3. Labor union demand for more leisure, higher wages, increased fringe benefits, unemployment insurance, Government spending, etc.

4. Agreements between employers and unions that make holding jobs contingent on union membership.

It would be unrealistic and unfair, in our opinion, to infer that no business managers are among those who are unwilling to accept the sacrifices and to consent to the adjustments imposed by the grim reality mentioned by Mr. Krock.

THE EROSION OF OUR MONEY VALUE

The American dollar has today a buying power less than half its buying power in 1940. It is about 3.5 percent less than a year ago, and 6.7 percent less than 2 years ago. It is still declining.

Each 1-percent increase in the Consumer Price Index of the Bureau of Labor Statistics reduces total individual purchasing power about $3 billion.

The Argus Research Corp, commenting on this fact, said:

We talk about lowering taxes by, let us say, $6 billion; we could get the same effect if adamant labor-management attitude would permit a 2-percent cut in the cost of living.

It also would have the great advantage of not adding to inflationary pressure or Government debt. All consumers—not just some—could buy more goods and services.

Richard Gray, president of the building and construction trades department, AFL-CIO, said last December:

It will do us little good to achieve military superiority (to the Russians) if the cost and the ever-increasing inflation eventually result in widespread unemployment and a depression.

His proposal of a 1-year wage freeze in the construction industry was denounced by other labor leaders.

It would seem that labor leaders do not realize that inflation is the enemy of wage earners, not their friend; that it reduces the purchasing power of their incomes, savings, life insurance, and pension benefits; and that it is curbing the demand for their products to the point where per capita growth in unit consumption of goods has been stopped.

We do not intend to discuss the subject of inflation technically, or to mention the various factors affecting it. We hope to throw some light upon the controversial question of the cause of rising prices and of unemployment, and some possible means of correction.

The welfare of all Americans, including managers and owners of businesses and wage earners, also our national welfare, depend upon understanding the facts, and upon the adoption of wise policies to correct the dangerous trend.

As is well known, union leaders claim that unnecessarily high prices and profits and inadequate purchasing power are to blame for our present inflation and our business recession. They say that wages are too low; and they are pressing for higher wages, shorter hours, expanding fringe benefits, increased unemployment benefits, Government expenditures and reduced tax rates on low incomes.

Businessmen say that increases in wages and other labor costs not matched by increased productivity per man-hour, together with the actions of labor unions, which are made possible by their monopoly power and by our full employment act, are responsible for both conditions.

WHAT CREATES PURCHASING POWER?

Purchasing power comes entirely from output, in one way or another.

It may be consumers' purchasing power in the form of income, current or past, or borrowed money.

It may be business-purchasing power in the form of sales revenues, or profit after taxes, current or past, or borrowed money.

It may be Government purchasing power obtained from taxes or from borrowed money.

The current business recession was not caused by inadequate purchasing power. The total of disposable personal incomes and liquid savings and the

funds available to corporations for capital expenditures were at the highest level ever reached.

Disposable personal incomes in 1957 totaled $300.6 billion—4.7 percent larger than in 1956, 11 percent larger than in 1955, 46 percent larger than in 1950. Most corporations had, or were able to obtain, funds for capital expenditures.

Average hourly earnings in manufacturing in 1957, $2.07, were 4.5 percent higher than in 1956, 10 percent higher than in 1955, 41 percent higher than in 1950.

Total compensation of employees was $254 billion in 1957, 5.4 percent more than in 1956, 14 percent more than in 1955, 65 percent more than in 1950.

The share of national income received by wage earners was 71.1 percent in 1957, the largest ever recorded except in 1932–33. It was 68.8 percent in 1955; 64.3 percent in 1950; 63.6 percent in 1948.

Declining demand was due mainly to five causes:

First. Consumer resistance to high prices.

Second. Some consumer markets temporarily saturated.

Third. Curtailed business investment in new plants and equipment because of weakened incentives, declining profits, the exorbitant demands of labor unions, and excessive capacity in some industries.

Fourth. Curtailed purchases for inventories.

Fifth. Curtailed defense purchases by Government.

It has been in the heavy goods industries, which depend on investment and business spending, and in the automobile and steel industries, where wages are at the highest level, that unemployment has been the most severe.

Business profits are not unreasonably large, except perhaps in a few cases.

Corporate profits, after taxes, $20 billion in 1957, were less than in 1956, 1955 or 1950. As a percentage of national income, they were 5.6 in 1957, 6.1 in 1956, 6.5 in 1955, 7.2 in 1950 and 9.2 in 1948. As a percent of sales, they were 5.2, 10 years ago, 3.5 recently, with the value of the dollar now 70 percent of what it was 10 years ago.

Obviously, handing a part of reduced profits over to wage earners would check improvement of equipment and plans to expand, and thus restrict job opportunity and ability to increase wages and worker benefits. A fact that every employee should understand is that business profits are the working man's best friend. The dynamic factor of the economy is the expectation of profits. Employees should resist any proposal that would result in reducing profits to a level that would lessen the employer's ability or incentive to invest in improved equipment or methods, or to expand.

The need for capital for new plants and equipment is going to increase greatly during the next seven years. A widespread reduction of business earnings below levels which afford a reasonable return on risk capital would seriously hamper the accumulation of adequate capital.

THE "NEW" INFLATION, BY WHICH WE MEAN RISING PRICES

That something new has come to the United States is evident from the record of wages, productivity and prices.

Inflation is characteristic of wartime; it is unusual in peacetime. Usually, prices in the United States have declined after every major war. Between 1945 and 1951 the level of wholesale prices rose by 67 percent. During the next 3 years, the index of industrial prices stayed fairly stable. Since 1955, it has risen by 7.3 percent.

Another unusual feature of the present inflation is that both the Wholesale Price Index and the Consumer Price Index have risen in the midst of a recession. In past recessions, except 1953–54, prices moved downward. The wholesale and the consumer price indexes are now at their all-time high.

Never before has industrial production dropped 14 percent in a year while the BLS indexes of wholesale and consumer prices rose 2 percent and 3.5 percent respectively, and average hourly earnings of production workers in durable goods manufacturing rose 2.8 percent, and in building construction, 5 percent.

A further general rise in prices would have the effect of further curtailing consumer buying and business investment in inventories, plans, and equipment.

WHAT IS CAUSING THE PRICE RISE?

Wages are the principal cost of production. Pay increases by industry leaders spread throughout the economy, and raise the prices of all commodities and services. Employee compensation accounts for 78 percent of the income generated in manufacturing—and in corporate business as a whole.

When money wages rise while output per man-hour rises more slowly, or not at all, unit labor costs must rise. Increased revenue from price increases is the only possible source of that part of the additional wage payments that is not offset by greater productivity, unless it can be taken from profits.

The impossibility of covering the increases in labor compensation in recent years by having employers accept smaller profits seems obvious, since profits before taxes of all corporations were $40 billion in 1950 and $41 billion in 1957, while the compensation of the working force in 1957, $254.4 billion, was $100 billion more than in 1950. If the net profits of recent years had been substantially less than they were, the effect upon capital investment would have been damaging to the Nation—and especially to labor.

A recent study by Fortune showed that since the end of the Korean war the 100 largest American industrial corporations had declines in earnings before taxes per dollar of sales of 16.3 percent; in earnings per dollar of net worth of 14.9 percent.

Ewan Clague, Commissioner of Labor Statistics, Department of Labor, said in a Monthly Labor Review:

In the long run, after all temporary fluctuations have worked themselves out, productivity determines the real wages of workers. Wages may shoot skyward at great speed, but they are only worth what the productivity of industry yields in goods.

According to a BLS report, in the private sector of the economy, between 1947–56; (a) Money wages of employees, plus employer supplementary payments, increased 61 percent; (b) output per man-hour increased 26 percent; (c) per unit labor cost of production increased 28 percent; (d) per unit nonlabor cost increased 27 percent; (e) consumer prices increased 21.7 percent.

A disturbing fact is that output per man-hour in manufacturing, as estimated by the BLS, rose in 1956 and 1957 less than 1 percent yearly, as constrasted with an average of 3.5 percent in the 7 preceding years. As average hourly earnings have risen since 1950 more than output per man-hour, wage costs per unit of production have steadily increased. This has caused an upward pressure on prices.

It is obvious that the power of labor unions, largely the result of their exemptions from laws which apply to all other citizens, has put a continual upward pressure on prices. Their power is greater than even our largest corporations have.

Business monopoly is prohibited by law, and enforcement of antitrust laws has been vigorous in recent years, but there has been no restraint upon the actions of unions which had the effect of pushing prices up.

Labor union pressure is not the only cause of rising prices, but is the most important one.

We believe that neither unions nor employers should have the power to impose their arbitrary will on the other party in collective bargaining.

Management has a responsibility to keep its prices at a level that will stimulate its sales to an extent that will be beneficial to the company, its employees and the public.

Edward L. Dale said in a Times article:

In 1953, 1954, 1955 and much of 1956, consumer prices were stable, but money wages rose by 8 percent and real labor cost, after allowing for the rise in productivity, rose by 6 percent.

An essential of a dynamic industrial system and a stable currency is to pass to consumers the benefits of technological progress by price reductions that are commensurate with declines in real costs.

If labor and management continue to push up wage and price levels they will price themselves out of markets, both domestic and foreign. Unemployment would increase.

It is a responsibility of management to resist strongly union demands which will necessitate price increases.

It is a joint responsibility of management and labor to release to the fullest possible extent the potential strength of our economy.

This is a time for vision and patriotism.