all demand personnel of high caliber to assure their effective use.

More than 40 years ago, Lenin said, and I quote:

"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."

This is the Communist doctrine, unchanged by the succession of masters in the Kremlin. Soviet conduct since World War II offers convincing proof that world domination is the key to every move made by the Russian rulers.

The Kremlin has at its disposal strong and dangerous military forces. Ground forces available to the Sino-Soviet bloc total approximately 400 line divisions. Aircraft in operational units amount to about 25,000. Naval vessels in active service total around 3,000. Included in the naval force are 500 submarines—the largest submarine fleet in the history of the world. Moreover, the Soviet Union now has the atom bomb, the hydrogen bomb, and short- and long-range missiles.

We must maintain a strong defense if we are to preserve our way of life, our freedom, and all that is dear to us.

As Americans, regardless of our partisan affiliations, we should all subscribe to the oath of Thomas Jefferson when he said:

"I have sworn upon the altar of God eternal hostility to every form of tyranny over the mind of man."

SENATE

TUESDAY, JULY 1, 1958

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

God of our fathers, in all the commotion and contentions of the bewildering present, with its constant demands, we would turn aside for this dedicated moment to seek the quiet assurance of Thy presence.

By tasks too difficult for us, we are driven unto Thee for strength to endure and wisdom to interpret rightly the signs of these testing times.

As a new star is added to our starry banner, give our Nation, on this, its birthday week, to see clearly that, not in the number of stars in a field of blue, but in the blazing light of freedom which streams from that galaxy, shining steadily in the black night of tyranny, is the deep meaning of that sacred emblem, the hope of the world.

Long may our land be bright
With freedom's holy light.

We ask it in the name of that One who is the light of the world. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 30, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 30, 1958, the President had approved and signed the act (S. 3100) to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 11102. An act amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship;

H. R. 11630. An act to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes;

H. R. 11801. An act to amend sections 802 and 803 of the Veterans' Benefits Act of 1957 to increase the burial allowance for deceased veterans from $150 to $250; and

H. J. Res. 221. Joint resolution granting the consent of Congress to the several States to negotiate and enter into compacts for the purpose of promoting highway traffic safety.

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 Vice President:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union; and

H. R. 12716. An act to amend the Atomic Energy Act of 1954, as amended.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 11102. An act amending the jurisdiction of district courts in civil actions with regard to the amount in controversy and diversity of citizenship; and

H. J. Res. 221. Joint resolution granting the consent of Congress to the several States to negotiate and enter into compacts for the purpose of promoting highway traffic safety; to the Committee on the Judiciary.

H. R. 11630. An act to amend title XV of the Social Security Act to extend the unemployment insurance system to ex-servicemen, and for other purposes; and

H. R. 11801. An act to amend sections 802 and 803 of the Veterans' Benefits Act of 1957 to increase the burial allowance for deceased veterans from $150 to $250; to the Committee on Finance.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CLARK, and by unanimous consent, the following committees were authorized to meet today during the session of the Senate: The Committee on Foreign Relations and the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in that connection be limited to 3 minutes.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Macie K. Phares, Ernest L. Petterson, and Margaret H. Rountree, to be postmasters at Circleville, W. Va., Irwin, Idaho, and Elko, S. C., respectively, which nominating messages were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

Detlev W. Bronk, of Pennsylvania, to be a member of the National Science Board, National Science Foundation;

T. Keith Glennan, of Ohio, to be a member of the National Science Board, National Science Foundation;

Robert F. Loeb, of New York, to be a member of the National Science Board, National Science Foundation;

Lee A. DuBridge, of California, to be a member of the National Science Board, National Science Foundation;

Kevin McCann, of Ohio, to be a member of the National Science Board, National Science Foundation;

Jane A. Russell, of Georgia, to be a member of the National Science Board, National Science Foundation;

Paul B. Sears, of Connecticut, to be a member of the National Science Board, National Science Foundation;

Ernest H. Volwiler, of Illinois, to be a member of the National Science Board, National Science Foundation; and

Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board.

By Mr. BYRD, from the Committee on Finance:

Bligh A. Dodds, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

Ormond E. Hunt, of Michigan, to be a member of the Advisory Board for the Post Office Department; and

Two hundred and fifty-six postmaster nominations.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the calendar will be stated.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations of United States marshals.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. 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.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF GENERAL SALES MANAGER, COMMODITY CREDIT CORPORATION

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager on Commodity Credit Corporation sales, policies, activities, and dispositions, dated April 1958 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Post Office Department for "Operations," for the fiscal year 1959, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Post Office Department for "Transportation," for the fiscal year 1959, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON PAYMENT OF CLAIM ARISING FROM CORRECTION OF MILITARY RECORD

A letter from the Comptroller General of the United States, reporting, pursuant to law, on the payment of a claim arising from the correction of the military record in the case of Maj. Arthur L. Mayo, USAF, retired; to the Committee on Armed Services.

SPECIAL REPORT ON AUTOMATIC DATA PROCESSING IN BUSINESS AND MANAGEMENT CONTROL SYSTEMS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a special report on the survey of progress and trend of development and use of automatic data processing in business and management control systems of the Federal Government, as of December 1957 (with an accompanying report); to the Committee on Armed Services.

REPORTS ON TRADE-AGREEMENTS PROGRAM

A letter from the Chairman, United States Tariff Commission, Washington, D. C., transmitting, pursuant to law, a report on the operation of the trade-agreements program, for the period July 1956–June 1957 (with an accompanying report); to the Committee on Finance.

FORREST E. DECKER

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Forrest E. Decker (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"Resolution 301

"Resolution relative to expressing the views of the fourth Guam Legislature upon the income tax structure of the Territory of Guam

"Be it resolved by the Legislature of the Territory of Guam—

"Whereas the Department of Interior has submitted to the United States Congress a bill to amend section 31 of the Organic Act of Guam in order to continue the present separate territorial income tax by clarifying the original provision in said Organic Act; and

"Whereas in opposition to the proposed amendment there has been transmitted to said Congress a petition signed by local residents, a copy of which is attached to this resolution, which petition not only protests such an amendment to the Organic Act, but also goes on to allege without any supporting facts or reasons that the budget of the government of Guam does not consider the true needs of the island nor the amount of money needed to run the local government, and that a Congressional committee should be appointed to study the local tax and revenue requirements; and

"Whereas prior to the adoption of any budget by the Guam Legislature, public hearings are advertised and held wherein all interested parties, including representatives of the business community of Guam are invited to participate and express their views for or against any proposed appropriation, but that no representatives of any group other than the executive branch of the government of Guam have ever appeared before the legislative budget committees to make objections to, comments upon, recommendations for, or criticisms against governmental appropriations, nor has any group ever advised this legislature, or any committee thereof, of any specific fact, instance or particular wherein any budget adopted by the Guam Legislature has failed to consider the true needs of the island or the amount of money needed to run the government; and

"Whereas the proposed amendment to the Organic Act and the allegations contained in the petition bear directly upon the responsibilities of this legislature making it appropriate that this body express its views thereon to said Congress of the United States: Now, therefore, be it

"*Resolved*, That the Fourth Guam Legislature does hereby respectfully state its position and the position of the people whom they were elected to represent regarding the matter in dispute as follows:

"(1) That the people of the Territory of Guam recognize as a responsibility of United States citizenship and civil government the duty to pay the taxes lawfully imposed upon them including taxes based on income and measured by ability to pay to the same extent as that provided for other Americans residing within the continental United States;

"(2) That the present system for the assessment, payment and collection of income tax in Guam provides for the payment of income tax in Guam to the same extent as required in the United States, has been worked out over a period of years, has the support of several decisions of the courts of the United States and appears to be just, fair and equitable;

"(3) That any change in the present system of assessment, payment or collection of income taxes would not only create serious revenue problems for the government of Guam, but would also create untold confusion and uncertainty as to income tax liability in Guam to the detriment of this Territory and the people residing and transacting business therein;

"(4) That this legislature favors whatever amendment is necessary to section 31 of the Organic Act of Guam which will preserve the present system for payment, collection and enforcement of the income tax law. The representative of this legislature appointed to appear in Washington on H. R. 12569 will be authorized to discuss the details involved;

"(5) That the petition herein referred to and attached to this resolution does not represent the considered views of the people of Guam with a full realization of its implications but rather was not fully explained to many of the signatories whose signatures thereon were encouraged by promises and representations that the effect of such a petition if granted would be to provide tax refunds;

"(6) That this legislature knows of no need for a wholesale revision of the tax structure on Guam, while recognizing that minor improvements should always be considered and made. Further that, although this legislature earnestly favors studies, inquiries and investigations by Members of Congress and Congressional committees on all matters affecting this Territory, no facts have been brought to the attention of this legislature which would warrant a request for a special investigation on income tax or budget matters at this time. Recommendations for operating budgets of this and preceding legislatures have been received from the Governor's office and the budgets have been passed only after extensive public hearings. Such budgets have received the scrutiny and approval of three governors appointed by the President of the United States since the passage of the Organic Act and all accounts and expenditures made pursuant thereto are audited by certified public accountants brought to Guam from the United States for that purpose;

"(7) That the people and Legislature of Guam are proud of the accomplishments of this territory in the 8 years since the adoption of the Organic Act. The act itself was only adopted after some 50 years of preparation of the people of Guam for democracy under the direction of the United States

Navy and Naval Governors appointed to that responsibility. This legislature, therefore, sees no need for Congressional control of Guam taxes as suggested in the petition, except that Congressional control which is already contained within the Organic Act providing that Congress may at any time within one year after the adoption of any statute disapprove the same. To provide at this late date for a virtual revocation of the intent of the Organic Act through diluting and taking away local control of funds, would, in the opinion of this legislature, be a fatal backward step in local self-government;

"(8) That this legislature, on behalf of the people of Guam, desires again to express to the Congress of the United States deep appreciation for all of the consideration, aid, and assistance which has been given to this Territory; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate, the Speaker of the House of Representatives, and to the Governor of Guam."

"PETITION

"We, the undersigned, being residents of the Territory of Guam and subject to the present local imposition of income taxes, join in the following petition to the Congress of the United States:

"1. That although we have not been publicly advised of the proposed legislation sponsored by the Department of the Interior, we have learned that the Department has submitted the draft of a proposed bill to the Honorable SAM RAYBURN, Speaker of the House of Representatives, that would amend section 31 of the Organic Act of Guam to regularize collection of income taxes within Guam as a Territorial tax, and particularly to make such collection retroactive to January 1, 1951; and further, to bar the filing of all claims for refund of any or all income taxes paid for those years.

"2. That we feel proper legislation concerning the imposition of income taxes for Guam is necessary and will have to be enacted; however, that the present manner of imposition of taxes by the Government of Guam is not in accordance with the Internal Revenue Code of the United States and that under the present system proper protection or consideration is not uniformly available to the taxpayer; that we feel such legislation, when enacted, should provide Congressional control of Guam taxes.

"3. That the budget of the Government of Guam is based upon the potential taxes available under the current imposition of income tax without consideration of the true needs of the island, or the amount of tax money needed to run the local government.

"4. That no legislation concerning the Organic Act of Guam be considered by the Congress until a final decision is rendered by the Court of Claims in the case of *Jennings, et al.* v. *the United States*, which decision, it is believed, will clarify the Congressional intent of section 31 of the Organic Act of Guam. That to rush through legislation at this time would tend to destroy the balance of power between the executive and legislative branches of our Government. We feel that any hasty action at this time would not allow sufficient time for the Congress to determine the possible need for such legislation, and would probably result in further litigation, with its burdens and expenses to the taxpayers and the Government.

"5. To appoint a Congressional committee who would be directed to study at first hand on Guam our local tax and revenue requirements and the ability of the economy to support any proposed tax structure over a period of time.

"Name----------
"Address----------
"Date ----------"

A telegram from the mayor and councilmen of Fairbanks, Alaska, expressing the gratitude of the people of Fairbanks for the admission of Alaska as a State into the Union; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FREAR, from the Committee on the District of Columbia, without amendment:

H. R. 7452. An act to provide for the designation of holidays for the officers and employees of the government of the District of Columbia for pay and leave purposes, and for other purposes (Rept. No. 1781).

By Mr. FREAR, from the Committee on the District of Columbia, with amendments:

H. R. 7863. An act to amend the District of Columbia Alcoholic Beverage Control Act (Rept. No. 1782).

By Mr. CLARK, from the Committee on the District of Columbia, without amendment:

S. 3735. A bill to amend the charter of the National Union Insurance Company of Washington (Rept. No. 1784).

H. R. 7349. An act to amend the act regulating the business of executing bonds for compensation in criminal cases in the District of Columbia (Rept. No. 1785);

H. R. 9285. An act to amend the charter of St. Thomas' Literary Society (Rept. No. 1786); and

H. R. 12643. An act to amend the act entitled "An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as the municipal court for the District of Columbia, to create the municipal court of appeals for the District of Columbia, and for other purposes," approved April 1, 1942, as amended (Rept. No. 1787).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H. R. 10504. An act to make the provisions of the Longshoremen's and Harbor Workers' Compensation Act applicable to certain civilian employees of nonappropriated fund instrumentalities of the Armed Forces, and for other purposes (Rept. No. 1791).

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

H. R. 10320. An act to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes (Rept. No. 1790).

INCREASE IN MEMBERSHIP OF BOARD OF APPEALS OF THE PATENT OFFICE; INCREASED SALARIES—REPORT OF A COMMITTEE (S. REPT. NO. 1783)

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on the Judiciary, I report favorably with amendments, and recommend the passage of Senate bill 1864, a bill to authorize an increase in the membership of the Board of Appeals of the Patent Office, to provide increased salaries for certain officers and employees of the Patent Office, and for other purposes.

I make this statement because, when the bill was discussed in the Judiciary Committee, inasmuch as it involved the salaries of certain officials serving with the Patent Office, we were instructed to consult the Committee on Post Office and Civil Service, of which the Senator from South Carolina [Mr. JOHNSTON], who is now in the Chamber, is the chairman.

During the past 8 years, there has been a growing backlog of undisposed of appeals in patent cases before the Board of Appeals.

These appeals have been filed at the average rate of 5,000 a year, but they have not been disposed of more rapidly, on the average, than 4,500 a year. The result has been that, whereas the number of appeals on hand at the beginning of the year 1950 numbered 3,705, those on hand at the beginning of 1958 numbered 7,183.

In the interest of promoting the intelligent administration of the Patent Office and the early disposition of patent appeals, it was felt desirable to increase the membership of the Board from 9 to 15, and to make an adjustment with respect to salaries. It was because of this feature, that the Judiciary Committee felt it important that the Committee on Post Office and Civil Service should consider the subject. I am advised that the committee has done so at its regular session this morning.

I invite comment from the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, it is true that the Committee on Post Office and Civil Service considered this subject this morning at its regular meeting. It did so at the suggestion of the Committee on the Judiciary, which had referred the subject to us for consideration, inasmuch as it had something to do with the regulation of salaries, and involved certain additional super-grades.

We have studied the bill, and approve it in toto.

In the bill increasing salaries and establishing certain additional supergrades the House did not approve of as many supergrades as did the Senate. If it had, there would be more supergrades provided for in the present law.

We think it is necessary that the Patent Office have additional help to handle the great backlog of cases. I also learned of the situation in the Judiciary Committee, where I happen to be a member of the subcommittee dealing with patents. We gave full approval to the bill.

Mr. O'MAHONEY. I thank the Senator from South Carolina.

In submitting the report recommending the expansion of the Permanent Board of Appeals from 9 to 15, I wish the RECORD to show that the measure has the approval of both the Judiciary Committee and the Committee on Post Office and Civil Service.

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

AMENDMENT OF SECTION 41, LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT, RELATING TO SAFETY RULES—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF BILL

Mr. KENNEDY. Mr. President, from the Committee on Labor and Public Wel-

fare, I report favorably, with amendments, the bill (S. 3486) to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes, and I submit a report (No. 1788) thereon.

I ask unanimous consent that the names of the Senator from Oregon [Mr. MORSE] and the Senator from Connecticut [Mr. PURTELL] be added as cosponsors of the bill.

The VICE PRESIDENT. 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 by the Senator from Massachusetts.

EXTENSION OF VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952 TO CERTAIN VETERANS—REPORT OF A COMMITTEE (S. REPT. NO. 1789)

Mr. THURMOND. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, 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 service in the Armed Forces after January 31, 1955. I ask unanimous consent to submit the report thereon not later than midnight tonight.

The VICE PRESIDENT. The bill will be placed on the calendar, and, without objection, the report may be filed before midnight tonight, as requested by the Senator from South Carolina.

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. CLARK:

S. 4083. A bill for the relief of Fathy A. Kashmiry, his wife, Aleya Fattouh Kashmiry, and their three minor children, Aly Raouf Kashmiry, Marvat Kashmiry, and Mohsen Kashmiry; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 4084. A bill for the relief of Stefano Tarrantino; to the Committee on the Judiciary.

By Mr. SYMINGTON (for himself, Mr. HENNINGS, and Mr. ANDERSON):

S. 4085. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EASTLAND:

S. 4086. A bill directing the Secretary of the Interior to convey certain property in the State of Mississippi to Mrs. H. A. McNemar; and

S. 4087. A bill directing the Secretary of the Interior to convey certain property in the State of Mississippi to J. P. Carter; to the Committee on Interior and Insular Affairs.

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

S. 4088. A bill to approve a repayment contract negotiated with the Heart Mountain Irrigation District, Wyoming, and to authorize its execution; to the Committee on Interior and Insular Affairs.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 4089. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to libraries which are tax supported or publicly owned and operated; to the Committee on Government Operations.

By Mr. BEALL:

S. 4090. A bill to authorize the Board of Commissioners of the District of Columbia to buy tickets from certain common carriers operating in the District of Columbia and to sell these tickets at reduced prices to schoolchildren; and

S. 4091. A bill to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SPARKMAN:

S. 4092. A bill to extend the provisions of the Veterans' Readjustment Assistance Act of 1952 until such time as existing laws authorizing compulsory military service cease to be effective; and to provide for payment of tuition and fees of veterans receiving educational benefits under such act; to the Committee on Labor and Public Welfare.

By Mr. MORSE:

S. 4093. A bill for the relief of Keitha L. Baker; to the Committee on the Judiciary.

By Mr. ERVIN (for himself and Mr. BUTLER):

S. 4094. A bill to recodify, with certain amendments thereto, chapter 19 of title 5 of the United States Code, "Administrative Procedure"; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (by request):

S. 4095. A bill to amend the act of August 1, 1947 (61 Stat. 715), as amended, and for other purposes; and

S. 4096. A bill to amend section 4201 of title 18, United States Code, with respect to the annual rate of compensation of members of the Board of Parole; to the Committee on Post Office and Civil Service.

By Mr. HENNINGS (for himself and Mr. LANGER):

S. J. Res. 187. Joint resolution to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes; to the Committee on the Judiciary.

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

INSTITUTES AND JOINT COUNCILS ON SENTENCING

Mr. HENNINGS. Mr. President, on behalf of myself and the senior Senator from North Dakota [Mr. LANGER], I introduce, for appropriate reference, a joint resolution to authorize the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and in other ways to assist the courts in minimizing the wide inconsistencies now characterizing Federal sentences.

Disparities occur not only between districts in different parts of the country, but between adjoining districts and between districts of the same State.

Needless to say, such disparities do not safeguard the public interest.

The joint resolution which I am introducing grew out of previous studies of this problem over a period of decades by many groups associated with the administration of justice. Its specific provisions were worked out by the Federal Advisory Corrections Council, composed of several Federal judges, officials of the Department of Justice, and others. Most noteworthy is the fact that the joint resolution has been endorsed by a preponderant majority of Federal judges, the Judicial Conference of the United States, the American Bar Association, and many other organizations, Government agencies, and individuals associated with the administration of criminal justice.

I ask unanimous consent that a statement, prepared by me, describing the sentence-disparity problem in more detail and the manner in which the provisions of the joint resolution are intended to minimize it, may be printed, together with the text of the joint resolution, at this point in the RECORD.

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

The joint resolution (S. J. Res. 187) to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes, introduced by Mr. HENNINGS (for himself and Mr. LANGER), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That chapter 15 of title 28, United States Code, is amended by adding the following section:

"SEC. 334. Institutes and joint councils on sentencing

"(a) In the interest of uniformity in sentencing procedures, there is hereby authorized to be established under the auspices of the Judicial Conference of the United States, institutes and joint councils on sentencing. The Attorney General and/or the chief judge of each circuit may at any time request, through the Director of the Administrative Office of the United States Courts, the Judicial Conference to convene such institutes and joint councils for the purpose of studying, discussing, and formulating the objectives, policies, standards, and criteria for sentencing those convicted of crimes and offenses in the courts of the United States. The agenda of the institutes and joint councils may include but shall not be limited to: (1) The development of standards for the content and utilization of presentence reports; (2) the establishment of factors to be used in selecting cases for special study and observation in prescribed diagnostic clinics; (3) the determination of the importance of psychiatric, emotional, sociological, and physiological factors involved in crime and their bearing upon sentences; (4) the discussion of special sentencing problems in unusual cases such as treason, violation of public trust, subversion, or involving abnormal sex behavior, addiction to drugs or alcohol, and mental or physical handicaps; (5) the formulation of sentencing principles and criteria which will assist in promoting the equitable administration of the criminal laws of the United States.

"(b) After the Judicial Conference has approved the time, place, participants, agenda, and other arrangements for such institutes and joint councils, the chief judge of each circuit is authorized to invite the attendance of district judges under conditions which he thinks proper and which will not unduly delay the work of the courts.

"(c) The Attorney General is authorized to select and direct the attendance at such institutes and meetings of United States attorneys and other officials of the Department of Justice and may invite the participation of other interested Federal officers. He may also invite specialists in sentencing methods, criminologists, psychiatrists, penologists, and others to participate in the proceedings.

"(d) The expenses of attendance of judges shall be paid from applicable appropriations for the judiciary of the United States. The expenses connected with the preparation of the plans and agenda for the conference and for the travel and other expenses incident to the attendance of officials and other participants invited by the Attorney General shall be paid from applicable appropriations of the Department of Justice."

SEC. 2. The chapter analysis of chapter 15 of title 28, United States Code, is amended by inserting before section 331 the following item:

"334. Institutes and joint councils on sentencing."

SEC. 3. That chapter 311 of title 18, United States Code, is amended by adding the following section:

"SEC. 4208. Fixing eligibility for parole at time of sentencing

"(a) Upon entering a judgment of conviction, except where the death penalty is mandatory, the court having jurisdiction to impose sentence, when in its opinion the ends of justice and best interests of the public require that the defendant be sentenced to imprisonment for a term exceeding 1 year, may (1) designate in the sentence of imprisonment imposed a minimum term at the expiration of which the prisoner shall become eligible for parole, which term may be less than, but shall not be more than one-third of the maximum sentence imposed by the court, or (2) the court may fix the maximum sentence of imprisonment to be served, in which event the court may specify that the prisoner may become eligible for parole at such time as the board of parole may determine.

"(b) If the court desires more detailed information as a basis for determining the sentence to be imposed, the court may commit the defendant to the custody of the Attorney General, which commitment shall be deemed to be for the maximum sentence of imprisonment prescribed by law, for a study as described in subsection (c) hereof. The results of such study, together with any recommendations which the Director of the Bureau of Prisons believes would be helpful in determining the disposition of the case, shall be furnished to the court within 3 months unless the court grants time, not to exceed an additional 3 months, for further study. After receiving such reports and recommendations, the court may in its discretion: (1) Place the prisoner on probation as authorized by section 3651 of this title, or (2) affirm the sentence of imprisonment originally imposed, or reduce the sentence of imprisonment, and commit the offender under any applicable provision of law. The term of the sentence shall run from date of original commitment under this section.

"(c) Upon commitment of a prisoner sentenced to imprisonment under the provisions of subsection (a), the Director, under such regulations as the Attorney General may prescribe, shall cause a complete study to be made of the prisoner and shall furnish to the board of parole a summary report together with any recommendations which in his opinion would be helpful in determining the suitability of the prisoner for parole. This report may include but shall not be limited to data regarding the prisoner's previous delinquency or criminal experience, pertinent circumstances of his social background, his capabilities, his mental and physical health, and such other factors as may be considered pertinent. The board of parole may make such other investigation as it may deem necessary.

"It shall be the duty of the various probation officers and Government bureaus and agencies to furnish the board of parole information concerning the prisoner, and, whenever not incompatible with the public interest, their views and recommendations with respect to the parole disposition of his case.

"(d) The board of parole having jurisdiction of the parole may promulgate rules and regulations for the supervision, discharge from supervision, or recommitment of paroled prisoners."

SEC. 4. That chapter 311 of title 18, United States Code, is amended by adding the following section:

"SEC. 4209. Young adult offenders

"In the case of a defendant who has attained his 22d birthday but has not attained his 26th birthday at the time of conviction, if, after taking into consideration the previous record of the defendant as to delinquency or criminal experience, his social background, capabilities, mental and physical health, and such other factors as may be considered pertinent, the court finds that there is reasonable grounds to believe that the defendant will benefit from the treatment provided under the Federal Youth Corrections Act (18 U. S. C. Chap. 402) sentence may be imposed pursuant to the provisions of such act."

SEC. 5. The chapter analysis of chapter 311 of title 18 is amended by inserting before section 4201 the following items:

"4208. Fixing eligibility for parole at time of sentencing.

"4209. Young adult offenders."

SEC. 6. Sections 3 and 4 of this act shall apply in the continental United States other than Alaska, and in the District of Columbia so far as they relate to persons charged with or convicted of offenses under any law of the United States not applicable exclusively to the District of Columbia.

The statement presented by Mr. HENNINGS is as follows:

STATEMENT BY SENATOR HENNINGS

The long-standing problem of excessive disparities in the sentences imposed by our courts is one which has engaged the attention of judicial groups, legal authorities, criminologists and others for decades. The existence of such disparities tends to create the feeling that the administration of justice is somewhat less than evenhanded and also serves to interfere seriously with the purpose of sentences in protecting the public. If we are to make meaningful the motto above the majestic columns of the Supreme Court Building, "Equal Justice Under Law," we must find, it seems to me, an improved method of sentencing in Federal courts.

During visits to the various Federal penitentiaries, the wardens, without exception, pointed out to me the wide variation in sentences for similar crimes given to individuals with substantially the same background and prior record. I have attended a number of institutional classification committee meetings where rehabilitative activities are outlined for prisoners, and I have personally noted the wide differences in the sentences received by like persons for like crimes. In some cases the sentences were so long that the prisoner was left without hope or incentive to better himself. In other cases the sentences were much too short to enable the institutional staff to train the prisoners to take their places in the community as law-abiding and self-respecting citizens. The psychiatric staffs of the institutions commented to me in several cases how difficult it would be, during the short time imposed by some courts which are unfamiliar with the problems involved or with institutional facilities, to change the hostile, bitter attitudes of some of the younger men being sent to prison.

The prevalence of such disparities inevitably weakens respect for the administration of justice and, as a result, much of the potential for the prevention of crime inherent in wholesome respect for the law is not realized. It also must be concluded that the chief victim of the consequences of sentence disparities is the general public, whose safety has not been adequately protected by sentences which do not equitably serve the purposes of deterrence, incapacitation, or reformation.

The joint resolution which I am introducing was developed by the Federal Advisory Corrections Council, a statutory body composed of Federal judges, Department of Justice officials, and others associated with the administration of justice. The proposals contained in the joint resolution grew out of many previous studies on this problem. The inequities and inadequacies of Federal sentencing procedures have been a matter of concern to the Department of Justice and its Attorneys General in every administration for decades, and the Judicial Conference of the United States has studied this problem continuously and intensively since 1938. The joint resolution has the support and approval of the Attorney General of the United States; the Judicial Conference of the United States; the Department of Health, Education, and Welfare; the Administrative Office of the United States Courts; the American Bar Association, as well as many other national organizations.

The first section of the joint resolution would authorize the establishment of joint institutes and councils on sentencing, under the auspices of the Judicial Conference of the United States. Briefly, the joint resolution would give Congressional approval to arrangements by which Federal judges, selected Department of Justice personnel, and other professional persons could assemble together periodically to study data concerning crime, criminals, and sentences, and to work out by discussion such sentencing principles and criteria as would bring about a more equitable administration of the criminal laws of the United States.

Another section of the joint resolution would provide the judge with alternative procedures in sentencing convicted offenders to imprisonment. The judge could sentence as at present, by fixing the maximum term and leaving parole eligibility at one-third of this maximum. Or he could set any maximum term up to the statutory limit and at the same time specify a parole eligibility date falling at any time up to one-third of the court-imposed maximum. Third, he could set only the maximum term and specify that the parole eligibility date would be determined by the Board of Parole.

This procedure in the case of a serious chronic offender would permit the judge to set both the maximum term and the parole eligibility date at the statutory limits. In more hopeful cases, the judge could impose a sentence to imprisonment of reasonable length and specify a parole eligibility date which could be earlier than one-third of the maximum. In doubtful cases the judge could set a long maximum term and leave the matter of parole eligibility to the determination of the parole board. These alternatives would furnish the judge with the procedures necessary to fit the sentence to the requirements of the individual offender and at the same time provide desirable safeguards for the protection of the public.

The joint resolution also contains a provision which would make it possible for the court, when confronted with the necessity of making a sentence determination in a particularly difficult case, to commit the defendant (technically under the statutory maximum term) to the Attorney General for a complete study over a period of 3 to 6 months. At the completion of this period, armed with a summary of this study, the judge would be authorized to impose a final sentence under any applicable statute. At the present time, the judge is powerless to modify a sentence later than 60 days after it has begun, which is too brief a time to study and observe the prisoner thoroughly.

A fourth provision would authorize the court to impose sentence under the Youth Corrections Act in the cases of selected defendants between the ages of 22 and 26. At present the act is applicable only to those under the age of 22 at time of conviction. This proposal does not contemplate a general extension of the Youth Act, but would make it possible for the judge, when a defendant comes before him who is particularly suitable for the treatment directed by that act, to sentence him under its provisions. Many judges have reported that a number of defendants come before them who are chronologically too old to be sentenced under the Youth Act but who are emotionally so immature as to make suitable subjects for this type of correctional treatment. This provision is intended to cover such cases.

In summary, enactment of the proposals embodied in the joint resolution would furnish Federal judges with more background data concerning crime, criminals, and sentences; would equip them with more adequate resources in securing detailed information concerning individual defendants; and would give them additional procedures by which to fit sentences more closely to the requirements of each case and the protection of the public.

I should like to emphasize that this proposed legislation would take away none of a judge's present power over sentencing. The joint resolution preserves the prerogatives of the Federal courts by retaining in the judiciary primary control over sentencing. Its provisions would supplement rather than replace existing procedures and are intended only to make available to the judge additional methods and facilities which he may use at his discretion.

Nor does the joint resolution represent a soft or coddling approach toward crime and criminals. At the present time too many prisoners must be released at the end of their terms, less statutory time, when it may still be apparent that they will commit further crimes. Others must serve sentences which are so long that by the time their mandatory release dates arrive (eventually and inevitably in most cases), the men have become deeply embittered and perhaps confirmed in criminality. The new procedures are intended to safeguard the public by tying release more directly to completed rehabilitation rather than to fixed and arbitrary release dates.

The Senator from North Dakota [Mr. LANGER] and I earnestly hope that the joint resolution will receive early and favorable consideration.

AGRICULTURAL ACT OF 1958—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment, intended to be proposed by him, to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, which was ordered to lie on the table and to be printed.

MISBRANDING AND FALSE ADVERTISING OF FIBER CONTENT OF TEXTILE FIBER PRODUCTS—AMENDMENT

Mr. BRIDGES (for himself, Mr. COTTON, Mr. MARTIN of Pennsylvania, and Mr. TALMADGE) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 469) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, which was ordered to lie on the table, and to be printed.

AMENDMENT OF SMALL BUSINESS ACT OF 1953—AMENDMENTS

Mr. MURRAY. Mr. President, on behalf of myself, and Senators MANSFIELD, JACKSON, NEUBERGER, PROXMIRE, MAGNUSON, MORSE, HUMPHREY, and CHURCH, I submit amendments, intended to be proposed by us, jointly, to the bill (H. R. 7963) to amend the Small Business Act of 1953, as amended.

The Small Business Act aims to preserve the private enterprise system by assuring competition, free markets, and developing small business. The present law does not apply to sale of property by the Government but only to procurement.

For example, the Government sells large amounts of timber but small business is not assured of a fair proportion. I have heard from some of the small timber operators and so have my colleagues. They express the view that they are not always able to bid effectively on timber. They also have difficulty financing road construction. This amendment will bring to them the assistance of the Small Business Administration. This amendment would extend the Small Business Act to give the services of aid, counsel, and assistance to small business in the sale of Government property as is now provided in the procurement field.

It confers the broad authority on the Small Business Administration to cooperate with the other agencies in developing such procedures as may be needed.

It does not set forth a specific program in any given commodity sold by the Government.

I submit the amendment and ask that it remain at the desk for additional cosponsors.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will remain at the desk as requested by the Senator from Montana.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. MAGNUSON (for himself, Mr. JACKSON, and Mr. MORSE) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

PRESERVATION AND DISPLAY OF SENATE DOCUMENTS, RECORDS, ET CETERA—ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of June 26, 1958, the names of Senators ANDERSON, BARRETT, BEALL, BRICKER, BRIDGES, BUSH, CASE of New Jersey, DIRKSEN, EASTLAND, FLANDERS, GOLDWATER, HRUSKA, HUMPHREY, IVES, KENNEDY, MANSFIELD, MURRAY, PROXMIRE, and YOUNG were added as additional cosponsors of the resolution (S. Res. 318) to establish a special committee to consider the matter of preserving historical documents and records of the Senate, submitted by Mr. BENNETT on June 26, 1958.

EXEMPTION OF CERTAIN PROFESSIONAL TEAM SPORTS FROM APPLICATION OF ANTITRUST LAWS—HOLDING OF BILL AT DESK

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the bill (S. 4070) to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, be held in the office of the Secretary of the Senate through Monday, July 7, for the purpose of adding cosponsors. Many Senators who wish to cosponsor the bill will be leaving the city over the weekend; therefore, this action is necessary tonight.

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

PRINTING AS A SENATE DOCUMENT COLLECTION OF EXCERPTS AND BIBLIOGRAPHY RELATIVE TO AMERICAN EDUCATION AND CERTAIN OTHER EDUCATIONAL SYSTEMS (S. DOC. NO. 109)

Mr. MUNDT. Mr. President, I have had prepared by the Legislative Reference Service of the Library of Congress a collection of excerpts and a bibliography relative to American education and certain other educational systems, consisting of material on questions which speech students of the high schools of America will be using in their debates next year. The material was prepared at the request of a number of high-school debating coaches whom I met around the country. It will provide, if printed as a Senate document, material which Senators can send to people who write to them requesting debating material. We have been compelled to prepare this material in mimeograph form from the Library of Congress, thus necessitating a considerable expense.

I have cleared this matter with the acting majority leader, the Senator from Montana [Mr. MANSFIELD], and with the minority leader, the Senator from California [Mr. KNOWLAND].

I ask unanimous consent that this material be printed as a Senate document.

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

ALASKAN STATEHOOD

Mr. SMITH of New Jersey. Mr. President, the people of the Territory of Alaska are about to attain full statehood. I have long supported this historical development. It is a truly memorable experience to be able to participate in the debate resulting in the admission of another State to this great Union. I can recall, 45 years ago, when I was living in Colorado, the admission of New Mexico and Arizona which added the 47th and 48th stars to our national emblem.

The admission of a new State is a stimulating occurrence. It is a stirring symbol of the forward movement of free people at a time when the world is engaged in a desperate struggle to contain the dark forces of totalitarianism.

It also provides us with an opportunity to reflect with humility upon our magnificent national heritage. The admission of Alaska is inseparably linked to the events in our past by which this Republic was forever forged into a whole.

I have listened with great interest to the debate on House bill 7999. I have been impressed by the fact that the American people support statehood for Alaska; by the fact that the Alaskans themselves wish it, and appear to be capable of supporting a State government financially; by the fact that it will constitute the fulfillment of the pledges of our two great political parties; and by the further fact that Alaska with its vast resources, has the promise of a rich and dynamic future.

The grant of statehood should encourage the development of Alaskan immigration, food production, exploitation of natural resources, and expansion of industry and commerce.

The compact with the people of Alaska should assure the Nation that our national-security interests will be protected with a minimum of restriction upon the local government and activities of the peoples in the northern and western portions of that subcontinent. The provisions in the controversial section 10 of the bill appear to be a practical solution to a difficult and demanding problem; and they afford procedures which I believe will be held to be in accord with our constitutional traditions. I am particularly impressed by the fact that most of the Senators from our great western States, where so much of the land is under Federal jurisdiction, strongly supported this provision of the bill.

Mr. President, it is gratifying to be able to admit the peoples of Alaska into full rights of citizenship, stretching from local self-rule and local courts to the power to vote for presidential electors and their own representatives in Congress.

I sincerely hope that at the earliest possible date we shall follow this great action by the admission of Hawaii as our 50th State.

These actions are the inevitable evolution of free America, and are a clear assurance to a Free World of a united America.

Mr. President——

The VICE PRESIDENT. The Senator from New Jersey.

EXECUTION OF IMRE NAGY

Mr. SMITH of New Jersey. Mr. President, it is reassuring to note the universal human reaction to the recent murders of Imre Nagy and General Maleter. It indicates the existence of a common sense of decency which persists regardless of a contemporary history of calculated brutality. The conscience of all men should be voiced in protest.

This general reaction was impressively noted in a recent editorial in the Commonweal, in its issue of July 4, from which I quote the following:

> For, however realistic is one's estimate of Communist treachery, and however strong one's expectation that it will eventually reveal itself, the particular act must continue to startle and offend the live conscience.

Mr. President, it is imperative, then, that this particular crime, which crystallizes the fundamental issue between the Communist and the civilized ways of life, be held up as a symbol of the spirit for which men have died throughout the ages.

I ask unanimous consent that the editorial referred to, entitled "The execution of Imre Nagy", from the Commonweal of July 4, 1958, be printed in the RECORD at the conclusion of my remarks.

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

THE EXECUTION OF IMRE NAGY

Once again Moscow and the Communist Party have shown that they can shock and surprise a world in which brutality and treachery are almost daily fare. Inured as we are to the calculated brutality of Communist Russia, the execution of Imre Nagy and other figures prominent in the Hungarian revolt of 1956 still arouses a spontaneous and instinctive revulsion. There are those who say the act, however violent, however shocking, should occasion no surprise. We have had sufficient evidence, they say, of the ease and callousness with which Communists use force when they find it profitable.

It is a simple matter, of course, to document such a statement. Since the death of Stalin, whose reign was admittedly one of terror, the world has witnessed the East Berlin uprisings of 1953, in which unarmed workers faced and were cut down by Soviet tanks; it has seen the Poznan riots of 1956, in which the workers' cry of "bread and freedom" was silenced by gunfire; it has seen the later Hungarian revolt in the fall of 1956, when Soviet tanks and troops were sent in to crush the resistance and once again subdue the country. The Hungarian massacre proved to those who momentarily doubted that Nikita Khrushchev, in spite of his thorough denunciation of Stalin at the 20th Party Congress earlier in the year, was willing to resort to Stalin's methods.

With a history as sharp and insistent as this, how can the murder—for this, of course, it is—of Nagy and his companions any longer surprise? Are not the indignant and outraged responses from countries around the globe merely ritualistic and useless gestures? Does the United Nations Special Committee on Hungary do anything more than reveal the impotence of the organization when it releases a special statement deploring the executions? Has not the Soviet Union won another victory by successfully making a show of naked force before the entire world—free, subjugated, and neutral countries alike?

Some answers to these questions are possible. Wherever the execution of Imre Nagy was accepted without surprise the forces of communism have gained a victory. For however realistic is one's estimate of Communist treachery and however strong one's expectation that it will eventually reveal itself, the particular act must continue to startle and offend the live conscience. The statements from around the world are expressions of this common human reaction.

This particular crime—the summary execution of significant figures in the Hungarian revolt—was not, moreover, something which was easily predictable. It would be to the advantage of the Russians, it was presumed, to gloss over, insofar as it was possible, the Hungarian revolt. There was, too, the public knowledge that the present Premier of Hungary, Janos Kador, had given to the Yugoslav legation, where Nagy had taken sanctuary, a written guarantee that Nagy could safely leave to return home. And, in spite of the conflicting attitudes the Russians have recently shown toward the desirability of a summit meeting, they have taken every opportunity to portray themselves as peaceful, upright citizens of the world. The execution of Nagy and his companions would seem to be so strongly opposed to their recent actions that every political analyst has attempted to see beyond the executions to the reasons that motivated them.

At least part of the answer is supplied by the Russians themselves. Pravda, the official Communist organ, warned: "Let (the execution) be a lesson for all those who are planning plots." This warning is taken with some seriousness by the Yugoslavs, who, reportedly, anticipate a new Stalinist reign of terror under the guise of discovering and suppressing alleged plots against a socialist order. And Poland, wedged precariously between Eastern Germany and Russia, will necessarily be careful in further developing a national communism.

Whether this sufficiently accounts for an act to which the Rusisans must, surely, have anticipated the widespread revulsion is debatable. And, of course, other plausible reasons have been advanced. Moscow, it is said, was acting in response to Mao Tse-tung, who has vigorously suppressed the forces of "revisionism" within China. It is also possible that Khrushchev, whose words and early deeds promised a relaxation and a change from the planned terror of Stalin, has been forced to give way to the Stalinists within the party. Or even that he himself has revised his earlier opinions about the best way to deal with Titoism within Eastern Europe.

But, like many opinions about the motives behind particular acts of Communist brutality, these are grounded firmly in speculation. They will be confirmed, or disproved, only when we learn more about the inner power struggle of the Communist rulers. What is evident is that the rulers of the Kremlin feel sufficiently strong to be insolent in the face of widespread condemnation. But they, too, are fallible and subject to error in estimating the import and influence of such an act and its subsequent condemnation. How far the reverberations of this crime will extend no one can know, nor the depths of resistance it may engender.

It is this that we must keep in mind. Neither our indignation nor the U. N. statement will restore Imre Nagy and his companions to life, nor will they immediately weaken the Communist empire. But within the last several years we have seen students, workers, and intellectuals turn against successive acts of Communist brutality. The party continues to attract those who are fascinated by power, but it fails to recruit, as once it did, those who are truly idealistic. The Hungarian revolt went beyond such peo-

ple as Imre Nagy, but he remains a symbolic figure. To keep alive the issue of his death is to continue to draw upon the strength of that revolt. It is to ensure, as far as we are now able, that the Hungarians who died in that revolt did not do so in vain. It is to insist, not only upon the destructive force of communism, but upon that spirit which will continue to oppose it.

RICHARD B. WIGGLESWORTH, OF MASSACHUSETTS

Mr. SMITH of New Jersey. Mr. President, in the New York Times of last Thursday, June 26, Mr. Arthur Krock, in his well-known column, paid a well-deserved tribute, under the title "A Case of Achievement Without Fame," to a distinguished Member of Congress, the Honorable RICHARD B. WIGGLESWORTH, of Massachusetts.

DICK WIGGLESWORTH has served as one of the outstanding Members of the House for 30 years; and, as Mr. Krock has pointed out, Representative WIGGLESWORTH had made a wonderful contribution, without fanfare or publicity, because of his innate modesty, and also because of the necessarily secret nature of testimony given before his Military Affairs Subcommittee of the Appropriations Committee.

As a personal friend and admirer of his for many years, I am glad to associate myself with Mr. Krock's fine tribute, and to express my deep regret that Representative WIGGLESWORTH feels it necessary to retire at a comparatively early age.

Mr. President, I ask unanimous consent that the editorial from the New York Times of June 26 be published in the body of the RECORD in connection with my remarks.

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

[From the New York Times of June 26, 1958]

A CASE OF ACHIEVEMENT WITHOUT FAME

(By Arthur Krock)

WASHINGTON, June 25.—Among those who have announced their retirement from Congress are members who are known to the American people for exceptional service, for their ability to stand out from the legislative mass, or for some other reason that has made them famous, or at any rate conspicuous. This public recognition is easier for a Senator than a Representative to attain because of the much smaller size of the Senate and its greater facilities for entering and holding the spotlight.

Hence the names and something of the personalities and services of Senator SMITH of New Jersey, KNOWLAND, of California, and MARTIN of Pennsylvania, all of whom will leave Congress this year, are generally familiar. But there is a departing Representative whose public service, though it is comparable to that of any Senator in matters and achievements of national consequence, is little known after a tenure of 30 years. He is RICHARD BOWDITCH WIGGLESWORTH, of Massachusetts.

This Representative is leaving Congress as unobtrusively as he has served its highest legislative purposes and maintained its highest personal standards. That manner of carrying out an assignment has marked his career from the days when, just as unobtrusively and effectively, he was steadily removing from the path of the Harvard football team to the goal such muscular seminarians from New Haven, Conn., and Princeton, N. J., as he might encounter.

Then sports writers saw what political writers since have not in the feats of WIGGLESWORTH, whose fame was great as a quarterback and backfield coach. But the reasons are apparent. Football is played in the open, and a star is recognized as such without the need of attracting or seeking personal publicity. But in the House, because of the necessarily secret nature of testimony before WIGGLESWORTH'S subcommittees on miltary requirements, he has performed his tasks largely behind closed doors. And not only does he fail to know news when he has it: WIGGLESWORTH was nurtured in the Boston Brahmin tradition of reticence as to who one is or what one does. For example the chances are that only a few of his colleagues, and those from Massachusetts, know he is nephew of Justice Holmes.

His Congressional career began in 1928 when, working overseas as general counsel for the Dawes plan organizations, WIGGLESWORTH was nominated and elected to fill out an unexpired House term and for the subsequent regular term. He was at once assigned to the Appropriations Committee, and long has been its first or second ranking Republican, depending on whether his party had organized the House. In that rare event TABER of New York won by seniority the chairmanship WIGGLESWORTH never attained.

For years he has been either chairman or the most influential member of the subcommittees that fixed the budget allocations for the military defense of the United States and for the collective security of the West. And during WIGGLESWORTH'S tenure the fiscal problems before these groups and the full committee have ranged from those created by the depression that began in 1929, the Second World War, the Korean war and the programs of the New and Fair Deals to the rise of Soviet Russian power in the world. In his committee capacity he has acted on budget requests amounting, since 1929, to $1,400,000,000,000 (one trillion, four hundred billion dollars).

Instances of the courage and humor of this great public servant are numerous, but one will illustrate both qualities. In 1941 WIGGLESWORTH, convinced his defeat would follow a vote to extend the military draft (it cleared the House by one vote) cast it nevertheless. Then he wired his wife: "Bought house this morning, voted to extend draft this afternoon. What shall I do with the house?" (He and his family still occupy it.)

Now, in the presage of huge Democratic majorities in the next Congress, the House and the country are to lose the experience and the sound fiscal concepts of one of the few minority members with sufficient influence to help arrest the runaway legislative impulse that often seizes such majorities.

In a Congressional District with less of Puritan asceticism than WIGGLESWORTH'S there would be a demand that he reconsider, as Virginians rose in protest when Senator BYRD announced his retirement. But that apparently isn't the Massachusetts way.

KIDNAPING OF AMERICANS AND CANADIANS IN CUBA

Mr. KNOWLAND. Mr. President, I ask unanimous consent that at this time I may address the Senate for as long as 5 minutes.

The VICE PRESIDENT. Without objection, the Senator from California may proceed for 5 minutes.

Mr. KNOWLAND. Mr. President, I hold in my hand a United Press International news dispatch from Havana, which I wish to read to the Senate:

HAVANA.—Reports that 3 more Americans have been kidnaped by Cuban rebels sent a wave of apprehension through almost 100 American families in eastern Cuba today.

Fidel Castro's rebels already were known to be holding 42 Americans and 3 Canadians. Today's still unconfirmed reports raise the total of hostages to 48. Hopes for the prisoners' immediate release were dim.

NBC correspondent Edward Scott reported from Havana today four more Americans were kidnaped by the rebels from the United Fruit Co. sugar plantation and agriculture school in Oriente Province.

He identified them as A. F. Smith, of New Hampshire, the agriculture superintendent; J. P. Stevens, of Oklahoma, the assistant superintendent, and two district superintendents, an H. F. Sparks, of Indiana, and a Mr. Ford, address unknown.

Though alarmed, the Americans in Oriente Province, where Castro's rebels have their stronghold, were under no special guard. They stayed indoors, though, and did not venture out of their homes after dark.

The three Americans whose kidnaping have not yet been confirmed were identified in reports from Santiago as executives of the Ermita sugar mill which is about 25 miles northwest of the United States naval base at Guantanamo.

The Havana office of the Ermita mill was unable to confirm the kidnapings but acknowledged hearing the rumors and disclosed that Vice President Angus Irvin left for the Oriente property last night.

The United States Embassy in Havana had no definite figures on the number of Americans working in Oriente Province, but the authoritative Anglo-American Directory of Cuba lists 98 Anglo-Saxon families in the area.

American negotiators appeared to be making no progress toward winning quick freedom for the prisoners despite United States Government guaranties, which were demanded by the rebels, that naval base facilities would be denied the Cuban Air Force. The air force has joined with Cuban infantry in an all-out campaign to drive the rebels into the sea.

Cuban officials ordered a halt to the offensive so that American officials could carry on direct negotiations with the rebels. Cuban Army sources attributed the kidnapings to the rebels' need for a breather. The army claims they have been severely mauled in recent weeks.

Mr. President, I think our Government, our Congress, and our people are greatly concerned as a result of those activities and similar ones which have occurred elsewhere in the world.

It so happens that Mr. Castro has received a considerable amount of publicity in the press of our country. Presumably he has been hoping to build up some goodwill in the United States.

He has received correspondents from some of the great American newspapers. If Mr. Castro has any public relations advisers, he ought clearly to understand that what has happened is merely the action of a bandit, a kidnaper, and an extortioner, and is so looked upon by the American people, and should be looked upon as such by the American Government.

It would seem to me that unless these persons are released within 48 hours, Mr. Castro should be informed this is a clear indication of the need for our Government to furnish sufficient arms to the existing Government of Cuba to permit it to establish law and order in that area.

There was a time in our history when, in a similar situation, involving one American citizen, a great President,

Theodore Roosevelt, once said, "Perdicaris alive, or Raisuli dead."

I hope, upon sober thought, the Cuban rebel chief will immediately release the American and Canadian prisoners, so he will not be branded by the civilized world as a bandit, a kidnaper, and an extortioner.

NATIONAL FOREST ACCOMPLISHMENTS IN FOREST SERVICE, NORTHERN REGION

Mr. MURRAY. Mr. President, I wish to call attention to a progress report in the national forests in Montana, northern Idaho, and a small part of Washington and North and South Dakota. Sixteen of our most important national forests are in this region, which has its headquarters at Missoula, Mont.

The Forest Service reports the following 1957 highlights—

First. Several new wood products industries began operation within the region during 1957.

Second. Recreation use of the national forests in region 1 increased about 30 percent during 1957 as compared with 1956, highlighting the urgency of the Operation Outdoors program. About 20 percent of the existing campgrounds were rehabilitated in some degree and site plans completed for about 80 campgrounds.

Third. Aerial spraying to control the spruce budworm epidemic was accomplished on nearly 800,000 acres with an insect mortality of over 90 percent.

Fourth. Blister rust control was accomplished on 86,890 acres during 1957. This was 63 percent greater than 1956 and exceeded any year's accomplishment since the emergency relief work programs of 1940.

Fifth. Much satisfactory progress was made during the year in the new range allotment analysis program.

Sixth. Six major concrete and steel bridges were constructed and 155 old log bridges replaced with creosoted timber bridges or large culvert pipes.

Seventh. Nine contracts for construction or reconstruction of 89 miles of timber access roads were completed in 1957. Another 5 contracts are active for construction of 29 miles of timber access roads at a cost of $1,472,579.

Eighth. Losses from forest fires were comparatively light on the 33 million acres protected by the Forest Service, in spite of the fact that 1957 was one of the driest seasons recorded in western Montana in recent years.

Ninth. Boundary changes were made on the Bitterroot, Clearwater, Nezperce, and Lolo Forests to provide more efficient administration and better access to headquarters for forest users.

It is significant to note that the timber cut last year was 752,136,000 board feet. This represented a 22 percent decrease, which was due to market conditions. It is important to note that the amount of timber cut under contracts is decided by the lumber industry, not by the Forest Service. Of special interest is the work being done under Operation Outdoors to develop recreational use in the forests. The Congress made a substantial increase in this program, which the administration had cut in its budget. This increase will enable the Forest Service to move forward.

I wish to mention particularly the cooperative work that is being done with colleges. In Idaho work is being done on blister rust. Prof. Arnold L. Bolle and Montana State University forestry school are cooperating in a personnel study. The Forest Service, along with other agencies, is cooperating with Montana State University in a School of Public Administration, and the Forest Service, State forester, and the School of Forestry, are cooperating to develop one of the finest professional forestry and land management libraries in the Pacific Northwest.

In addition, studies were conducted with Batelle Institute in the cooperative forest fire control program under the Clarke-McNary Act. Work is also going forward on small watershed projects under Public Law 566, and it now looks as if the lower Willow Creek project in Montana will be the first small watershed approved for construction in this region.

Ravalli County, Mont., is participating with the Forest Service in an initial pilot study area in a self-help program designed to raise the economic status of the area.

I call attention to one problem which needs solution. Much time was spent in procuring rights-of-way required to construct roads for the harvest of intermingled Forest Service and privately owned timber. The Regional Forester says that "this problem is becoming one of major importance."

The Forest Service operations brought $10,630,000 into the Federal Treasury last year despite the slump in the lumber market. The real value of the national forests is the conservation benefits all of us receive from the proper management of the soil and water resources.

In addition, I should like to make an observation about the people who manage the national forests for the public good.

These people, from the trail crews to the very top officials, are dedicated to serving the public. They have preserved, protected and developed our forests—and I stress the word "developed"—so that everlasting benefits will be enjoyed by all the people. In 1905, under the leadership of President Teddy Roosevelt, Gifford Pinchot was selected to be the Chief Forester of the newly organized Forest Service. From that day to this the Forest Service has demonstrated its ability as a conservation force, and I believe it will for all time to come.

This is one of our blue ribbon agencies. Its work in Montana has been singularly effective, and its record shows the results.

Mr. President, the June 14 issue of the Great Falls Tribune carried a guest editorial by Mr. Charles L. Tebbe, Regional Forester at Missoula. This editorial calls attention to the need for access roads. I am proud of Congress for its action in providing a substantial increase in the funds for forest roads and highways over what the administration recommended.

I know that many of us hope that a long-needed reexamination of the forest roads, which is being undertaken by the Secretary of Agriculture, will be accompanied by a consideration of the real grassroots sentiments of the people. The people of my State certainly recognize the tremendous value and potential of these roads.

Mr. President, I ask unanimous consent to have printed, immediately following these remarks, Mr. Tebbe's excellent editorial, which is entitled "Access Roads Needed for Best Forest Use."

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

[From the Great Falls Tribune of June 14, 1958]

ACCESS ROADS NEEDED FOR BEST FOREST USE

Montana's 10 national forests offer many goods and services to Montanans and to our visitors. Some of the forest resources are well identified and full use is now made of them. Others will make even greater contributions in the years ahead.

National forest timberlands for example have yielded an annual harvest of about a half-billion board feet of saw-timber, pulpwood and other round-wood products. Our new inventory indicates that this harvest may be safely increased to nearly 810 million board feet annually if outlets develop for little used timber in the smaller size classes. "Timber Resources for America's Future," just issued by the Forest Service, suggests that demands upon our nation's timberlands will steadily increase. By the year 2000 wood consumption is expected to be 83 percent higher than it was in 1952, because of our rapidly increasing population.

If Montana's national forests are to fully meet their pro rata share of this demand, we have need for a truly intensive forest management program, and for a road system yielding access to their resources.

Access is necessary too, if people are to enjoy the outdoors recreation which the forests afford. Well planned and maintained trails will offer access to 2 million acres of dedicated wilderness. Elsewhere Montanans and other visitors in ever increasing numbers are seeking road access to camp and picnic sites, winter sports areas and other back-country vacation lands.

The national forests are the home for much of Montana's big game, and they contain the headwaters of many of the State's famed trout streams. Sportsmen made 585,000 visits to these public hunting and fishing grounds in 1957.

Over 2,000 cattle and sheep operations utilize national forest forage during a part of each year.

Forest watersheds yield some 25 million acre-feet of stream flow annually to the ranchers, irrigationists and communities along the Columbia and the Missouri Rivers.

The national forests are dedicated to the production of each of these natural resources on a sustained basis. My task as regional forester is to ensure that each is recognized, protected and included in our multiple-use management program.

THE GOLDEN CORN TASSEL AS THE AMERICAN NATIONAL FLORAL EMBLEM

Mr. DOUGLAS. Mr. President, last year I introduced Senate Joint Resolution 105 to make the golden corn tassel the American national floral emblem. When we consider that corn was devel-

oped by the Indian tribes of North America centuries before Columbus; that it was one of the gifts of the Indians to the early settlers; that it enabled the Pilgrims to survive their first terrible years, and brought sustenance to the colonists at Jamestown; that it was the staple of life for the hardy pioneers as they pushed westward; and that it is today our most prolific and valuable crop, providing food for man and beast, a basis for much of our industry and an aid to cheer man's lighter moments, we can see how appropriate such a designation would be.

For the golden corn tassel is at once a symbol of beauty and utility—and a field of corn in tassel is one of the most stirring sights on the American continent. Corn is grown in every one of the States of the Union, but we of the Mississippi Valley perhaps cherish it most. It is, however, a national and not a sectional emblem.

There has been an attempt in recent years to make the rose the national floral emblem. This has been aided by the commercial florists. We all love roses, and I have the pleasure of growing many of them in our garden. But the rose is not really an American flower. It is the national flower of England, and the Queen Elizabeth rose, named after the present monarch of Great Britain, is one of the loveliest. I believe in cooperating with Great Britain, but I do not believe we should slavishly adopt its symbols and emblems as our own. The rose is also the national flower of at least six other countries, including Iran, Rumania, Luxembourg, and Honduras. These countries chose the rose. But why should we imitate them? Let us strike out on our own and adopt a distinctive and purely American symbol, the golden corn tassel. There will be found symbols of corn in the decoration of this Capital itself.

The rose had its turn in Congress a few weeks ago, but tomorrow some of us are celebrating Golden Corn Tassel Day. There will be boutonniéres for all Senators to wear, and I hope we will display our colors. At luncheon, the restaurant will feature corn dishes, while I would remind Senators also that the meat which will be served is indirectly, but surely, a derivative of corn.

After luncheon, at 2 o'clock, there will be a brief reception in honor of Miss Margio Cairns of Minneapolis in room F-41. Miss Cairns is the modern advocate of the golden corn tassel as the national floral emblem, and deserves a great deal of credit for her fine work.

Mr. President, I shall close my remarks with a brief quotation from a poem about corn by Miss Edna Dean Proctor, the poet both of New Hampshire and Illinois, and I ask unanimous consent that thereafter there be printed in the RECORD an article by Miss Cairns.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. I shall be glad to welcome additional sponsors of Senate Resolution 105.

The poem by Edna Dean Proctor is entitled "Columbia's Emblem," and I shall now read it:

COLUMBIA'S EMBLEM

(By Edna Dean Proctor)

Blazon Columbia's emblem.
The bounteous, golden Corn!
Eons ago, of the great sun's glow
And the joy of the earth 'twas born.
From Superior's shore to Chile,
From the ocean of dawn to the west,
With its banners of green and silken sheen
It sprang at the sun's behest;
And by the dew and shower, from its natal hour,
With honey and wine 'twas fed,
Till on slope and plain the gods were fain
To share the feast outspread:
For the rarest boon to the land they loved
Was the Corn so rich and fair,
Nor star nor breeze o'er the farthest seas
Could find its like elsewhere.

In their holiest temples the Incas
Offered the heaven-sent Maize—
Grains wrought of gold, in a silver fold,
For the sun's enraptured gaze;
And its harvest came to the wandering tribes
As the gods' own gift and seal,
And Montezuma's festal bread
Was made of its sacred meal.
Narrow their cherished fields; but ours
Are broad as the continent's breast,
And, lavish as leaves, the rustling sheaves
Bring plenty and joy and rest;
For they strew the plains and crowd the wains
When the reapers meet at morn,
Till blithe cheers ring and west winds sing
A song for the garnered Corn.

The rose may bloom for England,
The lily for France unfold;
Ireland may honor the shamrock,
Scotland her thistle bold;
But the shield of the great Republic,
The glory of the West,
Shall bear a stalk of the tasselled Corn—
The sun's supreme bequest!
The arbutus and the goldenrod
The heart of the North may cheer,
And sunflower, cactus, and poppy
To sierra and plain be dear.
And jasmine and magnolia
The crest of the South adorn;
But the wide Republic's emblem
Is the bounteous, golden Corn!

EXHIBIT 1

OUR NATIONAL FLORAL EMBLEM

(By Margo Cairns)

Not for generations has the opportunity come to the people of the United States to make the selection of a national emblem. Those we have were carefully and prayerfully chosen by our forefathers and each holds profound significance. We today have the privilege of choosing a floral emblem, and it too must have deep meaning.

An emblem is defined as that which is intimately associated with what it represents. What is it that is intimately associated with our land, our people, our economy, our culture, our history, our tradition? The Kremlin has given the answer.

Three years ago the Iron Curtain parted to permit a group of Russian officials to fly to our country. It was an event of international and historic importance for which much detailed planning was necessary by both the White House and the Kremlin.

Why did the Russians come? Was it to revel in the exquisite perfume of lilies, roses, and lilacs, or to wander in America's beautiful gardens, or to debate the esthetic appeal of this flower or that? No, indeed. The Russians came for one purpose and they concentrated on the purpose—to learn all they could about the plant that has made this Nation great, that has made its people the best fed and best clothed in all history.

The Russian visitors studied corn, its many astounding characteristics, its amazing adaptability, and loyal largesse. They pondered its unique tassel flower and its pollination. They saw the varied uses of the golden seed on farms. They inspected farmers' homes equipped with all the comforts of city homes.

The Russians toured great industrial plants where vast quantities of the seed were being converted into products which enter into every business and into the intimacy of every home. They made copious notes. They placed huge orders for hybrid seed and returned to Russia with bales of informative literature.

The following spring Russians planted American hybrid corn. Late that summer, on August 27, 1956, Russia honored a successful farmer and his harvest of corn by issuing a commemorative stamp.

The occasion was the awarding of the Red Banner of Labor to Machmeed Ceivazoo, a collective farmer, on his birthday. The stamp, a green and white bit of art, depicts his portrait with an excellent study of corn and its leaves, with a conventionalized corn tassel in the background. The stamp might also be considered an award of merit to the knowledge the Russians gained in the world's famed Corn Belt.

Probably no event could have more dramatically pointed to the greatest treasure the United States possesses than the coming of these visitors from a land made unhappy by a shortage of food.

Corn in some form is almost everywhere in our Nation. It enters into the very minutiae of our daily living. It is to be found in the breakfast bacon and the pages of the CONGRESSIONAL RECORDS, in aspirin tablets and flashlight batteries, in candy bars and in material for parachutes.

June is the month of roses and weddings. The roses supply beauty and fragrance. They are the focal attraction apart from the bridal procession.

Corn is at every wedding, more than roses. It is in the paper used in the wedding invitations, in the adhesive on the envelopes, and on the postage stamps. It is in the starch in the collars of all men present—and in their shoe polish. It is in the organdy dresses and many other fabrics, in the ribbons marking the aisle, in the lace and tulle bows on the bouquets, in the preservative used to keep the flowers beautiful. In many converted forms—meat, chicken, turkey, eggs—corn is present at every bridal breakfast, luncheon, and dinner. A stanch friend is corn, an indispensable one, its wealth of fruitage making all these luxuries possible.

It has been suggested that the rose, the floral emblem of seven other nations, should also be chosen as our national emblem. Why? Does the rose symbolize patriotism in the United States? Was it waiting on the Atlantic coast to feed and sustain the first families to cross the ocean? Did it aid in building the Thirteen Colonies? Was it at the council tables of the Continental Congress as it moved from city to city to escape the British? Was it at Valley Forge that agonizing winter of 1777-1778? Has the rose played any important role in the entire life of the United States?

The rose is England's flower by historic right. The War of Roses between the rival houses of Lancaster and York, and the resulting years of suffering, established that right. The rose is the symbol of England's sufferings and her victory. Would it not be indelicate to dim the luster of England's patriotism by claiming her symbol as ours?

Queen Elizabeth wears the rose on important occasions. It was embroidered on her wedding dress and exquisite bridal veil. It

appears frequently on her evening gowns. It is created of pearls and diamonds in her courtly jewels. As a national emblem the rose belongs to England.

And the maise flower or corn tassel belongs to the United States, to "we, the people." It is ours by divine and historic rights. It is already our national floral emblem. It always has been. The honor needs only to be confirmed.

The corn tassel, with its golden fruit, comes of a dynasty ages old. It has reigned over this land and faithfully served its people for thousands of years. It is the rightful heir. No contender nor pretender can usurp its place. The corn tassel is the national floral emblem of the United States. Let us acknowledge and honor it with profound gratitude.

DEATH OF HONORE J. PROVENCAL

Mr. DIRKSEN. Mr. President, the cold type of the ticker announced this morning the departure of one who has become familiar to every Member of the Senate and to every attaché of the Senate over a long period of time. I refer to "Pete" Provencal, the formal doorkeeper in the Vice President's room just off the Chamber, who died last night of a heart attack.

"Pete" Provencal came to Washington, if I remember correctly, nearly 34 years ago. He has served first in one capacity and then in another, and has served very faithfully for the entire period of time.

Mr. President, I got to know "Pete" very well. As I think of his passing, I recall the notable sermon which was written and uttered by that great Scotch preacher, Henry Drummond. The sermon, which is entitled "The Greatest Thing in the World," is based upon the great series of verses in Corinthians which deal with faith, hope, and charity. Reverend Mr. Drummond expressed it not as charity, but as love.

As I think of the passing of "Pete" Provencal, I am reminded of that great sermon, because if I could identify any person within my acquaintance who by his actions, by his faith, by his demeanor and by his affability so well expressed the feeling of human love, it was "Pete" Provencal. One saw it in his every act.

I think, of course, the great passionate attribute of love expresses itself in terms of patience. "Pete" was one of the most patient men I ever knew. Love expresses itself in terms of complete self-effacement, with no self-seeking. Many of those who have served the Senate for so long probably richly deserve better than they receive, and "Pete" Provencal was one of them. He was not self-seeking. He was very happy in his labor. With his time he was generous to a fault.

The people who "Pete" edified were those whom he made happy, particularly the youngsters who gather in the Nation's Capitol at this season of the year, who come from the high schools and colleges of every section of the Nation. What a joy and a delight it was for "Pete" to take them, Mr. Vice President, into your private room to show them the seal and to inform them of the history of the room and the story of the distinguished men who have occupied the room over a long period of time, men who were identified with the history of this Republic. That was a never-ending source of delight for "Pete" Provencal.

I say there was about "Pete" a grace of spirit and a humility which was one of the finest attributes I ever saw in any living mortal. We shall miss him. We shall miss his kindliness. We shall miss his grace of spirit, which was like perfume. We simply could not exemplify it, yet some of it, as he scattered it about, would attach to all with whom he came in contact. We salute him as a public servant for a great job and a great service well done. There will be many who will mourn his passing.

Mr. MUNDT. Mr. President, I should like to associate myself most wholeheartedly with the expressions of high esteem for "Pete" Provencal and the expressions of sympathy for his family at his sudden passing.

"Pete" Provencal demonstrated in his work a quality which is so frequently lacking in Government employees, the quality of enthusiasm. When I think of "Pete" I think of the enthusiasm with which he used to recite to those who visited the ceremonial office of the Vice President the many historic facts and declarations with respect to the room. Every time he did so, he did it with the enthusiasm one would expect to come from a man reciting the story for the first time.

"Pete" was a modest man and a faithful friend. I am sure the Vice President of the United States has had and will have perhaps more important friends than "Pete" Provencal, but I am sure he never had a better or more faithful friend.

I recall that about 3 weeks ago I was invited to speak in the home town area of "Pete" Provencal in Providence, R. I. "Pete" had noticed in the press that I was to appear there, and he asked me if I would be willing to extend to those assembled there a word of greeting from him. I said, "Of course, Pete, it would be a pleasure for me to do that." He wrote out a suggestion or two, and he was so happy that I conveyed his message. I recalled it to him when I came back. He was proud of Rhode Island, proud of his home town, proud of his job, and enthusiastic about his potentialities and possibilities.

Above all, "Pete" Provencal was a great and good American. His heart was filled with patriotism for the areas he knew best, his home in Rhode Island and Washington, D. C., and this great country in the conduct of whose business he played an important and active part.

Every Member of the Senate will miss "Pete" as we take our guests and their friends to the ceremonial office of the Vice President, because it will be hard to find another individual who so lived the environment of that office as did "Pete" Provencal.

I desire to be recorded as deeply mourning his passing, and as extending my sympathies to his wife, to his son, and to any other members of his family whom I have not had the opportunity to meet.

Mr. THYE. Mr. President, I wish to join with my colleagues and most earnestly associate myself with the remarks of the Senator from Illinois and the Senator from South Dakota in their tributes to "Pete" Provencal. "Pete" was a great American. He received in a very gracious manner everyone who would call to ask to view the Vice President's office. He would receive all as if the person or persons were the most important people in the United States. Everyone who went through the office of the Vice President, who is now presiding over the Senate, was made to feel that this was his country and that he was a favored citizen to be privileged to visit the Vice President's office and to have explained not only the portrait of Washington, but Dolly Madison's mirror, and the other important items within the office, such as the desk and the furniture.

We shall all miss "Pete" a great deal. The remarks of the distinguished Senator from Illinois about "Pete" and the high esteem in which he was held by the Members of the Senate were eloquently expressed, and I wish to be associated with them.

Mr. IVES. Mr. President, I wish to join in the fine tributes being paid to "Pete" Provencal. I do not believe there is one Member of the Senate who was not indebted to "Pete" in some way or other. He was always doing favors for every single one of us, and his passing is a great loss to all of us.

I wish to pay this tribute to him, and associate myself with the fine remarks of the first speaker to participate in these eulogies.

Mr. AIKEN. Mr. President, only a week ago "Pete" Provencal confided to some of his friends that he was not feeling very well, but it was only yesterday that I learned that his condition at the hospital was critical. This morning we heard that "Pete" had passed on. This comes as a shock to us.

It seemed to most of us that he was a fixture here, and never could pass on. Other people might pass on, but "Pete" was not the kind who would go away and leave us. We had come to depend on him greatly. He was one of the most kindly men we ever knew. He was kind to everyone.

His devotion to the Vice President was unwavering. I do not know how many times he has made suggestions to me as to what could be done to make the work of the Vice President easier. He considered the welfare of the Vice President as a personal responsibility. He considered it his duty to find easier ways for the Vice President to carry on his work.

To "Pete" all Members of the Senate were great persons. I am sure every Member of the Senate has had the experience of visiting the Vice President's office with constituents from home. "Pete" would make all of us appear very important to our constituents. We were important, as he saw us. He felt that all representatives of the people in this great body were important; but he particularly liked to build up Senators in the eyes of their constituents. At times he almost made me think I was important.

Our public was his public. Our constituents were his constituents. He

acted as though they were whenever we took them into the Vice President's office.

He was very proud of the great State of Rhode Island. He was very proud of this great country of ours. He was an ambassador for America, a promoter of Americanism before all people who came to the Capitol and had occasion to meet him.

I wish to join with other Senators in extending sympathy to Mrs. Provencal and other members of the family. It will seem very strange to come here in the morning and not to find "Pete" waiting for us.

Mr. SMITH of New Jersey. Mr. President, I am glad to join my distinguished friend from Illinois [Mr. DIRKSEN] in the glowing tribute he paid today to "Pete" Provencal, and to express my own personal sorrow at his passing.

There was hardly a day that I did not meet "Pete" and have a little chat with him. He was always ready and eager to show any of my friends from New Jersey who were visiting the Capitol not only the Vice President's room, but other points of interest. He could recall from memory many great men who had served in this body.

He made everyone feel that he was really the custodian of the best traditions of the United States, the best traditions of the Senate, and the best traditions of the office of Vice President.

My wife joins me in extending most profound sympathy to his wife and other members of his family.

Mr. KNOWLAND. Mr. President, I wish to join my colleagues in expressing regret upon learning of the death of "Pete" Provencal.

We have all had the experience of taking constituents into the Vice President's office. We have all witnessed the great pride with which "Pete" showed the Vice President's office to those who visited the Capitol. We all remember the little lecture he gave on various articles of furniture there. He had a deep love for American history. He had a profound admiration for the Senate as an institution, and great respect and affection for the Vice President of the United States, whom he served in a personal sort of way as doorkeeper, and unofficial host at times when the Vice President was not present.

"Pete" Provencal made a deep impression on all of us. I know of literally thousands of people who have passed through the Capitol from time to time and have wished to visit the office of the Vice President. They will remember this man as a very fine and able servant of his country.

Mr. PASTORE. Mr. President, I am very happy to associate myself with all the friendly and kindly remarks of my colleagues concerning "Pete" Provencal. This is a deserved tribute to a great American, a very humble man, and a man of modest means. I think it is one of the greatest compliments that can be paid to the United States Senate for it to pause for a moment to pay its respects to the memory of such a fine citizen.

"Pete" Provencal was my constituent. More than that, he was my sincere friend. When any visitor from my State came to the Capitol without first calling at my office, "Pete" would contact my office. He performed that service not only for me, but for all other Members of the Senate.

He was proud of his employment. He was proud of his Vice President. He was proud of all Senators. He was always ready with a kindly remark for any visitor who came to Washington to meet his Senator.

He exemplified in the truest sense the kind of average American whom we like to feel we represent in Washington.

"Pete" Provencal had legions of friends in Washington, and many friends in Rhode Island. He began his career in Washington when I was only a small boy and I met him here for the first time. I did not know him back home but from the first day of our acquaintanceship until the time of his passing we were fast friends. I shall miss him, and I take this opportunity to express to his beloved ones my sincere and heartfelt sympathy.

Mr. THURMOND. Mr. President, I rise to say a few words concerning the death of my friend "Pete" Provencal. He was one of the first employees in the Capitol whom I met on arriving here. He was a man of high character and lofty ideals. I always found him courteous and accommodating. On many occasions I have taken individuals or groups, or school classes to the Vice President's office, through his courtesy and that of the Vice President. In every instance "Pete" Provencal was courteous. He did everything he could to make visitors feel at home.

I considered "Pete" Provencal one of the most capable employees on the Hill. I valued his friendship. I feel that he rendered a great service to our country.

I suppose he probably saw and talked with as many prominent people as did any other person at the Capitol. He made it a point to stress true Americanism. He stood for the highest ideals of our country. I was impressed by the lectures he gave to those who visited the Vice President's office. I was impressed by him as a solid, sound, American citizen. I deeply regret to learn of his death, and I wish to extend my deepest sympathy to Mrs. Provencal and the other members of his family. Our Nation has lost a devoted and dedicated public servant.

Mr. O'MAHONEY. Mr. President, it was not until I stepped on the Senate floor a few moments ago that I heard the sad news of the death of "Pete" Provencal. I believe I have known him since I first became a Member of the Senate. That was in 1934. He was proud of the Senate. He was proud of his Government. I am sure all of his friends and relatives will be proud to have this evidence in the CONGRESSIONAL RECORD of the proceedings of today to show that the Senate itself was proud of "Pete."

I have listened to him many times as he greeted visitors to the office of the Vice President. I have listened to his description of the various pieces of furniture in that office and their significance in the history of our Government. Never have I seen him fail to hold the attention of visiting groups of tourists who came to see what could be seen, and constituents of Senators who were being taken by Senators to visit the Vice President's office, for always "Pete's" talk was simple, accurate, and moving in the presentation of his view of the achievements of those who have helped to make the history of the United States and of the Senate.

I am pleased that I came this morning in time to associate myself with the remarks which have been made by my colleagues, and to express my deep sorrow over the passing of our good friend "Pete."

Mr. MORSE. Mr. President, as has been said by the distinguished Senator from Wyoming, I, too, heard only within the last 5 minutes of the death of "Pete" Provencal. When I report the sad news to the Morse family tonight, it will be greeted with grief on the part of all of them. I wish to stress this characteristic of "Pete" Provencal: He not only served the Senators, but he served also their entire families. He was always ready and willing to extend any courtesy he could to any member of a Senator's family. I have heard each one of my three daughters talk about him when they brought high school groups and their classmates in high school to visit the Capitol. As Nancy once said, "That wonderful man at the Vice President's office spent more than a half hour with us, Daddy." I think that little story tells a good deal about the character of "Pete" Provencal.

He was a public servant in the true sense of the word. He loved his service to the public. He loved people. He loved the Senate. He loved to serve.

I extend to Mrs. Provencal the very deep sympathy and the sincere heartfelt regrets of the entire Morse family in this hour of sad bereavement.

Mr. BUTLER. Mr. President, it was with deep regret that I heard this morning of the death of my very good friend "Pete" Provencal. "Pete's" wife is a resident of my hometown, Baltimore. No one could be in the Senate without coming in contact with the warmth of his nature and his affection. As soon as I came here he greeted me and let me know that he was one of my constituents and that he wanted to serve me as he had served the other Senators from my State before me. He was a man who was devoted to our Vice President. He was devoted to the Senate of the United States. When he told his stories to people who visited the office of the Vice President he always told them in such a way as to leave the persons who had come in contact with him more devoted to the American system and more devoted to the traditions of America.

All of us in the Senate will miss him. My many constituents will miss him. They have learned to know "Pete." On occasions, when it was hard to get into places around the Capitol, they would turn to "Pete," and "Pete" would find them a place in the gallery on some special occasion in the Senate, or would do some other favor for them. That news would always filter back to me.

We will miss "Pete" very much. We will miss the passing of a good friend. I extend to his widow my most heartfelt sympathy.

Mr. FREAR. Mr. President, through the courtesy of the Vice President, "Pete" Provencal showed many of my constituents from Delaware through the offices of the Vice President. He was devoted to you, Mr. Vice President. He was devoted to America and to the Senate. That is shown by the many letters which I receive from students who have had the privilege of listening to "Pete." In their letters they say, "Please say hello to 'Pete' for me." They did not know his last name; they knew him as "Pete." They still remind me of their meeting with "Pete." This has not happened only in the past week or month, but through the years since "Pete" has been here.

Never did "Pete," when he traveled through the State of any Senator, fail to say a kind word on behalf of the Senators of that State, whoever they might be, whether Democrats or Republicans.

We will miss "Pete." The school children and the citizens of our country who came here will miss "Pete."

Mr. President, I take this opportunity to extend to the bereaved wife of the devoted public servant my sincere sympathy.

Mr. GOLDWATER. Mr. President, I learned of the passing of my good friend "Pete" Provencal only when the distinguished Senator from Illinois [Mr. DIRKSEN] rose and delivered a beautiful and splendid eulogy, in which I wish to join. When a man has lost a good friend it is one of the most difficult moments with which he is confronted in his life. It is very difficult to know what to say, because one cannot express all that is in one's heart about a friend. Everything that has been said on the floor this morning is in my heart. There is no need to repeat it.

I believe the best tribute we could pay to "Pete," and one that I think he would like best, is for us to try to be the kind of Senators he always thought we were and the kind of Senators he always told our constituents we were.

Another tribute we could pay to his memory, and which I know would please him very much, would be to try to serve the Nation as well as he served it.

Last but not least would be another tribute we could pay him, and that would be to adhere to the basic principles and concepts of our Republic in the way that "Pete" did.

If we do those three things, I am sure that "Pete," in heaven, will smile down and agree that we were paying him the kind of tribute he would most like.

I express to his wife and his family, on behalf of my family and myself, our sincere sorrow.

Mr. WILEY. Mr. President, I can add nothing to what has been said. As we picture "Pete" in our mind's eye, we will not, as someone has said, see the likes of him again. He was a character. Let us stop and think of that a moment. We know of no one who was just like "Pete." "Pete" had a sense of humor. We had many laughs together. He made the office of the Vice President of America a mecca. In the 20 years I have been a Member of the Senate, I have never seen the like of it. Literally thousands have felt the impact of his genuine spirit. So when I heard he was ill, I wrote him a letter. Knowing how well he liked to smoke, I sent him a good cigar. This morning I got an acknowledgment of the letter and of the cigar. Then I heard that he had passed on.

Mr. President, I am one who believes that—

> Death is only an old door set in a garden wall.
> On gentle hinges it gives, at dusk
> When the thrushes call.
> Along the lintel are green leaves, beyond the light lies still. Very willing and weary feet go over that sill.

Then, I said to his wife in a letter:

> There is nothing to trouble any heart, nothing to hurt at all. Death is only a quiet door in an old wall.

We who have had friends and loved ones pass on have found comfort in those words. We hope that "Pete's" dear wife also will recognize that life is interminable, as we lay aside this little vestibule.

And so "Pete" marches on.

Mr. KEFAUVER. Mr. President, I was very much distressed to learn this morning of the passing of a man who I know all of us in the Senate feel was one of the finest, most delightful, thoughtful employees of the Congress of the United States.

Many visitors to the Senate, when they sit in the galleries, may be disappointed in the small number of Senators who are in attendance on many occasions. But they were never disappointed with the delightful reception, lecture, and courtesy of "Pete" Provencal when they had the opportunity to visit the Vice President's office. I know that is true of the many schoolchildren who came here from Tennessee and were shown the Vice President's office. He has done much to give them a good and lasting impression of the Nation's Capitol and some of its historical background, as he explained many interesting objects in the Vice President's office.

Not only did "Pete" perform his work well, but he did many things over and beyond the line of his duties and the requirements of his position. We certainly shall miss him.

I join in expressing my sorrow to you, Mr. Vice President, and to Mrs. Provencal, upon his passing.

Mr. PAYNE. Mr. President, last night the United States Senate lost one of its most devoted and loyal servants, Honore J. Provencal. "Pete," as he was known to all of us in this Chamber, contributed practically a lifetime of service to the Senate. He fulfilled each of his duties with selfless effort and with an original and sparkling personality. In recent years "Pete" showed thousands of Americans the office of the Vice President and he did so with imagination and deep interest. His heart was in his work always and his efforts were of immeasurable service to all of us here in the Senate and to all Americans who had the distinct pleasure of meeting him. "Pete" will never be forgotten by any of us.

Mr. President, in behalf of Mrs. Payne and myself, I express our profound sorrow at the death of "Pete" Provencal and extend to all the members of his family our sincere sympathy. I am certain that his memory will never be lost here in the Senate, and this will forever be a tribute to his tireless efforts to serve this Chamber.

Mr. ALLOTT. Mr. President, all of us have heard of the very sad and sudden death of the man whom we all know as "Pete" Provencal. I believe that upon the occasion of my coming to the Senate he was one of the first of the Senate employees I met. He was also one of the first Mrs. Allott met. What impressed us most about him was his constant courtesy, good will, and kindly disposition in what, I am sure, as we have learned since, must have been considerable ill health.

More than that, although we tried to express our appreciation to him during his natural life, I should like to express it again here in the CONGRESSIONAL RECORD, for the very fine courtesies he paid not only to us, but to the many visitors whom he favored by his entertaining comments on the Capitol building.

The persons whom Mrs. Allott and I brought occasionally to the Senate, both from our State and from other States, went away with just a little greater lift, a little greater inspiration, because of the enthusiasm and the love for the things that are found here, which "Pete" Provencal was able to explain to them.

Therefore, I could not let this occasion pass without adding my few words to the many fine sentiments which my colleagues have expressed, and my thanks and appreciation to "Pete" Provencal for the reverence and the love he had for the historic traditions of the United States Senate. I wish we all could share just a little bit of it. And, finally, both Mrs. Allott and myself extend our deepest sympathy and condolences to Mrs. Provencal.

Mr. NEUBERGER. Mr. President, I should like to associate myself with and join in the tribute which the Senator from Colorado has so beautifully expressed about our late friend "Pete." I should particularly like to point out that "Pete's" special genius was in taking school children through the historic rooms of the Senate—the Chamber itself and the various rooms off the Senate Chamber.

I feel certain that many hundreds of school children in all the States—I do not know whether to say 48 States or 49 States—have greater appreciation for their Government and its history and its glory and its traditions because this man had the patience and kindness and understanding to show them these historic halls.

I desire to join in what the Senator from Colorado has said in tribute to "Pete," and likewise to join in the condolences and sympathy to his family in their great loss.

Mr. ALLOTT. I am sure the Senator from Oregon is entirely correct in his statement. I should like to add that anyone who ever talked with or walked

these halls with "Pete" could not fail to go away with a great inspiration and a great belief in everything the Capitol represents in the minds of our people.

Mr. BEALL. Mr. President, the United States Senate has lost a valuable member of its staff. I am deeply grieved at the passing of our good friend Honore Provencal. "Pete" was always most courteous to the Maryland visitors in the Senate, of which there were many. He took great delight in showing the Vice President's room and telling about the many historical events connected with that room. "Pete" was always kind and considerate and solicitous. He made a good impression on all the visitors to the United States Senate. Many of them in all the 48 States will remember him.

I join my colleagues in this Chamber in extending solicitations to the family of our good friend Honore J. Provencal.

Mr. MARTIN of Pennsylvania. Mr. President, it was with deep sorrow that we learned today of the death of Honore J. Provencal, a loyal and faithful member of the Senate staff who served for 35 years in various capacities on Capitol Hill.

To all of us who knew him well and held him in the highest esteem, he was known as "Pete" Provencal. In the performance of his duties in connection with the formal office of the Vice President, he was always cheerful, courteous, alert and helpful. He had a deep sense of historic values and took great pride in pointing out to visitors the various items of historic interest in the Vice President's office. I join with my colleagues in regret at his passing.

Mr. PURTELL. Mr. President, I have just learned of the death of "Pete" Provencal, of the Vice President's staff. I am grieved, indeed, by the passing of "Pete," as he was affectionately called by all. He was my friend. In fact, he was a friend of everyone with whom he came in contact. "Pete" Provencal, by nature, could not be otherwise than friendly. He was a kindly and considerate man. He delighted in bringing happiness to others. His greatest pleasure seemed to be in fulfilling his desire to help others.

I shall always recall with pleasure his never diminishing zeal in showing and describing the various articles in the office of the Vice President, to which he was attached. I recall receiving many letters from constituents, which were turned over to him, expressing their pleasure and gratitude for the manner in which the historic articles in the Vice President's office were shown to them.

"Pete" Provencal will be remembered not only by Members of the Senate but also by the thousands of people who during the past generation have come in contact with him. I wish to express to Mrs. Provencal our profound sorrow and sympathy.

Mr. SPARKMAN. Mr. President I wish to join in an expression of tribute to our deceased friend, "Pete" Provencal. I had known him during the many years he served so efficiently and courteously in the office of the Vice President.

"Pete" was a man of good humor. He could entertain the many visitors who came to the room and he took great delight in entertaining them.

I recall with a great deal of pleasure one thing I heard "Pete" tell many times, which had to do with the motto on the Vice President's flag, "E Pluribus Unum." I happened to be in the office one day when "Pete" was explaining various things in the office to a group. He asked the group if anyone knew what that motto meant. No one replied, and "Pete" said, "It means, 'In God We Trust'."

A little later, when I saw "Pete" by himself, I said to him, "Pete, that is not really what the motto means. It means, 'One out of many'."

Many times I have heard "Pete" tell others the story of how he came to learn what that Latin expression meant.

"Pete" was a Frenchman. I used to try to jabber with him in French. Every day when I would leave, "Pete" would see me when I went out the door. He would say something in French, meaning "Until tomorrow," or "until Monday," or "until Tuesday," or whatever the time was.

"Pete" was one of the best men when doing the job he was entrusted to do that I have ever known. After all, that is the real purpose in life: "Do well the job that is yours."

I was distressed when I heard of "Pete's" illness. I was grieved when I learned yesterday of the critical condition he was in. I was saddened today when I learned of his passing. I feel like saying to my friend Honore Provencal: "Au revoir, mon ami."

Mr. HUMPHREY. Mr. President, I, too, wish to say that I was saddened today to learn of the death of one of the most trusted and faithful servants of the Senate, the aid to the Vice President and, indeed, the aid and loyal helper of every Senator, "Pete" Provencal. I understand that he had about 31 years of service with the Senate, and in recent years he has been the aid of the Vice President of the United States. In that capacity he has escorted literally thousands of people into the Vice President's office, which is located off the Senate Chamber.

Like my colleagues, I can recall many interesting discussions in which "Pete" Provencal engaged with Members of the Senate. One item in the Vice President's office which always seemed to attract "Pete's" interest more than any other was the so-called Dolly Madison mirror. He took great joy in explaining that this mirror, which had been purchased at a cost of some $40, resulted in a Congressional investigation which cost something like $2,000. Then he would go on to point out that even in the days of the Founding Fathers, Congress engaged in investigations which were indeed costly. However, then "Pete" would add that it established the right of Congress to inquire into matters within the executive branch of the Government and to protect its own prerogatives.

"Pete" Provencal was a good man. He was a kind man. He was a humble man. He was a friend of all. All those attributes are really the qualifications for a man of great stature and good character.

I remember Mrs. Provencal so many times sitting in the gallery waiting for "Pete's" work to be done at the end of the day. I wish to extend to Mrs. Provencal my heartfelt sympathy, as well as the condolences and sympathy of Mrs. Humphrey and of our family. Mrs. Provencal is indeed a fine lady, whose heart is filled with sorrow and sadness tonight. Let me say to "Pete": "Well done, good and faithful servant. You have been a source of joy and happiness to many people." What more can a man make of his life?

Mr. COOPER. Mr. President, I rise to express my sorrow at the death of "Pete" Provencal. I shall always remember his kindness, courtesy, and friendship.

"Pete" Provencal's life illustrates the fact that the simple virtues of courtesy, kindness, loyalty to friends, and faithfulness to duty are indeed great, and command the respect, loyalty, and friendship of others.

Mr. President, I know that "Pete" Provencal's life, as well as his death, have touched deeply the hearts of all of us. We shall indeed remember him.

Mr. DIRKSEN. Mr. President, I said earlier that Henry Drummond, the great preacher, in interpreting the 13th chapter of 1st Corinthians, substituted "love" for "charity."

I like that substitution. So I think it is fitting to put a caption on these tributes to a loyal, dedicated person by simply adding to the record four verses from the 13th chapter of 1st Corinthians. In reading them, I shall substitute "love" for "charity."

> Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up,
>
> Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil;
>
> Rejoiceth not in iniquity, but rejoiceth in the truth;
>
> Beareth all things, believeth all things, hopeth all things, endureth all things.

I think we as Senators and as Members of this body as an institution become fully sensitive of the fact that, while the glaring spotlight is upon us, we operate, and do so with reasonable efficiency, because of the loyalty, devotion, and dedication of those who serve this institution of the United States Senate, and of those who are a part of it, the Senators who are elected to serve in it.

Well done, we say of "Pete" Provencal, loyal and devoted servant. We shall miss him.

SELECTED READINGS PREPARED FOR THE SUBCOMMITTEE ON LABOR OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE OF THE UNITED STATES SENATE

Mr. GOLDWATER. Mr. President, during the course of the hearings held by the Subcommittee on Labor of the Committee on Labor and Public Welfare, the chairman of the subcommittee caused to be printed as a committee print a document of Selected Readings Prepared for

the Subcommittee on Labor of the Committee on Labor and Public Welfare, United States Senate, by the Legislative Reference Service, Library of Congress.

The title of the committee print is: "Government Regulation of Internal Union Affairs Affecting the Rights of Members."

This subcommittee operates in a very unusual way, in that committee prints can be prepared and printed without consultation with any of the members of the subcommittee, without the permission of the subcommittee, or without the permission of the committee as a whole. I criticize that on the floor, as I have criticized it in the committee itself.

During the course of the preparation of this document, there was included a paper written by Mr. Clyde W. Summers, of the Yale Law School, New Haven, Conn. The paper was delivered before the Industrial Relations Research Association, in New York, on September 6, 1957.

Mr. Summers took out of context and interpreted to his own way of thinking remarks I had made during the interrogation of Mr. James Hoffa before the McClellan committee, of which I am a member. On page 253 of this document there appears out of context a statement which Mr. Summers used.

I objected to this before the full committee and was given permission by the chairman, the distinguished Senator from Alabama [Mr. HILL], to prepare an errata sheet for the publication before it was circulated. Before preparing it, I wrote a letter to Mr. Clyde Summers of the Yale Law School, pointing out what he had done. My letter was written on June 16 and I had expected that by this time I would have received an explanation from Mr. Summers of his reasons for doing what he did. But I have not received such an explanation. Therefore, I feel every right to ask unanimous consent that my letter to Mr. Summers be printed at this point in the RECORD.

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

UNITED STATES SENATE,
Washington, D. C., June 16, 1958.

Mr. CLYDE W. SUMMERS,
Yale Law School,
New Haven, Conn.

DEAR MR. SUMMERS: Recently, a publication of the Senate Labor Committee, entitled "Government Regulations of Internal Union Affairs Affecting the Rights of Members," was called to my attention. I noticed the inclusion therein of a paper which you delivered before the Industrial Relations Research Association in New York on September 6, 1957. Mr. Summers, I have never met you personally, although I have heard high praise of your status as an expert in the field of labor economics and labor relations. For this reason, I was extremely surprised to find a generalization made by you in this talk which was extremely uncomplimentary to me and my attitude toward labor unions. I refer to your statement, "thus Senator GOLDWATER, while denouncing the 'unbridled, uncontrolled power' of union leaders and advocating that the antitrust laws should be applied to labor, congratulated Jimmy Hoffa for his union philosophy and wished him success in his conflicts with Walter Reuther."

Mr. Summers, I assume that before you wrote your paper you carefully read the testimony given by Mr. Hoffa and particularly the colloquy between Mr. Hoffa and myself concerning application of the antitrust laws to unions and the political and economic power of unions. I think that a fair interpretation of these statements leads to the conclusion that I did not in any way condone any of Mr. Hoffa's activities for which he was haled before the committee. I did, however, say to Mr. Hoffa, just as I would have said to Mr. Samuel Gompers, who felt the same as Mr. Hoffa, that I hoped his political philosophy would prevail in the labor movement. If you will recall, the cogent parts of this colloquy are to be found on pages 4963 and 4964 of the enclosed part 13 of the hearings before the Select Committee on Improper Activities in the Labor or Management Field.

I would like to quote from the transcript above:

"Mr. HOFFA. When you separate the political from the economic, you and I could have a different decision, because I do not believe that it is the original intention of labor organizations to try and control any individual group of political powers in this country for their own determination as to what to do with it.

"Senator GOLDWATER. Of course, I agree——

"Mr. HOFFA. So I am not suggesting, Senator, that we put together a combination, even in an advisory capacity, to be able to say that we are for this party, this candidate, or the other party or the other candidate. I am not suggesting that at all, sir.

"Senator GOLDWATER. Mr. Hoffa, we have labor leaders in this country, today, labor leaders who are not particularly friendly to you, labor leaders who, I am sure, would like to gain control of an organization like the Teamsters, who do not think like that. If those individuals were successful in getting control of your unions and expanded this to include the entire transportation field, then I think you can see the dangers immediately of what I am talking about.

"Mr. HOFFA. Maybe better than you can, Senator.

"Senator GOLDWATER. I am certainly glad to hear you say that.

"Mr. HOFFA. Maybe better than you can, because I have just about surmised the situation if certain people controlled transportation, plus other industries that are now organized, which they are desperately trying to do, using every medium of advertisement to the general public that they can use, to try and destroy, to try and, if possible, take over, without the voting authority of the members, certain parts of the labor organization. I, for one, am not unaware of what is happening in this country. I don't propose as one, either—and I have had my fights in the past, Senator, on this question—I don't propose as one person to become involved in a situation to where anybody is going to call me into a room and tell me, without talking to my members, 'This is what you are going to do,' or 'This is what you are not going to do.'

"My experience is when you endorse a candidate on that basis, you just went out of business.

"Senator GOLDWATER. Well, Mr. Hoffa, just to wind this up, I think we both recognize that in the writing in the clouds today there is an individual who would like to see that happen in this country. I do not like to ever suggest to let you and him fight; but, for the good of the union movement, I am very hopeful that your philosophy prevails.

"Mr. HOFFA. I assure you that the American people will accept my philosophy and not the one of the other."

Mr. Summers, I trust that you will further examine this testimony, as I feel that you have done me somewhat of an injustice in the inference raised by your statement as quoted in the booklet of the Senate Labor Committee.

Sincerely,

BARRY GOLDWATER.

Mr. GOLDWATER. Mr. President, I ask unanimous consent also to have printed in the RECORD at this point in my remarks the errata sheet which I have prepared and which will be appended to every one of the documents which are being distributed throughout the country.

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

ERRATA SHEET—STATEMENT BY SENATOR GOLDWATER CONCERNING SELECTED READINGS PREPARED FOR THE SUBCOMMITTEE ON LABOR ENTITLED "GOVERNMENT REGULATION OF INTERNAL UNION AFFAIRS AFFECTING THE RIGHTS OF MEMBERS"

It was with considerable interest that I read an article in this booklet commencing on page 250, entitled "Legislating Union Democracy."

Because of its inaccuracy and lack of objectivity, I am wondering why it was included for publication by the Subcommittee on Labor of the Senate Labor and Public Welfare Committee. My first knowledge of its printing was when a copy reached me just prior to circulation.

There are those who when they disagree with an opponent immediately attribute sinister motives to him. In order to establish such sinister motives, such writers often quote statements out of context. The article contains several full quotes from union sources. Opposite views have been left in short phrases surrounded by conjectural remarks distorting the content.

A paragraph on page 253 is a complete distortion of both my motives and my remarks. What actually was said is as follows (pp. 4963 and 4964, pt. 13, hearings before the Select Committee on Improper Activities in the Labor or Management Field):

"Mr. HOFFA. When you separate the political from the economic, you and I would have a different discussion, because I do not believe that it is the original intention of labor organizations to try and control any individual group of political powers in this country for their own determination as to what to do with it.

"Senator GOLDWATER. Of course, I agree——

"Mr. HOFFA. So I am not suggesting, Senator, that we put together a combination, even in an advisory capacity, to be able to say that we are for this party, this candidate, or the other party or the other candidate. I am not suggesting that at all, sir.

"Senator GOLDWATER. Mr. Hoffa, we have labor leaders in this country today, labor leaders who are not particularly friendly to you, labor leaders who, I am sure, would like to gain control of an organization like the teamsters, who do not think like that. If those individuals were successful in getting control of your unions and expanded this to include the entire transportation field, then I think you can see the dangers immediately of what I am talking about.

"Mr. HOFFA. Maybe better than you can, Senator.

"Senator GOLDWATER. I am certainly glad to hear you say that.

"Mr. HOFFA. Maybe better than you can, because I have just about surmised the situation if certain people controlled transportation, plus other industries that are now organized; which they are desperately trying to do, using every medium of advertisement to the general public that they can use, to try and destroy, to try and, if possible, take over without the voting authority of the members, certain parts of the labor organization. I, for one, am not unaware of what is

happening in this country. I don't propose as one, either, and I have had my fights in the past, Senator, on this question, I don't propose as one person to become involved in a situation to where anybody is going to call me into a room and tell me, without talking to my members, 'This is what you are going to do' or, 'This is what you are not going to do.' My experience is when you endorse a candidate on that basis, you just went out of business.

"Senator GOLDWATER. Well, Mr. Hoffa, just to wind this up, I think we both recognize that in the writing in the clouds today there is an individual who would like to see that happen in this country. I do not like to ever suggest to let you and him fight, but for the good of the union movement I am very hopeful that your philosophy prevails.

"Mr. HOFFA. I assure you that the American people will accept my philosophy and not the one of the other."

THE FUTURE OF THE ATOM

Mr. WILEY. Mr. President, we are all familiar with the Biblical incident of doubting Thomas. Doubting Thomases are often proved to be wrong. In the Bible, Thomas no longer was a doubter when he saw the facts. But doubting Thomases in history are often proved to be wrong by historical success.

Recently a report was released which purported to give the views of a number of experts in the field of atomic energy, atomic reactors, and low-vacuum devices. They were commenting on various technical aspects of the proposed MURA project to build a super atom smasher which would deliver the equivalent of 540 billion electron volts. Of course, most of the comments were apparently highly constructive. There were some, however, who appeared to question the feasibility of the projects in the present state of knowledge.

PRECEDENT OF ATOMIC BOMB

Whatever one may think about the moral and international implications of the atomic bomb, no one will deny its great importance in the modern world.

Yet when Prof. Albert Einstein and Dr. Vannevar Bush proposed to President Roosevelt that the Government undertake the atomic-bomb project, many scientists and other prominent men doubted that it was practical or that it would work. Of course, discussions about it were highly secret at that time.

One very prominent public figure, who, although not a scientist, was an explosives expert, and had reached the pinnacle of success which a naval officer can achieve within the military services—I refer to Adm. William D. Leahy, military adviser to the President of the United States—did not believe that any such bomb was practical. As a matter of fact, later, when President Truman was being briefed by Dr. Bush about the atomic-bomb project, Admiral Leahy, according to President Truman himself, observed in his sturdy, salty manner:

> That is the biggest fool thing we have ever done. * * * The bomb will never go off, and I speak as an expert in explosives.

That quotation is taken from the Memoirs of Harry S Truman, volume 1, 1955, page 11.

That was the view of an admiral who had risen from ensign through all the ranks of the Navy, who had been Chief of the Bureau of Ordnance, commander of the Destroyers' Scouting Force, Chief of the Bureau of Navigation, commanding officer of the Battle Force, Chief of Naval Operations, Governor of Puerto Rico, Ambassador to France, and, finally, Chief of Staff to the Commander in Chief of the Army and Navy of the United States from 1942 on. He had served with distinction in the Spanish-American War, the Philippine Insurrection, the Boxer uprising, and in many other diplomatic-military capacities. He had been awarded the Distinguished Service Medal, the Navy Cross, the Santiago Spanish campaign, Philippine service, Nicaraguan campaign, Dominican campaign, Mexican campaign, and Victory medals, and the Commander of the Military Order of Aviz—Portugal.

This distinguished naval officer, who also had the privilege of being born in Ashland, Wis., might have been expected to be right in his judgment. Yet even he made the mistake of doubting the feasibility of the atomic bomb.

If a man of this experience can make such a mistake, may not others of less prominence also make the mistake of being doubting Thomases?

COURAGEOUS DECISION TO GO AHEAD

President Franklin D. Roosevelt made the decision to go ahead. As a result, the Western World achieved the atomic bomb; and the Russians did not get it until later, and then only with the help of certain spying operations with which all of us are familiar.

Mr. President, the point I wish to make is that a courageous man made a forward-looking decision to go ahead when the experts were in doubt. The experts thought then about the atomic bomb what they are now saying about the MURA project; namely, that there was some doubt as to whether it would work, in view of the existing knowledge; that it might become feasible in 10 years or so, but that the only way to find out was to try it.

Many of us may differ with Roosevelt's free use of funds in other instances; but we cannot object with reference to the atomic bomb.

Later, when our Government had to decide whether to proceed with the hydrogen bomb, all eight members of the General Advisory Committee to the Atomic Energy Commission, who were present, recommended against going ahead with it. They felt that it was too expensive, and that the hydrogen bomb might not prove feasible. Their views on these points are expressed in a book called The Hydrogen Bomb, by James R. Shepley and Clay Blair, Jr. (pp. 72–73) as follows:

> The hydrogen bomb is too expensive. The committee noted the necessity for using tritium as an agent, and pointed out that tritium was excessively expensive in terms of neutron production, and had a short half life. In order to produce sufficient tritium for the H-bomb, many ordinary plutonium or atomic bombs would have to be sacrificed. The committee also argued that such a crash program would mean shifting laboratory facilities and personnel from the atomic-weapons program.
>
> The hydrogen bomb might not prove feasible. The committee raised the point that while it believed the hydrogen bomb might be built in 5 years or so, some physicists had suggested that the atomic trigger might not hold together long enough to produce temperatures high enough to ignite a tritium-deuterium mixture. Assuming some uncertainty about the success of a thermonuclear bomb, the committee argued the United States would be leaving a position of certain strength for a position of uncertain strength if it sacrificed proven atomic bombs to an unsuccessful H-bomb.

But the present Chairman of the Atomic Energy Commission, who now urges delay about the MURA project, then urged a quick AEC decision. As a result, we now have the H-bomb which—putting other considerations aside for the moment—makes us the most powerful nation in the world.

GO AHEAD WITH THE MURA PROJECT

Mr. President, the only way to find out whether we can delve more deeply into the merits of subatomic particles is to authorize the construction of the MURA synchroclash now, and keep the brilliant MURA team hard at work developing the machine. This is a frontier of scientific knowledge which daring and brilliant scientific explorers are keen on discovering. Let us give them the go ahead signal.

Mr. President, I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at this point of my remarks a copy of a statement which I made yesterday upon receipt of the Atomic Energy Commission summary report on the views of 50 scientists with reference to the MURA project.

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

STATEMENT BY SENATOR WILEY—NEED FOR BUILDING MURA ATOM SMASHER

The Joint Committee on Atomic Energy has, I understand, just received a summary from the Atomic Energy Commission of the comments from the 50 scientists whom the Commission asked to comment on the MURA project to build a super atom smasher. Since these reports were received in the Atomic Energy Commission on or before June 15, it is unfortunate that the Commission Chairman did not get the summary to the Joint Committee before the Committee had to act on the pending authorization bill on June 24, almost 10 days later.

I urge (1) that the ideas in the individual reports from these 50 scientists be quickly evaluated, (2) that without delay, the Joint Committee on Atomic Energy approve the MURA synchroclash project, and (3) that the Committee authorize funds for the immediate design and construction of the machine.

What may appear to be diversity of reactions among these scientists was not unexpected. They are commenting on the supertechnical aspects of the MURA project.

To quote from the report summary:

"The reviewers agreed uniformly on several points: * * * the excellence of the existing MURA group, * * * and * * * the necessity for the continued support of the MURA group."

How can we keep the existing MURA group together and continue its support without official approval of the project on which they are working and without authorization of funds to build it?

None of the scientists questioned opposes the project. Many believe it ready now for construction design. Others make suggestions which they would like considered before the project goes into the phase of engineering design. The MURA scientists have been looking forward expectantly to receiving these suggestions from their brother scientists and will be glad to adopt any which appear to have merit. Scientists naturally are accustomed to raise questions and to consider all aspects of a problem in specific detail. This is good in the field of abstract science. However, no war was ever won by delay. Nor can the current cold war be won by postponement.

The wars of the past were won on battlefields. Wars of the future may be said to be won in the laboratory.

In the MURA project, we have a plan for a laboratory machine much more powerful than anything the Communists have. We shall be gambling the future of America—if we do not build it as soon as we can and push ahead with the high energy physics research which it would make possible.

OPPOSITION TO GENERAL POLICY OF CUTTING BACK RESEARCH

However, I realize that the same policy of economy is being applied by the Atomic Energy Commission to all other research projects and, therefore, may not be specific discrimination against MURA. That is hardly any consolation.

Since there is a life and death struggle between freedom and communism and since this struggle is likely to be decided on the drawing boards of research scientists, I question the wisdom of the entire policy of cutting these and other research allocations.

It seems to me completely penny wise and pound foolish.

ECONOMIC AS WELL AS SCIENTIFIC STIMULATION

In addition, the position of the Chairman of the AEC appears to be at least several months out of date. Since we have been in an economic recession, many projects have been proposed to stimulate construction. The building of the giant MURA atom smasher would, in addition to all of its scientific value, stimulate construction work. It would, for example, involve the purchase of a large volume of steel; and this is a time when steel mills are not fully active, to say the least.

I repeat and reiterate that time is of the essence in high-energy physics research and that the money which we may save now will be of no value to us later on if we should lose the struggle against Communist domination of the world.

In saying this, I wish to add my hope that the Joint Committee on Atomic Energy will keep the MURA project in the forefront of matters before the committee, and that they will add the authorization to the clean bill just introduced.

GOVERNOR THOMSON'S SUPPORT

In a phone conversation this morning Governor Thomson reiterated his support of the MURA project and of Senator WILEY'S position in support of it. The governor emphasized his complete confidence in the judgment of the MURA scientists that they are ready to go ahead with the project.

Mr. WILEY. Mr. President, apropos this subject, let me ask a question: A little while ago, who would have said that NATO, for instance, would become interested in something other than military matters? But the other day NATO unanimously took the position that it had a political responsibility. That exemplifies, in my opinion, the fact that organizations such as NATO and the United Nations are not static.

So we must see to it that the scientists give the go ahead signal, rather than cause our Nation to hold back and be a second-rate power as regards the ability to handle the developing situations in the world.

NATO unanimously approved the latest decision of the British Government in respect to Cyprus. Thus, NATO stepped beyond the field of the military, into the field of the political, just as the United Nations developed from what might be called a debating society and created a military force and now sends its Secretary General into various fields in the world where there are potential brush fires which might develop into a third world war. In other words, NATO is developing. The other day the Secretary General of NATO was in Lebanon, where he was seeking to find the answer to the discordant conditions which exist there.

Thus, Mr. President, in my humble opinion the imperative need is for the United States to go ahead. That is why I have taken the time of the Senate to speak in regard to MURA.

ADDRESS BY JOE J. ONTIVEROS TO AMERICAN GI FORUM OF COLORADO

Mr. CHAVEZ. Mr. President, the American GI Forum of the United States is a military organization in this country. It originated under the sponsorship of Col. Hector Garcia, of Corpus Christi, Tex. The organization now exists in 18 States of the Union.

The requirements for being a member are that the individual be American by birth or naturalization, that he be able to speak English, and that he has won the American military uniform.

Only recently the American GI Forum of Colorado held its convention in that State. The convention was addressed by Mr. Joseph J. Ontiveros, national vice chairman of the American GI Forum of the United States and chairman of the Colorado chapter.

I ask unanimous consent that his address, which contains some very sound advice in matters of foreign policy, especially as they pertain to Latin America, be printed in the body of the RECORD.

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

SPANISH-SPEAKING AMBASSADORS FOR LATIN AMERICA

(Address by Joe J. Ontiveros, national vice chairman of the American GI Forum of the United States and chairman of Colorado, before the American GI Forum Convention of Colorado)

One of the many objectives the American GI Forum has set for itself has been the education of our citizens, that is education in all phases of our everyday life. Together with this we have encouraged the training for diplomatic service, among our young men and women of Spanish descent.

We have known the great need our country has for bilingual experts in the field of foreign relations. The demand for this type of trained personnel has increased considerably in the last few years.

Now, since last month, this demand has become urgent. We need urgently ambassadors of Spanish descent in Latin America. I am indeed sorry that it took the dismaying spectacle of riots against our second highest official of our Government to jar us into seeing the situation as it really is. The results of the tour in South America by our Vice President, Mr. RICHARD NIXON, was one of shock to our entire Nation. We are shocked to know that some of our "good neighbors" are not as neighborly as we were led to believe.

Mr. NIXON has shown to the United States and the world the gaping wound in our relationship with Latin America.

The implications of these incidents in Lima, Peru and Caracas, Venezuela are far greater then some people realize. There is a definite threat to the peace in our hemisphere.

And, we as veterans, would be doing a disservice to our country if we did not bring this threat to the attention of the people, and our Government. If proper steps are not taken to correct this situation in Latin America, we will be allowing the Communists to become strong enough to place the site of another war, not in Europe as we generally believe, but in our own Western Hemisphere.

The need for reviewing our policies in Latin America has been a subject of considerable discussion lately. The reasons are obvious. However, there is another subject along this line that should be considered, and I might add, it should be revised. I am speaking of the qualifications for Ambassadors.

Too often the basis for these appointments has been the amount of money the individual has contributed to the winning political party. This has been a practice since before 1893, when our foreign representatives ascended to the rank of Ambassadors. And from all indications it seems that this same practice will continue in the future.

In other words, in this day of highly trained scientists and technicians with their rockets and satellites, our country still selects its Ambassadors by antiquated methods of the 1800's. Obviously, the future relations of our Nation with our Latin American neighbors rest to a large extent on the diplomats we send over there. In them rests the responsibility of introducing our friendship and good will. They are the ones who must interpret the policies of our Government to the countries they are assigned, literally and otherwise.

This is only one of the problems. Another one I would like to cite is one that was brought up again a few days ago by Mr. George W. Friede, who has made an extensive study of Latin America, in an editorial of the Oregon Journal, and I quote, "Too many of our Embassy and consular employees are seeking a social position, luxuries, and a feeling of importance which they were unable to obtain at home and have spent their time enjoying the favors of the rich instead of mingling among the populace."

This situation is brought out further by the Vice President himself, a few days after his return from South America; again I quote, "I can assure you it is a lot easier to run one of these trips like some people want them run, a round of cocktail parties and white-tie dinners. We had a lot of those, too, but I can also assure you if that is what we do in Latin America—if we continue to concentrate primarily on that area, we might as well figure right now we are going to lose the battle."

There is no doubt that all of this identifies us in those countries as followers of the old dollar diplomacy.

I hope I am not misunderstood, for there are many diplomats who are very conscientious about their duties, and they should be commended for their efforts in these troubled times.

Our relations with Latin America are somewhat different from those with other countries. Since the inception of the Monroe Doctrine, we have assumed certain ob-

ligations with those countries, obligations for our own protection, which we don't have with nations out of this hemisphere. We have pledged to help them in time of peace or war as our neighbors. Consequently, we must see to it that our policies are not misunderstood. We must make them realize that their problems are our problems. It should be made clear that the interest of the American people is to promote friendship and democratic ideals; that for our mutual benefit, unity of the democratic forces throughout the Western Hemisphere is clearly the only true defense against Communist subversion in the New World.

I don't wish to imply that United States Ambassadors of Spanish descent to Latin America will be the solution to the problems that confront our countries, but it would create an atmosphere of friendship within which we could solve them better.

The need for this new type of Ambassadors, was brought out clearly again by Senator DENNIS CHAVEZ, from New Mexico, at a banquet of the American GI Forum in Chicago last month, again I would like to quote, "The State Department has always looked with jaundiced eyes toward Latin America. The Ambassadors we send there are either political hacks (and in fairness, this has been true under Democrats and Republicans alike) or inexperienced or second-rate career men. Rarely in the times I have visited there, and I know that it was the same long before this, did I encounter an Ambassador who spoke Spanish. For that matter, it was hard to find members of the Embassy staff who spoke Spanish—if they did, they spoke it poorly. In most cases they did not speak Spanish at all and were not trying to learn. They cared nothing for the people, the language, or the customs of the country in which they were stationed. How can one ever understand another people if he can't speak their language, much less make friends with them?"

I propose to the delegates assembled here today that maximum effort be exercised to remedy this situation. We must remind our Government officials that you do not buy true friendship. For this too, has been one of our fallacies in Latin America. What it really does is increase our taxes.

We must make it known that we do have men fully qualified to handle these positions. Not only will they achieve these friendly relations, we so much desire, but they will be an inspiration to our up-and-coming young men and women of Spanish descent. I am speaking of men like Dr. Hector P. Garcia, from Corpus Christi, Prof. Vicente Ximenes from the University of New Mexico, Dr. George I. Saachez from the University of Texas, and from our own University of Denver, Dr. Arthur L. Campa.

Let there be no misunderstanding, what I propose is not for the sole benefit of one segment of our population, but for the benefit of all the American people. I propose that our Government make use of the talents and abilities of these qualified men for the benefit of the whole Nation, for the promotion of genuine good neighborly relations with our sister countries in Latin America, and for the cause of democracy and peace.

OREM, UTAH, HOME OF SENATOR WATKINS

Mr. WATKINS. Mr. President, one of the prerogatives of being a Member of the United States Senate is that once in a while we can ignore the world-shattering problems that threaten to overwhelm us and discuss matters of headline importance to Barstow, Fla., Waldoboro, Maine, or Orem, Utah.

I picked two of these hometowns of Members of this body at random from the Congressional Directory's biographical files, but my own hometown of Orem was included by design, because I aim to apprise my colleagues of a news event there of which they should be aware. I hasten to add that this prerogative of enthralling our colleagues with hometown accomplishments is one I have seldom exercised, and I pledge hereafter to confine my bragging on this up-and-coming community to the confines of the cloakroom, the dining room, and my office.

The news headline in the June 26 issue of the Orem-Geneva Times which brought me to respectful attention and prompted this outpouring of civic pride was this: "Orem Post Office To Achieve First-Class Status July 1."

This, my friends, is page 1 news, and Publisher Jack Sumner, who operates the weekly paper I used to publish before coming to Washington, certainly is to be commended for recognizing a top-column news event when he sees one. It is first page news to me because it seems only yesterday that I was writing editorials urging that a post office should be established in Orem.

All of us who come from Orem and love it deeply have felt for some time that the only thing about Orem that was not first class was its second-class post office. Now we can tell the world that Postmaster General Summerfield and Orem's amazing postwar expansion have collaborated to make everything in Utah's fastest-growing city absolutely first class.

The Orem-Geneva Times article cites some postal receipts growth statistics—from $13,765 in 1949 to $43,401 in 1957, a threefold increase in less than a decade—and explains the advantages accruing to the patrons of a first-class post office. Under the circumstances, I shall not request consent to reproduce this otherwise stirring news report.

However, I feel that my colleagues should know more about the city of Orem, and since I manfully refrained from standing up here and busting my vest buttons on a similar occasion back in 1955, I hereby request unanimous consent to reproduce in the RECORD an article about Orem which appeared in the Deseret News of January 17, 1955. The article was written by Ted Cannon, a veteran Utah newspaper reporter, editor, and columnist. I regret the personal references contained therein, but the article otherwise is a factual account of my hometown, and perhaps this breach of personal modesty will be overlooked.

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

OPTIMISM'S THE WORD FOR OREM, FASTEST GROWING CITY IN UTAH

(By Ted Cannon)

Few Utahans know what the word "Scera" stands for, and not too many know how to pronounce it, either (you say it just like Sarah). But anyone down Utah County way can tell you something about the institution, one of the most unusual and successful community enterprises in the world.

And Scera (the Sharon Cooperative Educational and Recreational Association) is only one of a score of thriving enterprises which make Orem one of the busiest, most prosperous communities in the State.

"We're Utah's fifth largest city and the fastest growing of all," Joseph T. Smith told us proudly when we called on him at the First Security Bank.

Mr. Smith took over as president of the Orem Chamber of Commerce on the first of the year, and in his dual role as bank manager and chamber chief, he should have a pretty close check on the community's economic pulse.

"It's strong and it's steady," he reported. "The chamber has 125 paid up members and nearly all the businesses seem to be doing well."

He noted that much of the area's economy is geared to nearby Geneva Steel, and pointed out that with the steady expansion of operations there, plus the big development program in progress at Brigham Young University, plus also the area's sound agricultural economy, the prospects for continued growth and prosperity were never better.

City Manager O. V. Farnsworth (Orem adopted the manager form of government just a year ago) dropped into the bank at this juncture and confirmed and enlarged upon what Mr. Smith had reported.

"We've got a sort of string-type city—extending some 5½ miles along the highway, covering close to 20 square miles and including several farm plots of 30 acres or more—so one of our problems is in the direction of urban development," Mr. Farnsworth said.

"One of our ideas for the coming year, as Mr. Smith mentioned is a central shopping area to serve our fast-growing population—about 12,000 at last count.

Housing is still short, despite three new subdivisions now underway and at least a couple more in prospect. It's a race to keep up with our own growth. In the past 6 years we've built five new schools and a big new high school will go up this year. I don't know how many new churches and homes have gone up in the past year, but in October alone Orem building permits totaled $703,000—nearly all homes—and we are regularly building more than all the rest of Utah County put together."

Mr. Farnsworth reported that the new city well, costing about $30,000 would add an average of around 3,000 gallons per minute to the community's water supply. "The way water values figure, this well should be worth about $300,000 to us," he declared.

The same feeling of optimism and progress was in evidence throughout the community. Ray E. Hanks, a real-estate man, echoed it, as did Harold B. Jack Sumner, publisher of the community's weekly newspaper, the Orem-Geneva Times.

"You know this was Senator WATKINS' paper," Jack reminded us, "and this is still his home town, and he's still our No. 1 citizen."

Jack, a printer for 25 years, and formerly with the Provo Herald, has lived in Orem since 1939, and bought the newspaper from Neff Smart about 18 months ago. He reported a paid circulation of over 1,500, steadily growing, along with a corresponding increase in advertising linage and job printing.

We dropped in the Orem Drug for a spot of refreshment, and found ourselves in a milling throng of bright-faced youngsters from the high school across the street. The counter was lined several deep with students consuming hot dogs, tamales, drinks, and ice cream bars; so we dropped back to the prescription window for a word with Pharmacist Ralph Pelton.

"I guess the school cafeteria can't begin to handle them all, even with a three-shift lunch hour," Mr. Pelton said, "but the new high school coming this year will sort of relieve the pressure.

"Like all kids, these are lively and full of fun and they keep us on the jump during the rush hour, but they're good kids and they don't give us any trouble."

After an interesting tour of the factory and shop of Earl Miller whose archery feather and ski binding enterprise is a story in itself, we checked with William I. (Bill) Burr, chief of Orem's volunteer fire department. Bill also runs the Burr Sporting Goods Store which he took over from his dad some years ago. The elder Burr, Ivan J., has operated a district school bus for years.

Naturally, Jack's interest, outside of heading up the 28-man volunteer fire crew (there are two full-time chiefs), is in sports. Pictures on the walls of record deer, fish, pheasant, and duck bags bear out his contention that there's a lively interest in all kinds of sports in the Orem area.

"Within 3 or 4 miles there's just about any kind of hunting or fishing you could ask for, and with the growth of interest in winter athletics, plus mass participation in summer activities, you'll find this a pretty sports-minded community."

One of Orem's most interesting citizens is "Grandma" Emma Evans Stratton who moved from Provo to the bench nearly 70 years ago when it was nothing but sagebrush, sand, rocks, coyotes, jack rabbits, and snakes—oh, yes, Indians, too.

Nearing her 87th milestone (January 18), Mrs. Stratton vividly recalls the entire history of the Orem country. Her husband, John H. Stratton, planted some of the first fruit trees on the bench, and built the first brick house in 1885.

"Still standing, too," she said. "Up to that time most of the houses were just little shacks. I remember our first one—dirt floor—and every once in a while a big snake would come right up through a mouse hole."

Mrs. Stratton helped organize the first relief society in the area and for over 50 years was trustee of the wheat program. Her family numbers just about 100, nearly all of them living between American Fork and Provo. Her sons John and George are still among the valley's leading fruit producers.

Now for a word about Scera. Miss Barbara Jarman (she's the daughter of Orem's Mayor LeGrand Jarman), who recently joined the staff as secretary-treasurer, showed us through the magnificent Scera Theater, one of the finest in the West, which holds shows daily except Sunday, and has an adequate stage for theatrical work as well.

"Scera was organized by the church in 1932 when Senator WATKINS was Sharon stake president," M. Dover Hunt, manager of the unique institution, told us. But a year later it became a community cooperative project and has continued in that form ever since.

"The theater is only one part of the operation. Last summer we had 73 softball teams, both boys and girls and covering all ages, in league play, around 1,000 taking part in the swimming program, and 1,400 youngsters in the 7 to 12 age group in dancing, singing, handicraft, and children's sports activities.

"The city of Orem and the Alpine School District share the cost of the recreation program with Scera which itself is a wholly community-owned project. Our present physical plant, completed in 1941, is valued at around a quarter of a million dollars, is free of debt, and is probably the most modern and best-equipped building of its kind in the West."

Scera is operated by officers—Mrs. Dezzie Lamb is president at present—and a board of directors elected by all the people of the community on a geographical basis, and has a paid staff of only five, but a nonpaid volunteer staff of workers, serving 1 night a week for a month each, of scores of community residents. A new and larger swimming pool to supplement the present 40 by 70 foot tank which is constantly overcrowded in summer is a possibility the board is now studying, Mr. Hunt said.

"People from all over the world have come to visit Scera and have written for information on it," Mr. Hunt said. "I don't suppose there's anything like it anywhere else."

Certainly Scera's growth and success are a monument to the vision, industry, and devotion not only of men like Senator Watkins, Victor Anderson, Henry D. Taylor, and the many others who served it so long and faithfully, but to all the people of the community as well.

AMENDMENT OF BANKRUPTCY ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1772, H. R. 982.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 982) to amend section 77 (c) (6) of the Bankruptcy Act.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of the proposed legislation is to authorize the Interstate Commerce Commission to fix a reasonable and equitable division of rates in cases where a railroad lease is rejected under the provisions of the Bankruptcy Act and one of the parties to the lease is ordered by the judge to operate the line.

I ask unanimous consent that the statement contained in the report accompanying this measure, as marked, be printed in the RECORD at this point.

There being no objection, the statement from the Report (No. 1737) was ordered to be printed in the RECORD, as follows:

STATEMENT

The Interstate Commerce Commission recommends that the proposed legislation be enacted.

The proposed legislation, as passed by the House of Representatives, was the subject of a hearing by a subcommittee of the Senate Committee on the Judiciary.

Section 77 of the Bankruptcy Act provides for the reorganization of railroads, engaged in interstate commerce, which become insolvent.

This section of the Bankruptcy Act recognizes the right of the trustee of the properties of a carrier which has become insolvent to reject and terminate an unexpired lease of a railroad line.

In the public interest, however, to maintain public transportation, section 77 (c) (6) of the Bankruptcy Act provides that if the lease of a line of a railroad is so rejected, and the lessee in reorganization, with the approval of the judge, elects no longer to operate the leased line, it shall be the duty of the lessor to operate the line. In the event that it is found by the judge to be impractical and contrary to public interest for the lessor to operate the line, the judge may require the lessee to continue operation, for the account of the former lessor, until the abandonment of such line is authorized in accordance with the provisions of the Interstate Commerce Act.

Accordingly, in a railroad reorganization, under section 77 (c) (6) of the Bankruptcy Act, a former lessee may continue to operate, after the termination of the lease, the formerly leased property, without the payment of rent, but for the account of the former lessor.

A result of such an operation of a line of railroad which was formerly leased is that the owner, having lost its lessor status by the termination of the lease in the reorganization proceedings, and therefore having lost its right to receive rent, must thereafter depend for any income upon the net earnings from the traffic of its line which is being operated for its account.

Section 15 (6) of the Interstate Commerce Act authorizes the Interstate Commerce Commission to establish just divisions of joint rates, fares, or charges among several carriers. The Commission has held, however, that this section of the Interstate Commerce Act applies only to carriers where joint rates covering such transportation have been established, and as joint rates have not been established where a railroad is being operated for the account of a former lessor under section 77 (c) (6) of the Bankruptcy Act, the section does not apply.

It is possible, therefore, for the property, which was formerly leased by the owner to an operating railroad for an annual rent, to be operated under section 77 (c) (6) of the Bankruptcy Act for the account of the former lessor, with no return to the former lessor, and at the same time be beyond any authority of the Interstate Commerce Commission to apply the provisions of the Interstate Commerce Act to require just, reasonable, and equitable divisions of rates.

The proposed legislation would provide that during such operation the lessor shall be deemed to be a carrier subject to all of the applicable provisions of the Interstate Commerce Act and shall be entitled to receive just, reasonable, and equitable divisions of rates. It would also provide that such an operation may be lawfully terminated other than by abandonment of such line.

In its favorable report on this proposed legislation, the Committee on the Judiciary of the House of Representatives commented:

"It is the opinion of the committee that jurisdiction to establish a fair division of rates should properly be left to the agency most experienced in the regulation of revenues, the Interstate Commerce Commission, regardless of whether there are joint rates or whether there is agency operation established pursuant to section 77 (c) (6) of the Bankruptcy Act. There is no intention to interfere with the normal functions of the reorganization court. It is intended only that the Interstate Commerce Commission have a clear basis for jurisdiction for applying section 15 (6)."

In testimony before a subcommittee of the Senate Committee on the Judiciary, Mr. Vernon B. Baker, Director, Bureau of Finance, Interstate Commerce Commission, presented a statement prepared by Mr. Howard Freas, Chairman of the Interstate Commerce Commission, which commented:

"The Commission has endorsed the objective of H. R. 982, which in effect would afford to a lessor carrier operated under the provisions of section 77 (c) (6) the same rights as other carriers have to receive a just division of revenue accruing from operations over their lines, in accordance with the criteria prescribed by Congress in section 15 (6) of the Interstate Commerce Act.

"Paragraph (10) of section 77 (c) makes provision for the segregation and allocation of revenues and expenses between divisions of lines, or lines subject to lease, and for the recommendation by this Commission of a method or formula by which such segregation and allocation shall be made. Under that paragraph the Commission may only recommend. It does not have the power to effect a different division of earnings from time to time because of changed conditions; nor is there any statutory standard governing the apportionment of revenues under this paragraph such as is prescribed in section 15 (6) of the Interstate Commerce Act concerning divisions of joint rates. Moreover, paragraph (10) is concerned only with properties involved in a proceeding under section 77; whereas, if section 15 (6) were

made applicable, divisions might be prescribed between the lessor and all railroads participating in the through transportation involved.

"The Commission recommends that H. R. 982 be enacted."

Mr. DIRKSEN. Mr. President, this measure was rather thoroughly discussed in the Senate Judiciary Committee. I believe the bill was reported by the committee by unanimous vote.

Mr. MANSFIELD. Yes. I may say that all the measures I am calling up at this time have been discussed with and my request concurred in by the distinguished acting minority leader.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H. R. 982) was ordered to a third reading, read the third time, and passed.

BIG BROTHERS OF AMERICA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1773, Senate bill 3728.

The PRESIDING OFFICER. The bill will be read by title.

The LEGISLATIVE CLERK. A bill (S. 3728) to incorporate the Big Brothers of America.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of the proposed legislation is to grant a Federal charter to the Big Brothers of America.

I ask unanimous consent that a statement contained in the report accompanying the bill be printed in the RECORD at this point, as marked.

There being no objection, the statement from the report (No. 1738) was ordered to be printed in the RECORD, as follows:

STATEMENT

Big Brothers of America is an organization incorporated in the State of Pennsylvania. This organization's work is based on the concept that boys need the stabilizing and helpful influence of a mature and responsible man. Lack of proper guidance of a father, for whatever reason in itself, does not qualify a boy for participation in the program unless the absence of a father's influence or the bad influence of a father is related to the problem the boy presents. The value of the Big Brother program lies in the personal relationship between the man and the boy and the knowledge on the part of the boy that somebody is interested in him as an individual. Big Brother work embraces all religious and racial groups.

The Big Brother movement started in 1904 in New York City when Ernest K. Coulter, then clerk of the newly established children's court, discussed with some 40 members of the Men's Club of the Central Presbyterian Church the fact that a disturbing number of boys were appearing and reappearing before the children's court. Each member agreed to take a personal, friendly interest in one boy. The warm, human relationship which resulted was of great significance in the development of methods to correct and prevent juvenile delinquency.

The Big Brother movement is a program for youth guidance and has proven most effective in the field of social welfare. It is unique that it is the only program in which volunteer men work with boys on an individual and personal basis. It brings to boys between the ages of 8 and 16 who have become involved, or who may be in danger of becoming involved, in behavior difficulties, a stabilizing, directive, and purposeful influence in their formative years. This Big Brother movement has spread from New York all over the United States and Canada.

The PRESIDING OFFICER. 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.

The bill (S. 3728) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following persons: Charles G. Berwind, Philadelphia, Pa.; Mark Willcox, Jr., Philadelphia, Pa.; Earle S. Thompson, New York, N. Y.; Archie O. Dawson, New York, N. Y.; Isadore A. Wyner, New York, N. Y.; and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be, by the name of the Big Brothers of America (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this act are authorized to complete the organization of the corporation by the adoption of a constitution and bylaws, not inconsistent with this act, and the doing of such other acts (including the selection of officers and employees in accordance with such constitution and bylaws as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The purposes of the corporation shall be to aid and assist boys throughout the United States of America and Canada in the solution of their social and economic problems, and assist in their health, educational, and character development; to promote the use of the techniques of such assistance developed by the corporation, by other lay, and professional agencies, and workers, to receive, invest, and disburse funds and to hold property for the purpose of the corporation.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain, and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the business of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any private corporation, association, partnership, firm, or individual and to hold any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property; and

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws.

PRINCIPAL OFFICE: SCOPE OF ACTIVITIES: DISTRICT OF COLUMBIA AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Philadelphia, Pa., or in such other place as may be later determined by the board of directors, but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States, Territories, and possessions of the United States and in Canada to the extent permitted by Canadian laws.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

MEMBERSHIP

SEC. 6. Eligibility for membership in the corporation and the rights, privileges, and designations of classes of members shall, except as provided in this act, be determined as the constitution and bylaws of the corporation may provide. Each member of the corporation shall have the right to one vote on each matter submitted to a vote at all meetings of the members of the corporation.

BOARD OF DIRECTORS: COMPOSITION, RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this act the membership of the initial board of directors of the corporation shall consist of the present members of the board of directors of the Big Brothers of America, Inc., the corporation described in section 16 of this act, or such of them as may then be living and are qualified members of said board of directors, to wit:

Justice Tom Clark, Washington, D. C. (honorary);

Hon. Stuart Garson, Ottawa, Ontario, Canada (honorary);

Hon. Luther W. Youngdahl, Washington, D. C. (honorary);

Charles G. Berwind, Philadelphia, Pa.;

Henry J. Benisch, Brooklyn, N. Y.

DeVere Bobier, Flint, Mich.;

J. Carroll Brown, Lansing, Mich.;

Fielding T. Childress, St. Louis, Mo.;

Guy de Puyjalon, Ottawa, Ontario, Canada;

Robert E. Curry, New York City, N. Y.;

Jere Gillette, Detroit, Mich.;

Benjamin van D. Hedges, New York City, N. Y.;

Hon. Thomas C. Hennings, Jr., Washington, D. C.;

Dr. Kenneth D. Johnson, New York City, N. Y.;

Charles B. Levinson, Cincinnati, Ohio;

Walter H. Levy, Providence, R. I.;

Richard Loud, Boston, Mass.;

George O. Ludcke, Jr., Minneapolis, Minn.;

Charles E. McMartin, Saginaw, Mich.;

John McShain, Philadelphia, Pa.;

John E. Mangrum, Dallas, Tex.;

George Miller, Los Angeles, Calif.;

Nicholas C. Mueller, Baltimore, Md.;

Herbert Myerberg, Baltimore, Md.;

Thomas J. Potts, Columbus, Ohio;

Norfleet H. Rand, St. Louis, Mo.;

G. Ruhland Rebmann, Jr., Philadelphia, Pa.;

James B. Reese, Los Angeles, Calif.;

Sanford Reider, Cleveland, Ohio;

Thomas A. Rogers, Denver, Colo.;

Robert N. Rosenthal, Cincinnati, Ohio;
Canon John Samuel, Hamilton, Ontario, Canada;
Maurice Schwarz, Jr., Los Angeles, Calif.;
Isadore M. Scott, Philadelphia, Pa.;
Milton Seaman, New York City, N. Y.;
Nathaniel Sharf, Boston, Mass.;
Jay C. Standish, Cleveland, Ohio.;
Donald W. Thornburgh, Philadelphia, Pa.;
Robert L. Walston, Houston, Tex.;
J. Austin White, Cincinnati, Ohio;
Meredith Willson, Los Angeles, Calif.
Paul Wilson, Detroit, Mich.; and
E. N. Zeigler, Florence, S. C.

(b) Thereafter the board of directors of the corporation shall consist of such number as may be prescribed in the constitution of the corporation, and the members of such board shall be selected in such manner (including the filling of vacancies), and shall serve for such terms, as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the managing body of the corporation and shall have such powers, duties, and responsibilities as may be prescribed in the constitution and bylaws of the corporation.

OFFICERS: ELECTION AND DUTIES OF OFFICERS

SEC. 8. (a) The officers of the corporation shall be a chairman of the board of directors, a president, one or more vice presidents (as may be prescribed in the constitution and bylaws of the corporation), a secretary, and a treasurer.

(b) The officers of the corporation shall be elected in such manner and for such terms and with such duties as may be prescribed in the constitution and bylaws of the corporation.

USE OF INCOME: LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS: INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commerical corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than 6 months following the close of each year for which the audit is made. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

EXCLUSIVE RIGHT TO NAME, EMBLEMS, SEALS, AND BADGES

SEC. 15. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, The Big Brothers of America. The corporation shall have the exclusive and sole right to use or to allow or refuse the use of such emblems, seals, and badges as have heretofore been used by the predecessor New York corporation, Big Brothers of America, Inc., described in section 16 of this title and the right to which may be transferred to the corporation.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the Big Brothers of America, Inc., a corporation organized under the laws of the State of New York, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation and upon complying with all laws of the State of New York applicable thereto.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 17. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this act is expressly reserved.

CHANGES IN RULES OF PRACTICE AND PROCEDURE IN THE FEDERAL COURTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1779, H. R. 10154.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 10154) to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of the proposed legislation is to authorize the Judicial Conference to study the operation and effect of the general rules of practice and procedure now or hereafter in use in the Federal courts of the United States and to recommend to the Supreme Court for its consideration such changes as the Conference deems desirable.

I ask unanimous consent that a statement contained in the report accompanying the bill, as marked, be incorporated in the RECORD at this point in my remarks.

There being no objection, the statement from the report (No. 1744) was ordered to be printed in the RECORD, as follows:

STATEMENT

The Congress, by statute, has conferred upon the Supreme Court of the United States the authority to prescribe rules of practice and procedure in Federal courts in the following instances:

(a) Civil actions in the district courts (28 U. S. C. 2072);

(b) Criminal proceedings in the district courts up to verdict (18 U. S. C. 3771);

(c) Admiralty and maritime cases in the district courts (28 U. S. C. 2073);

(d) Review of decisions of the Tax Court by the courts of appeals (28 U. S. C. 2074);

(e) Criminal proceedings in the district courts after verdict and on appeal (18 U. S. C. 3772);

(f) Bankruptcy cases (11 U. S. C. 53);

(g) Trial of cases before commissioners and appeals therefrom (18 U. S. C. 3402).

In the first four listed instances such rules or any changes therein must be reported to Congress and do not become effective until the expiration of 90 days after they have been thus reported. In the other instances Congressional approval is not required.

The existing Federal Rules of Criminal Procedure became effective in 1946 and have not been reexamined since that time. Similarly, there has been no change in the Federal Rules of Civil Procedure since 1946 and the Admiralty Rules have been essentially the same since the revision in 1921.

For many years and until 1956, the Supreme Court, in the formulation of rules of practice and procedure, had the assistance of an Advisory Committee on the Rules of Civil and Criminal Procedure, which had been retained on a continuing basis. In 1956, however, this Committee was discontinued and, as of this date, there is no group or body officially designated to assist the Supreme Court in the promulgation of changes or revisions in the Federal Rules of Practice and Procedure. The Supreme Court whose primary function is the adjudication of cases thus bears, without assistance, a grave responsibility, particularly since the rules which the Supreme Court is required to promulgate relate not to the practice before the Supreme Court itself but before other Federal courts.

The proposed legislation does not change the responsibility of the Supreme Court for prescribing rules of practice and procedure in Federal courts nor the responsibility for submitting some of them for Congressional review. It does, however, by statute, permit the Supreme Court to secure the advice and assistance of an existing group which is

uniquely qualified to give advice on these matters.

The Judicial Conference is a permanent organization which brings together in one body representatives of the Federal judiciary from all of the geographical areas of the United States. The Conference is under the chairmanship of the Chief Justice of the United States, and is composed of the Chief Judge of each circuit court of appeals, a district judge from each of the eleven circuits, and the chief judge of the Court of Claims. Thus, the Conference provides a group whose experience enables them to comment authoritatively and effectively on practices and procedures in Federal courts. In addition, the Conference has available to it the administrative and statistical machinery of the Administrative Office of the United States Courts.

The recomendation for this change in the formulation of rules of practice and procedure emanated from the Committees on Court Administration and Revision of the Laws of the Judicial Conference of the United States. These committees in their recommendation suggested that a Standing Committee of the Judicial Conference be appointed to carry on this function with the assistance of a professional and clerical staff in the Administrative Office of the United States Courts. The Conference, after discussion of the proposal, approved a draft of a bill which is, with a single amendment, the same as the instant bill, H. R. 10154. Following approval of the draft of the bill by the Judicial Conference, it was submitted to the Congress by the Administrative Office of United States Courts pursuant to the direction of the Judicial Conference.

In addition to the support of the Judicial Conference, this legislation carries the approval of the Chief Justice of the United States, who stated to a regional meeting of the American Bar Association in Louisville, Ky., on November 7, 1957, as follows:

"I am heartily in favor of the proposal to bring the Judicial Conference of the United States into the rulemaking process of the Supreme Court. For some time I have felt that in this regard the Conference is the best functionary which could be utilized by the Court to process proposals for changes in the rules."

This legislation has also received widespread support from bar associations and other professional groups. The section on judicial administration of the American Bar Association, through a representative, appeared in support of the bill when hearings were conducted by the House Judiciary Committee on this legislation. The American Bar Association, through action of its house of delegates, has established machinery for cooperation with the Judicial Conference or any committee which may be appointed by the Conference if this legislation is adopted. Other groups which have indicated their approval of this legislation include:

American Institute of Certified Public Accountants.

Chicago Bar Association.

Federal Bar Association.

Illinois Bar Association (section of judicial administration).

Indiana Bar Association.

Iowa State Bar Association (committee on judicial administration).

Bar Association of the State of Kansas.

Minnesota Supreme Court Advisory Committee on Rules.

Missouri Bar.

National Bankruptcy Conference.

National Association of Credit Men.

National Association of Referees in Bankruptcy.

New Jersey State Bar Association (rules committee).

New York County Lawyers Association (committee on Federal courts).

Association of the Bar of the City of New York (committees on courts of superior jurisdiction and Federal legislation).

Utah State Bar (board of commissioners).

Vermont Bar Association.

The committee, after consideration of the provisions of this proposal, its origin, its purposes, and the widespread support which it has received, believes that the legislation should be adopted. From the information before the committee, it appears that it is contemplated that the Judicial Conference will perform its responsibilities after seeking advice of members of the bar through the creation of advisory committees. The inclusion of capable practicing lawyers on such advisory committees may serve to provide a forum through which those who practice before the courts may exchange ideas on court rules with those who must administer such rules. This exchange should result in such changes and revisions in the rules of practice and procedure as need to be made in the administration of justice, taking due cognizance both of the need for expedition of cases and the protection of individual rights.

The committee has received information to the effect that it is anticipated that the Judicial Conference in carrying out its function will establish five committees averaging about five members each, for the study of civil, criminal, admiralty, bankruptcy, and tax appeals procedures. The committee is further advised that it is estimated that expenditures of approximately $50,000 annually would be involved in the operation and administration of the five committees, including expenses for travel of judges and experts, salaries for a minimum professional and clerical personnel, communications, and other related expenditures.

The committee believes that the proposal embodied in this measure merits a fair trial as an instrument for the further advance of the administration of justice in Federal courts, and it therefore recommends that the legislation be favorably considered.

Mr. DIRKSEN. Mr. President, this whole responsibility has, by statute, been imposed upon the Supreme Court. Obviously, in the face of all the duties the Court has, the job could not be adequately done. The bill will extend to the Judicial Conference and, in turn, to the various bar associations, certain responsibilties in making the study. I think the proposed law will be highly beneficial; and the bill comes to the Senate without objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H. R. 10154) was ordered to a third reading, read the third time, and passed.

COMPLETION OF LOOP ROAD LINKING GLACIER NATIONAL PARK AND WATERTON LAKES NATIONAL PARK, CANADA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1785, Senate Resolution 293.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 293) requesting that the Secretary of State bring to the attention of the appropriate officials of the Government of Canada the deep interest of the Senate in the completion of the loop road linking the Glacier National Park in the United States and the Waterton Lakes National Park in Canada.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, this resolution was submitted by me some time ago. It requires the Secretary of State to bring to the attention of the appropriate officials of the Government of Canada the deep interest of the Senate in the completion of the loop road linking the Glacier National Park in the United States and the Waterton Lakes National Park in Canada.

I ask unanimous consent that the statement, as marked, contained in the report accompanying the bill be printed in the RECORD at this point in my remarks.

There being no objection, the statement from the report (No. 1750) was ordered to be printed in the RECORD, as follows:

Glacier National Park in the United States adjoins Waterton Lakes National Park in Canada. Construction of three missing links, totaling approximately 34 miles, would provide a loop road approximately 130 miles long joining the two parks. Traffic between them must now move over a single road on their eastern side. Completion of the loop would join them, also, on the west.

The three segments of construction which are involved are as follows:

1. The Camas Creek Cutoff, a distance of 13.3 miles from an existing road at the southwest end of Lake McDonald in Glacier National Park to another existing road in the Flathead National Forest.

2. The Kishenehn Creek Cutoff, a distance of 3 miles from the Flathead National Forest highway through a corner of Glacier National Park to the Canadian border.

3. The Canadian section running from the United States-Canadian border through the Province of British Columbia and into Waterton Lakes National Park, where it would connect at Akamina Pass with an existing road. About 15 miles of this distance is in British Columbia and about 3 miles in Waterton Lakes National Park.

The two American sections—the Camas Creek and the Kishenehn Creek Cutoffs—are included in the National Park Service's Mission 66 plan. The Camas Creek Cutoff, which is estimated to cost $2.9 million, is scheduled to be started in 1963. The Kishenehn Creek Cutoff, which is estimated to cost $450,000, is scheduled to be started in 1964. Both projects could be built sooner if arrangements could be made regarding the Canadian section.

The Camas Creek Cutoff, which will connect two roads in the United States, could conceivably be built in any event, but it is more feasible to view the project as a whole.

The Committee on Foreign Relations recognizes that the arrangements under which the Canadian section is built, and, indeed, the question of whether it is built at all, are matters of internal Canadian affairs. It is the purpose of Senate Resolution 293 simply to express the deep interest of the Senate in the completion of the loop road. As recited in the preamble of the resolution, such a road would increase the accessibility of both national parks and, thereby, promote the public convenience.

The resolution was introduced April 22 by the junior Senator from Montana, Mr. MANSFIELD. It was considered by the committee in executive session June 24, and approved

without objection. The Department of State has informed the committee that neither the Department nor the Bureau of the Budget have any objection to the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 293) was agreed to, as follows:

Resolved, That the Secretary of State is requested to bring to the attention of the appropriate officials of the Government of Canada the deep interest of the Senate in the completion of the loop road linking the Glacier National Park in the United States and the Waterton Lakes National Park in Canada.

The PRESIDING OFFICER. Without objection, the preamble is agreed to.

CONSTRUCTION OF FREE HIGHWAY BRIDGE BETWEEN LUBEC, MAINE, AND CAMPOBELLO ISLAND, NEW BRUNSWICK, CANADA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1786, Senate bill 3608.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3608) to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, this bill revives and reenacts the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada.

I ask unanimous consent that a statement explaining the purpose of the bill be printed in the RECORD at this point.

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

Inasmuch as the time limits specified in the 1906 act were not met, it is now necessary to revive and reenact Public Law 687. The present bill provides that the new authority shall be null and void unless the bridge is commenced by December 31, 1960, and completed by December 31, 1961. S. 3608 involves no cost to the Federal Government.

The PRESIDING OFFICER. 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.

The bill (S. 3608) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada," approved July 11, 1956 (70 Stat. 522), is revived and reenacted, except that this act shall be null and void unless the actual construction of the bridge authorized in such act of July 11, 1956, is commenced not later than December 31, 1960, and is completed not later than December 31, 1961.

SEC. 2. The right to alter, amend, or repeal this act is expressly reserved.

CONSTRUCTION OF FREE HIGHWAY BRIDGE BETWEEN INTERNATIONAL FALLS, MINN., AND FORT FRANCES, ONTARIO, CANADA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1787, Senate bill 3437.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3437) authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, after line 6, to strike out:

SEC. 2. The rights, privileges, and powers conferred upon the Department of Highways of the State of Minnesota by this act may be exercised by such department in cooperation with the Government of Canada or any political subdivision or agency thereof which may agree with such department in the construction, maintenance, and operation of such bridge.

At the beginning of line 14, to change the section number from "3" to "2"; and at the beginning of line 18, to change the section number from "4" to "3"; so as to make the bill read:

Be it enacted, etc., That the Department of Highways of the State of Minnesota is authorized to construct, maintain, and operate a free highway bridge and approaches thereto, at a point suitable to the interests of navigation, across the Rainy River between International Falls, Minn., and Fort Frances, Ontario, Canada, so far as the United States has jurisdiction over the waters of such river. Such construction, maintenance, and operation shall be in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and shall be subject to the conditions and limitations contained in this act and to the approval of the proper authorities of the Government of Canada.

SEC. 2. The authority granted by this act shall terminate if the actual construction of the bridge herein authorized is not commenced within 3 years and completed within 5 years from the date of the enactment of this act.

SEC. 3. The right to alter, amend, or appeal this act is expressly reserved.

The amendments were agreed to.

Mr. MANSFIELD. Mr. President, this bill authorizes the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada.

I ask unanimous consent that the purpose of the bill as set forth in the report accompanying the bill, as marked, be printed in the RECORD at this point in my remarks.

There being no objection, the statement from the report (No. 1752) was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is stated by its title. Construction, maintenance, and operation of the bridge will be in accordance with the General Bridge Act of 1906, which regulates the construction of bridges over navigable waters, and will be subject to the approval of the proper authorities of the Government of Canada. S. 3437 involves no cost to the Federal Government. The authority granted by the bill will become null and void if the bridge is not commenced within 3 years and completed within 5 years from the date of enactment.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 3437) was ordered to be engrossed for a third reading, read the third time, and passed.

MODIFICATION OF CRISFIELD HARBOR, MD.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1789, Senate bill 3177.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3177) authorizing the modification of the Crisfeld Harbor, Md., project in the interest of navigation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of this bill is to modify the project for Crisfield Harbor, Md., authorized by the River and Harbor Act of 1954—Public Law 780, 83d Congress—to provide an anchorage basin in Somers Cove 10 feet deep, 600 feet wide, and 1,000 feet long, with an approach channel 10 feet deep and 60 feet wide from the 10-foot depth in Little Annemessex River through the present entrance to the cove, subject to certain conditions of local cooperation, designated as plan 2 in House Document No. 435, 81st Congress, in lieu of the authorized project, designated as plan 1 in said document.

I ask unanimous consent that the general statement contained in the report accompanying the bill, as marked, may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement from the report (No. 1754) was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The town of Crisfield, Md., is situated opposite the mouth of the Potomac River, on the left bank of Little Annemessex River, a tidal arm of Tangier Sound on the east side of Chesapeake Bay, about 100 nautical miles southeast of Baltimore and 77 miles north by east of Norfolk. Little Annemessex River extends east from Tangier Sound for about 1.2 miles with an average width of 1 mile, bends to the northeast and extends about 2.5 miles to the source, the width being about one-half mile above the bend, except opposite the town of Crisfield, located about 1

mile above the bend, where it contracts to about 700 feet.

The depth at the mouth of the river is about 16 feet. An improved channel beginning at the 12-foot contour in the river extends to and along the west side of Crisfield to Big Annemessex River via Cedar and Daugherty Creeks. A branch channel extends along the northwest side of Crisfield to Hop Point. Anchorages and mooring basins are provided at various locations. Controlling depths vary from 12 feet at the entrance to 6.5 feet in the channel to Big Annemessex River, and 5.5 feet in the branch channel to Hop Point.

Somers Cove extends eastward from Little Annemessex River near the southern edge of Crisfield. Depths in the cove range from about 6 feet near its mouth to about 1 foot near the head. Somers Cove is well protected from wave and tidal action.

The existing project for Crisfield Harbor was first authorized by the River and Harbor Act of 1875, and has been modified by subsequent acts. Most of this work has been completed, the channel in the main harbor to Hop Point being completed in 1929, and the channel connecting Little and Big Annemessex Rivers and mooring basins being completed in 1948. The total costs to date have been $264,500 for new work and $22,000 for maintenance.

The River and Harbor Act of 1954 (68 Stat. 1248) authorized modification of the Crisfield Harbor to provide for construction of an anchorage basin in Somers Cove 10 feet deep at mean low water, 600 feet wide, and 1,000 feet long, with an approach channel 10 feet deep and 100 feet wide from the 10-foot depth in Little Annemessex River through a land cut in Jersey Island to the south side of the basin. This plan was designated as plan 1 in House Document No. 435, 81st Congress.

In that document, the district engineer also investigated and considered plan 2, which would provide for a basin in Somers Cove similar to plan 1, but with an approach channel 10 feet deep and 60 feet wide from the 10-foot depth in Little Annemessex River through the present entrance to Somers Cove, with construction of a new drawbridge over the present entrance. The total cost of plan 1 was estimated at $133,000, and $339,500 for plan 2, the higher cost for plan 2 being the cost of construction of the new drawbridge. The monetary benefits resulting from both plans would be the same, and accrue solely from damages prevented to vessels. The benefit-cost ratio of the project was 2.73.

Local interests now consider that the authorized plan of improvement is no longer satisfactory for their needs, and they now prefer plan 2, utilizing the existing natural opening in Somers Cove, which was considered during the studies made in connection with the survey report published as House Document No. 435, and rejected at that time, as they desired the plan involving the land cut through Jersey Island. It is planned to abandon and remove the existing drawbridge across the inlet to the cove; thus, the Federal cost for the proposed modification would not be increased over that for the presently authorized plan 1.

The tributary area comprises the town of Crisfield, population 4,500, and adjacent and neighboring rural and island communities with about 6,000 additional inhabitants. Crisfield is the main marketing and shipping point on the eastern shore of Maryland. Practically all seafood taken from the adjacent waters of Tangier Sound and Chesapeake Bay are prepared for shipment in the 70 packinghouses located in this vicinity, 16 of which are on Somers Cove, most of which operate at full capacity during the oyster and crab seasons. Daily boat service for passengers, freight, and mail extends from Crisfield to Smith Island, Tangier Island, and Baltimore.

The committee is aware of the urgent need for this improvement, and notes that the Congress appropriated $102,000 for its completion in the Public Works Appropriation Act for 1957. Those funds are now unobligated, due to the lack of finality of the plans and the pending legislation.

The PRESIDING OFFICER. 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.

The bill (S. 3177) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the project for Crisfield Harbor, Md., authorized in the River and Harbor Act of 1954 (Public Law 780, 83d Congress) is hereby modified to provide for construction of the plan of improvement designated as plan No. 2, substantially as contained in the report of the Chief of Engineers in House Document No. 435, 81st Congress, with such additional modifications and changes as may be deemed advisable: *Provided*, That such modifications result in no increased cost to the Federal Government for construction over and above that contemplated and authorized in the River and Harbor Act of 1954: *Provided further*, That in lieu of the local cooperation recommended in House Document No. 435 and authorized by Public Law 780, local interests shall: (a) Furnish free of cost to the United States all lands, easements, rights-of-way and suitable spoil disposal areas for the construction and subsequent maintenance, when and as required for construction generally in accordance with the plan of improvement designated as plan numbered 2; (b) remove or cause to be removed the existing drawbridge and piers; and remove or cause to be removed existing structures and wrecks from the area to be dredged; (c) provide and maintain a public access at least twenty-five feet wide approximately normal to the north side of Somers Cove, such public access to consist of a suitable public road to a space at least twenty-five feet wide reserved for public use abutting the periphery of Somers Cove along the north side of the area to be dredged under the plan of improvement designated as plan No. 2; and (d) hold and save the United States free from damages due to the construction and maintenance of the project.

TRANSFER OF CERTAIN BUILDINGS TO THE CROW CREEK SIOUX INDIAN TRIBE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1791, Senate bill 2117.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2117) directing the Secretary of the Army to transfer certain buildings to the Crow Creek Sioux Indian Tribe.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana.

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of this bill is to authorize and direct the Secretary of the Army to transfer to the Crow Creek Sioux Indian Tribe, without compensation, title to the buildings that were a part of the Government improvements and facilities acquired by the Corps of Engineers on the original site of the Crow Creek Agency at Fort Thompson, S. Dak., within the taking area of the Fort Randall Dam and Reservoir project, and that were released to the tribe by the Corps of Engineers. The bill also directs the Secretary of the Army to reimburse the tribe for any money which the tribe paid for the buildings referred to, but not in excess of $6,000.

I ask unanimous consent that the general statement contained in the report accompanying the bill, as marked, be printed in the RECORD at this point in my remarks.

There being no objection, the statement from the report (No. 1756) ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

Under the authority of the act of December 22, 1944 (58 Stat. 887) and memorandum of understanding between the Corps of Engineers and the Bureau of Indian Affairs dated January 14, 1954, the Department of the Army acquired possession to certain Government improvements and facilities at the agency headquarters of the Crow Creek Agency at Fort Thompson, S. Dak., located within the taking area of the Fort Randall Dam and Reservoir project, Missouri River Basin. Subsequently, upon request of the tribe, some 37 items of sundry surplus buildings were released by the Corps of Engineers to the Indians at salvage value ranging from $1 to $650, totaling $5,032. This amount was paid to the Corps of Engineers by the Indian Agency on June 18, 1957.

There is no existing authority under which the buildings can be donated to the Indians without payment. The committee believes that these old surplus buildings, that would have been inundated by the reservoir waters, and would have been burned or destroyed prior to filling the reservoir, should have been transferred to the Indians without compensation, since considerable expense was entailed by the Indians in moving the buildings or tearing them down and salvaging the material contained in them for use elsewhere.

Mr. CASE of South Dakota. Mr. President, I may say this is a very meritorious bill. It merely allows the Indians to use some buildings the Army engineers were about to bulldoze. The Indians would pay the salvage value and save the Government the cost of demolition. The buildings will be useful for the Indians in providing housing.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 2117) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to transfer to the Crow Creek Sioux Indian Tribe, without compensation, title to those buildings which were a part of the Government improvements and facilities acquired by the Corps of Engineers on the original site of the Crow Creek Agency at Fort Thompson, S. Dak., within the taking area of the Fort Randall Dam and Reservoir project, and which were released by the Corps of Engineers to the Crow Creek Sioux Indian Tribe.

SEC. 2. The Secretary of the Army shall reimburse the Crow Creek Sioux Indian Tribe in the amount of any money received by him from the said tribe as payment for

the buildings referred to in the first section of this act: *Provided*, That such reimbursement shall not exceed the sum of $6,000.

COLLECTION OF TOLLS TO AMORTIZE COST OF CONSTRUCTION OF BRIDGE ACROSS MISSOURI RIVER AT BROWNVILLE, NEBR.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1792, H. R. 11936.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 11936) to extend the time for the collection of tolls to amortize the cost of the construction of a bridge across the Missouri River at Brownville, Nebr.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

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

Mr. MANSFIELD. I yield.

Mr. MORSE. Is the Senator from Montana bringing up now a group of bills on the calendar to which no objections have been filed?

Mr. MANSFIELD. The Senator is correct. The bills have been cleared with the minority leadership. It was announced that no bills would be called up unless they were not objected to.

Mr. President, section 18 of the act of Congress approved August 30, 1935—49th Statute at Large, page 1086—authorized the county of Atchison, Mo., and the county of Nemaha, Nebr., to construct and maintain a bridge across the Missouri River at Brownville, Nebr. The counties were authorized to charge tolls for the use of the bridge at such rates as would produce funds sufficient to meet maintenance costs and provide a sinking fund to amortize the cost of the bridge within not to exceed 20 years from the date of its completion. The act provides that after a fund sufficient for amortization shall have been provided, the bridge is to be operated free of tolls or the rates adjusted to provide only for maintenance costs. The act of Congress approved October 25, 1949—63d Statute at Large, page 889—changed the period prescribed for amortization from 20 to 30 years.

H. R. 11936 would further amend the act of August 30, 1935, by extending the amortization period from 30 to 40 years.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the general statement on the bill, as marked in the report.

There being no objection, the excerpt from the report (No 1757) was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The bridge authorized by the act of August 30, 1935, was completed in 1940. The act of October 25, 1948, extended the maturity date of the bonds issued to finance the construction of the bridge from 20 to 30 years from the date of completion, as the 20-year bonds were then in default, and it was thought that the extension of time to 30 years through the issuance of refunding bonds would meet all requirements for amortization. This extension of time conformed with the policy of Congress as provided in the General Bridge Act of 1946, as amended by Public Law 550, 80th Congress.

Because of the interstate nature of the bridge and the commission, the committee believes that enactment of H. R. 11936 will facilitate operations of the commission and the refunding of obligations issued to meet the cost of the bridge which are still outstanding. The committee therefore recommends enactment of this legislation.

No expenditure of Federal funds is involved in this legislation.

The committee has been advised that the Department of the Army has no objection to the enactment of H. R. 11936.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11936) was ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF APPROACHES TO BRIDGE ACROSS THE MISSISSIPPI RIVER AT CHESTER, ILL.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1793, H. R. 11861.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11861) authorizing the city of Chester, Ill., to construct new approaches to a bridge across the Mississippi River at Chester, Ill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H. R. 11861) authorizing the city of Chester, Ill., to construct new approaches to a bridge across the Mississippi River at Chester, Ill.

Mr. DIRKSEN. Mr. President, there is no objection to the bill, but I desire to make a few comments.

In the consideration of the Reorganization Act of 1946, Congress became acutely aware of the fact that the House Calendar and certainly the Senate Calendar were very frequently encumbered with bills to authorize construction of bridges across navigable streams. The reason was that the Federal Government has authority over navigation. However, in the Reorganization Act we finally turned that chore over to the Army Engineers. There are a good many bills which come before us from time to time which deal with approaches to bridges, which still require separate legislation. I sincerely hope that somewhere along the line we can reexamine the Reorganization Act, have conferences with the Army Engineers, and ascertain whether such responsibility can also be vested in the Engineers. I believe it is a matter which ought to be diligently pursued.

Mr. President, in connection with my remarks, I ask that the purpose of the bill, as shown by an excerpt from the report, be printed in the RECORD.

There being no objection, the excerpt from the report (No. 1758) was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The act of Congress approved July 18, 1939 (53 Stat. 1058), as amended by the act of July 18, 1940 (54 Stat. 765), authorized the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester in accordance with the act approved March 23, 1906 (34 Stat. 84), pertaining to the regulation of the construction of bridges over navigable waters. H. R. 11861 would authorize the city to reconstruct and improve the bridge constructed pursuant to those acts, and to construct new approaches and to reconstruct or improve existing approaches to the bridge. The costs of the reconstruction of the bridge and approaches would be amortized by toll revenues within a period of not to exceed 30 years from the completion of the reconstruction. After a sinking fund sufficient for amortization has been provided, the bridge is to be maintained and operated free of tolls.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 11861) was ordered to a third reading, read the third time, and passed.

REVESTMENT OF TITLE TO MINERALS, RIVERTON RECLAMATION PROJECT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1781, S. 3203.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3203) to revest title to the minerals in the Indian tribes, to require that oil and gas and other mineral leases of lands in the Riverton reclamation project, within the Wind River Indian Reservation shall be issued on the basis of competitive bidding, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 3203) to revest title to the minerals in the Indian tribes, to require that oil and gas and other mineral leases of lands in the Riverton reclamation project, within the Wind River Indian Reservation shall be issued on the basis of competitive bidding, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment to strike out all after the enacting clause and insert:

That, from and after the effective date of this act, all of the right, title, and interest of the United States in all minerals, including oil and gas, the Indian title to which was extinguished by the act of August 15, 1953 (67 Stat. 592; Public Law 284, 83d Cong., 1st sess.), entitled "An act to provide compensation to the Shoshone and Arapahoe Tribes of Indians for certain lands of the Riverton reclamation project within the ceded portion of the Wind River Indian Reservation, and for other purposes," is hereby declared to be held by the United States in trust for the Shoshone and Arapa-

hoe Tribes and, notwithstanding any other provision of law, said minerals, including oil and gas, subject to the provisions of section 2 of this act, shall be administered and leased in accordance with the provisions of the act of May 11, 1938 (ch. 198, 52 Stat. 347). The gross proceeds received by the United States from such minerals either before or after the date of this act shall be deposited to the credit of the Shoshone and Arapahoe Tribes in accordance with the provisions of the act of May 19, 1947 (61 Stat. 102), as amended, and any of such gross proceeds that have been credited to miscellaneous receipts in the Treasury of the United States in accordance with the provisions of section 5 of the act of August 15, 1953 (67 Stat. 592), shall be transferred on the books of the Treasury to the credit of such tribes.

SEC. 2. Notwithstanding any other provision of law, (1) all mineral leases, including oil and gas leases, covering any of the minerals referred to in section 1 hereof, which have heretofore been issued by the Secretary of the Interior on a noncompetitive basis, shall be subject to renewal at the end of the primary 5-year term thereof for a term that extends to a date that is 5 years from the date of this act and shall not be subject to renewal or further extension except in any case where, at the expiration of said extended term, oil or gas is being produced under the lease in paying quantities, and (2) the Secretary of the Interior shall process in accordance with the Mineral Leasing Act of February 25, 1920 (ch. 85, 41 Stat. 437), as amended, and the regulations issued thereunder, all oil and gas lease offers covering any of the oil and gas referred to in section 1 hereof which were filed on or before December 31, 1957: *Provided*, That any oil and gas lease issued pursuant to such lease offers shall be for a single term of 5 years commencing with the effective date of the lease and shall not be subject to renewal or extension except in any case where at the expiration of said 5-year term, oil or gas is being produced under the lease in paying quantities.

Any oil or gas lease referred to in subparagraph (1) of this section and any oil or gas lease which may hereafter be issued pursuant to the lease offers referred to in subparagraph (2) of this section shall be subject to the provisions of section 1 (1) of the act of July 29, 1954 (ch. 644, 68 Stat. 583), amendatory of the second paragraph of section 17 of the Mineral Leasing Act of February 25, 1920 (ch. 85, 41 Stat. 443), as amended.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendment be considered and agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and, without objection, the amendment is agreed to.

Mr. MANSFIELD. Mr. President, the primary purpose of S. 3203, as amended, is to restore to the Shoshone and Arapahoe Tribes of the Wind River Reservation, Wyo., title to the minerals, including oil and gas, the title to which was extinguished by the act of August 18, 1953—Sixty-seventh Statutes at Large, page 592—and to make the minerals, including oil and gas, subject to administration under the Tribal Mineral Leasing Act of May 11, 1938—Fifty-second Statutes at Large, page 347.

Mr. PRESIDENT, I ask unanimous consent that the explanation of the bill, as contained in an excerpt from the report, be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 1746) was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL

If enacted, S. 3203, as amended, would return to the Shoshone and Arapahoe Indians all of the right, title, and interest to the minerals, including oil and gas, title to which was extinguished by the 1953 act, and provide for the disposition of the minerals, including oil and gas, under the Tribal Mineral Leasing Act of 1938. The bill also provides that all of the gross proceeds received by the United States, both before and after S. 3203 becomes effective, shall be credited to the trust funds of the tribes. The purpose of this is to return to the tribes the 10 percent of the proceeds retained by the United States under section 5 of the 1953 act.

Section 2 of the bill deals with the outstanding leases and lease offers referred to above. Each of the leases is "for a primary term of 5 years and shall continue so long thereafter as oil or gas is produced in paying quantities" (30 U. S. C. 226). Because of litigation between the tribes and the Secretary of the Interior, the lessees were prevented from operating under their leases. To assure them of 5 full years under the leases, the bill authorizes an extension of the primary term for a term that extends to a date that is 5 years from the date S. 3203 becomes effective.

As to the 44 pending offers to lease on which the Secretary has not acted, the committee recommends language which would authorize the Secretary to process only those lease offers filed on or before December 31, 1957. The bill further provides that any oil or gas lease which may be issued pursuant to the processed lease offers should be for a single term of 5 years commencing with the effective date of the lease.

Nothing in the bill is intended to validate or invalidate any of the leases referred to in section 2, subparagraph (1) or any of the lease offers filed on or before December 31, 1957.

The committee also amended the bill to make applicable section 1 (1) of the act of July 29, 1954 (68 Stat. 583), which provides that a lease subject to termination by reason of cessation of oil and gas production shall not terminate if within 60 days after production ceases diligent reworking or drilling operations are commenced, and similar provisions.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. BARRETT. Mr. President, I ask unanimous consent that a statement prepared by me relating to the bill be printed in the RECORD.

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

STATEMENT BY SENATOR BARRETT

This bill will correct an inequity that has existed as a result of legislation which was drafted in 1953 as a result of certain negotiations between the attorneys for the Shoshone and Arapahoe Tribes of my State, and officials of the Bureau of Indian Affairs. I introduced the bill S. 3203 on January 27 last, for myself and my distinguished colleague, Mr. O'MAHONEY. After a series of conferences in my office and before officials in the Department of the Interior which were attended by Senator O'MAHONEY and our colleague in the House, Congressman THOMSON, together with attorneys and representatives of the two Indian tribes, as well as attorneys for the lessees and applicants for oil and gas leases on the lands in controversy and which the Indians to all intents own the minerals thereunder. As a result of these deliberations the bill S. 3203 was revised under such terms and conditions as was satisfactory to the attorneys for those attending the hearings before the Interior Committee. The distinguished Senator from Montana [Mr. MANSFIELD] has inserted in the RECORD that part of the record which explains the provisions of the bill. This bill is fair and equitable and will correct an inadvertent injustice to the Indians of our State.

The PRESIDING OFFICER. The question is on the passage of the bill.

The bill (S. 3203) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill relating to minerals on the Wind River Indian Reservation in Wyoming and for other purposes."

IMPLEMENTATION OF THE PLEDGE-OF-FAITH CLAUSE OF MERCHANT MARINE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1794, S. 3919.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3919) to amend section 1105 (b) of title XI of the Merchant Marine Act, 1936, to implement the pledge-of-faith clause.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 3919) to amend section 1105 (b) of title XI of the Merchant Marine Act, 1936, to implement the pledge-of-faith clause.

Mr. MANSFIELD. Mr. President, the bill, which was introduced by the chairman of the Interstate and Foreign Commerce Committee, at the request of the Secretary of Commerce, would add to section 1105 (b), which provides that any amount required to be paid by the Secretary of Commerce in the event of a default shall be paid in cash, language authorizing the Secretary of Commerce to borrow from the Treasury of the United States the required funds for such payment if at any time the moneys in the Federal ship mortgage insurance fund authorized by section 1102 of the act are not sufficient for this purpose. The Secretary of Commerce would be authorized to issue to the Secretary of the Treasury notes or other obligations, subject to interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations.

Mr. President, I ask unanimous consent that an excerpt from the report be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 1759) was ordered to be printed in the RECORD, as follows:

The Secretary of the Treasury would be authorized and directed to purchase any notes and other obligations so issued. For

this purpose he would be authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, would be extended to include any purchases of such notes and obligations. Under the bill's provisions the Secretary of the Treasury could 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 would be treated as public debt transactions of the United States. Funds borrowed under this section would be deposited in the Federal ship mortgage insurance fund and redemptions of such notes and obligations would be made by the Secretary of Commerce from such fund.

BACKGROUND OF PROPOSED LEGISLATION

Section 1102 (d) of title XI provides that—

"The faith of the United States is solemnly pledged to the payment of interest on and the unpaid balance of the principal amount of each mortgage and loan insured under this title."

However, much concern over the future effectiveness of the Federal ship mortgage insurance program was occasioned when, in 1957, the federally insured mortgage on the steamship *Carib Queen*, a roll-on-roll-off type vessel owned by the T. M. T. Trailer Ferry, Inc., of Jacksonville, Fla., was defaulted. Because the vessel mortgage insurance program had been operative only a relatively short time, there were insufficient funds in hand to pay the Government's obligation of approximately $4 million and a delay of some months ensued before Congress made available the funds required to satisfy the Government's obligation. Such a delay in payment, of course, was not conducive to establishing confidence in securities issued on the basis of Government's financially unimplemented solemn pledge of payment.

With plans now at the issuance point for offerings of federally insured preferred ship mortgage bonds to finance four new passenger vessels, the financial interests who will handle the flotations of these bonds are insistent that funds be available for immediate payment of any obligations resulting from defaults on the mortgages if the bonds are to be disposed of at a moderate rate of interest. With the present Government pledge of payment backed up by readily available funds, the investment experts state, these vessel mortgage bonds can be sold on a basis favorable alike to Government and shipowners. With this double guaranty, they say, a conservative type of investor can be attracted who are more interested in stability of return and assurance of redemption when required than in a high rate of return. Thus, instead of being required to bear the commercial rate of 5 percent or thereabouts, these bonds can be sold at a figure closer to the average rate of 3½ percent now current on similar types of Government obligations.

Over the 20-year period involved in the financing, it is pointed out, a 1-percent saving in interest paid on the approximately $60 million of bonds covering the 4 passenger vessels of Grace Line and Moore-McCormack Lines would make possible a total saving to the lines of $6 million, a saving in which Government probably would share through additional recapture of profits. With firm commitments for vessel replacement throughout the industry now likely to require financing by the various companies to an overall total of $1 billion to $1.5 billion, the potential savings in interest thus possible under the lower interest rate envisaged through sale of these preferred vessel bonds could well reach $100 million to $150 million. A great deal of this might be recaptured by the Government.

Not to be overlooked on the plus side is the great benefit to the maritime industry generally that would result from a wide dispersion of these securities among the general public in all sections of the country. As investors in American shipping, such people would unquestionably have a deep interest in the progress and well-being of the maritime segment of the national economy, a development much to be desired.

The bill would not add in any way to Government's liability, financial or otherwise. The Attorney General of the United States, in a formal opinion to the Secretary of Commerce, dated May 20, 1958, stated on this point:

"Revised Statutes 3693 provides that—

"'The faith of the United States is solemnly pledged to the payment in coin or its equivalent * * * of all the interest-bearing obligations of the United States, except * * *.'

"The initial words of this provision, 'The faith of the United States is solemnly pledged to the payment,' are identical with the initial words of section 1103 (d) of the Merchant Marine Act, 1936, as amended. It is, therefore, appropriate to conclude that Congress intended to place the obligations assumed by the United States under a contract of insurance pursuant to title XI on a parity with the obligation which it assumes with respect to its interest-bearing obligations."

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3919) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1105 (b) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1275 (b)), is amended by inserting at the end thereof the following sentences: "If at any time the moneys in the Federal Ship Mortgage Insurance Fund authorized by section 1102 of this act are not sufficient to pay any amount the Secretary of Commerce is required to pay by subsection (a) of this section, the Secretary of Commerce is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of Commerce, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during 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 to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited in the Federal Ship Mortgage Insurance Fund and redemptions of such notes and obligations shall be made by the Secretary of Commerce from such fund."

Mr. MAGNUSON subsequently said: Mr. President, I should like to ask the Senator from Montana a question.

Has Calendar No. 1794 been passed?

Mr. MANSFIELD. The bill, S. 3919, Calendar No. 1794, has been passed.

Mr. MAGNUSON. With respect to Senate bill 3919, on June 26 the House passed an identical bill, H. R. 12739, which was referred to the Committee on Interstate and Foreign Commerce.

Mr. President, I ask unanimous consent that the votes whereby Senate bill 3919 was ordered to be engrossed for a third reading, read the third time and passed be reconsidered, and I also ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from the further consideration of H. R. 12739, that the Senate consider and pass the House bill in lieu of S. 3919; and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection the Committee on Interstate and Foreign Commerce is discharged from the further consideration of House bill 12739.

Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 12739) to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge-of-faith clause, was considered, ordered to a third reading, read the third time, and passed.

VESSEL ADMEASUREMENT LAWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1797, S. 3499.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3499) to amend the vessel admeasurement laws relating to water-ballast spaces.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 3499) to amend the vessel admeasurement laws relating to water ballast spaces, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 1, line 7, after the word "phrase", to strike out "(other than ballast water for use for oil-well drilling and related purposes)" and insert "(other than ballast water for use for underwater drilling, mining, and related purposes, including production)"; and on page 2, at the beginning of line 3, to strike out "(other than ballast water for use for oil-well drilling and related purposes)" and insert "(other than ballast water for use for underwater drilling, mining, and related purposes, including production)"; so as to make the bill read:

Be it enacted, etc., That subdivision (i) of section 4153 of the Revised Statutes, as amended (46 U. S. C. 77 (i)), is further amended by inserting after "cargo" where it appears in the last sentence of the fifth paragraph of subdivision (i) the parenthetical

phrase "(other than ballast water for use for underwater drilling, mining, and related purposes, including production)"; so that the last sentence will read as follows: "From the gross tonnage there shall be deducted any other space adapted only for water ballast certified by the collector not to be available for the carriage of cargo (other than ballast water for use for underwater drilling, mining, and related purposes, including production), stores, supplies, or fuel."

Mr. MANSFIELD. Mr. President, the bill as reported would amend subdivision (i) of section 4153 of the Revised Statutes as amended—title 46, United States Code, section 77 (i)—by inserting the phrase "(other than ballast water for use for underwater drilling, mining, and related purposes, including production)" after the word "cargo" in the last sentence of the fifth paragraph thereof.

Mr. President, I ask unanimous consent that an excerpt from the report be printed in the RECORD at this point.

There being no objection, the excerpt from the report (No. 1761) was ordered to be printed in the RECORD, as follows:

The problem which the bill is designed to resolve concerns principally, if not entirely, those vessels which serve the oil-well drilling rigs in the Gulf of Mexico, and possibly a small group of vessels similarly employed off the Pacific coast.

As the statute now reads it would deduct from the gross tonnage of vessels "any other space adapted only for water ballast certified by the collector not to be available for the carriage of cargo, stores, supplies, or fuel."

The peculiar water-ballast needs of the vessels involved were described to the committee by John P. Laborde, president, Tidewater Marine Service, Inc., of New Orleans, as follows:

"The vessels are a unique type of craft which have been custom designed for a type of oil operation which was unheard of until fairly recently. * * *

"Unlike conventional craft used in coastwise and foreign shipping, these boats had to be designed for transferring their cargo to offshore drilling structures which means a cargo transfer in choppy waters at the drill sites. It is therefore not feasible to haul cargo in holds like merchant vessels. Instead, these boats are designed for deck cargo only * * * with virtually all of their below-deck space (except for the engine room) adapted for water ballast.

"When the deck cargo is delivered to drilling platforms and the deckload therefore lightened, it often is unnecessary to retain the full amount of water ballast which was acquired for the outgoing voyage. Accordingly, all or a part of this water ballast is discharged. However, instead of simply discharging all of it overboard, on occasions the ballast water, other than salt water, is pumped by hose into tanks on the drilling platforms to the extent that it can be advantageously used by the drilling rigs for mixing with mud, chemicals, or cement."

Practically all the boats now operating in the gulf were constructed, he pointed out, to admeasure at less than 200 tons. Under the customs interpretation, all of them would admeasure above 200 tons, and thus would be required to comply with the requirements and treaty provisions established for large merchant vessels operating on the high seas. Among such requirements are those relating to inspection, the three-watch system and the carrying of licensed officer personnel.

Their personnel generally, he stated, are not licensed or qualified for such compliance, thus some 900 to 1,000 crewmen face the threat of losing their jobs unless the bill is enacted.

Senator RUSSELL B. LONG, of Louisiana, recommended amending the bill, to conform the language to that of the Submerged Lands Act. Testifying at the committee hearing he stated, in part:

"Since introducing this measure, it has been suggested that the language of this amendment should not be restricted to oil-well-drilling operations, but should really be conformed to the language of the Submerged Lands Act. Accordingly, I have revised the language and would recommend to the committee that it consider substituting the language taken from the Submerged Lands Act for the text of the bill as originally introduced.

"The purpose of this suggested change is, of course, to provide for other activities which may be similar to the current oil-well-drilling operations and thus avoiding the necessity in the future of having requests for further amendments to the admeasurement laws.

"Of particular interest in this connection is the fact that a very large deposit of sulfur is currently being developed for production in the same area where oil-well-drilling activity is being carried on. We do not yet know, of course, what other minerals may be discovered and developed in this area."

Enactment of S. 3499, by reducing the tonnages of the vessels concerned, would relieve these vessels from the necessity of compliance with at least some of the Coast Guard requirements. Also it probably would cut the cost of operating the vessels, inasmuch as the gross and net tonnages of vessels as determined by Treasury Department officers are the basis upon which Federal, State, and local fees, charges, taxes, assessments, etc., are computed.

The report of the Treasury Department, dated May 16, 1958, offers no objection to enactment "in view of the limited applicability of the proposal and since it will not apparently affect international tonnage standards."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill (S. 3499) was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF PUBLIC AIRPORT IN OR NEAR THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1798, H. R. 12311.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12311) to amend the act of September 7, 1950, relating to the construction of a public airport in or near the District of Columbia, to remove the limitation on the amount authorized to be appropriated for construction.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H. R. 12311) to amend the act of September 7, 1950, relating to the construction of a public airport in or near the District of Columbia, to remove the limitation on the amount authorized to be appropriated for construction.

Mr. MAGNUSON. Mr. President, the bill merely adds to the authorization to build the second airport at Chantilly. The original authorization was only for the Burke airport. This bill will allow the full amount of the authorization. Of course, it will be necessary for the item to be presented to the Appropriations Committee as the airport progresses. We have to raise the ceiling amount because the original authorization applied only to Burke.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 12311) was ordered to a third reading, read the third time, and passed.

AMENDMENT OF PROVISIONS OF FEDERAL CIVIL DEFENSE ACT OF 1950

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1796, H. R. 12827.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 12827) to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H. R. 12827) to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

Mr. MANSFIELD. Mr. President, the bill now before the Senate would extend from June 30, 1958, until June 30, 1962, the provisions of title III of the Federal Civil Defense Act of 1950, as amended. The provisions that would be extended authorize the declaration of a national emergency for civil-defense purposes and vest emergency powers in the President and the Federal Civil Defense Administrator during such an emergency.

Mr. President, I ask unanimous consent that an excerpt from the House report be printed in the RECORD at this point.

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

EXPLANATION

Section 301 of title III of the Federal Civil Defense Act of 1950, as amended, grants emergency authority during the existence of a state of civil-defense emergency. The existence of such an emergency may be proclaimed by the President or by concurrent resolution of the Congress if either finds that an attack upon the United States has occurred or is anticipated and that the national safety requires an invocation of such emergency authority. Any such emergency is terminable by proclamation of the President or a concurrent resolution by the Congress.

During a state of civil-defense emergency, the President and the Administrator may marshal all the resources of the Federal Government to meet the emergency conditions brought about by an enemy attack. The emergency powers include those of using Federal personnel and facilities, providing

emergency shelter, repairing or restoring of vital utilities and facilities, broad Federal procurement and utilization authority over property, reimbursement of States for assistance given to other States, streamlined authority for the temporary employment of additional personnel without regard to the civil-service laws, financial assistance for temporary relief of civilians injured during an attack, and the incurring of such obligations on behalf of the United States as are required to meet the conditions created by the attack.

Constitutional safeguards regarding just compensation for nongovernmental property acquired are preserved and the immunity of the Federal Government from suit while performing these emergency functions is reserved.

During the period of any civil-defense emergency, the Administrator is required to transmit a quarterly report to the Congress covering all action taken pursuant to the emergency powers section.

The provisions of title III under the Federal Civil Defense Act of 1950 as it was originally enacted would have expired on June 30, 1954. Public Law 383 of the 83d Congress extended this termination date until June 30, 1958.

Since the possibility of an attack upon the United States with modern weapons of enormous destructive powers is at least as great today as when the standby emergency powers were originally authorized, this authority should not be allowed to expire.

COST DATA

Enactment of this measure would not directly involve the expenditure of Federal funds. It is impossible to estimate the cost involved if the emergency powers were used during or after an attack.

Mr. DIRKSEN. Mr. President, in connection with this bill, I wish to pay tribute to a former Governor of Iowa, Leo A. Hoegh, who became Civil Defense Administrator, and who, in my judgment, has done an exceedingly forthright and competent job. He has an excellent "touch." I think his excellent qualifications and capabilities have been fully recognized by his appointment to the office of Director of the Office of Defense Mobilization.

The bill is an emergency proposal, and merely extends the time for the operation of an emergency agency. However, I am glad to take this opportunity to pay tribute to one who has given freely of his time and effort to energize this program and make the country conscious of the requirements of civil defense.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 12827) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4062 will be indefinitely postponed.

Mr. MANSFIELD. Mr. President, that concludes the call of the items on the calendar which were brought to the attention of the Senate last evening, with respect to which there was no objection.

I thank the acting minority leader for his cooperation in clearing this much proposed legislation.

RESEARCH PROGRAM IN FIELD OF WEATHER MODIFICATION

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 86) to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes, which were to strike out all after the enacting clause and insert:

That subsection (a) of section 3 of the National Science Foundation Act of 1950, as amended, is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof a semicolon, and by adding after paragraph (8) the following new paragraph:

"(9) to initiate and support a program of study, research, and evaluation in the field of weather modification, giving particular attention to areas that have experienced floods, drought, hail, lightning, fog, tornadoes, hurricanes, or other weather phenomena, and to report annually to the President and the Congress thereon."

SEC. 2. The National Science Foundation Act of 1950, as amended, is amended by changing the designations of sections 14, 15, and 16 (and all reference to such sections in any provision of law) to 15, 16, and 17, respectively, and by inserting after section 13 the following section:

"WEATHER MODIFICATION

"SEC. 14. (a) In carrying out the provisions of paragraph (9) of section 3 (a), the Foundation shall consult with meteorologists and scientists in private life and with agencies of Government interested in, or affected by, experimental research in the field of weather control.

"(b) Research programs to carry out the purposes of such paragraph (9), whether conducted by the Foundation or by other Government agencies or departments, may be accomplished through contracts with, or grants to, private or public institutions or agencies, including but not limited to cooperative programs with any State through such instrumentalities as may be designated by the governor of such State.

"(c) For the purposes of such paragraph (9), the Foundation is authorized to accept as a gift, money, material, or services: *Provided*, That notwithstanding section 11 (f), use of any such gift, if the donor so specifies, may be restricted or limited to certain projects or areas.

"(d) For the purposes of such paragraph (9), other agencies of the Government are authorized to loan to the Foundation without reimbursement, and the Foundation is authorized to accept and make use of, such property and personnel as may be deemed useful, with the approval of the Director of the Bureau of the Budget.

"(e) The Director of the Foundation, or any employee of the Foundation designated by him, may for the purpose of carrying out the provisions of such paragraph (9) hold such hearings and sit and act at such times and places and take such testimony as he shall deem advisable. The Director or any employee of the Foundation designated by him may administer oaths or affirmations to witnesses appearing before the Director or such employee.

"(f) (1) The Director of the Foundation may obtain by regulation, subpena, or otherwise such information in the form of testimony, books, records, or other writings, may require the keeping of and furnishing such reports and records, and may make such inspections of the books, records, and other writings and premises or property of any person or persons as may be deemed necessary or appropriate by him to carry out the provisions of such paragraph (9), but this authority shall not be exercised if adequate and authoritative data are available from any Federal agency. In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in this subsection, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(2) the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the Foundation with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the Director as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(3) Any person who willfully performs any act prohibited or willfully fails to perform any act required by the above provisions of this subsection, or any regulation issued thereunder, shall upon conviction be fined not more than $500.

"(4) Information contained in any statement, report, record, or other document furnished pursuant to this subsection shall be available for public inspection, except (A) information authorized or required by statute to be withheld and (B) information classified in accordance with law to protect the national security. The foregoing sentence shall not be interpreted to authorize or require the publication, divulging, or disclosure of any information described in section 1905 of title 18 of the United States Code, except that the Director may disclose information described in such section 1905, furnished pursuant to this subsection, whenever he determines that the withholding thereof would be contrary to the purposes of this section and section 3 (a) (9) of this act."

And to amend the title so as to read: "An act to amend the National Science Foundation Act of 1950, to provide for a program of study, research, and evaluation in the field of weather modification."

Mr. MAGNUSON. Mr. President, I rise to move that the Senate concur in the amendments of the House of Representatives to Senate bill 86, which provides a program of basic research in the field of weather modification, the program to be conducted by the National Science Foundation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. MAGNUSON. Mr. President, the amendments made by the House in no way change the basic objectives of the Senate bill, but are necessary to take care of changes required by the passing of a whole year since the passage of the Senate bill.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an explanation of the House amendments. There are some minor changes, but they are changes

which I know the Senate would approve, because of the different concept of the subject of weather control which has come about during the year since passage of the Senate bill.

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

S. 86, WEATHER CONTROL

Mr. President, I rise to move that the Senate accept amendments by the House to the bill, S. 86, to provide for a program of basic research in the field of weather modification, to be conducted by the National Science Foundation.

The amendments incorporated by the House in no way change the basic objectives of the Senate bill, but rather are directed to take care of changes made necessary by the lapse of nearly a year since the Senate approved the measure in August 1957.

For example, the House has eliminated language from the Senate bill directing that the activities of the Advisory Committee on Weather Control be transferred to the National Science Foundation. Since enactment of S. 86 by the Senate, the life of the Advisory Committee expired under authority of previous law, as of December 31, 1957. In line with this change, the House accomplished the purposes of the Senate bill by amending the National Science Foundation Act, whereas the Senate bill provided for the same program of weather research by the Foundation under separate statute.

Two other changes, minor in nature, were made by the House. One such change adds hurricanes to the weather phenomena the Foundation is authorized to study. The second involves a language change, in the interests of clarity, in connection with the release and publication of data gathered by the Foundation in the course of its authorized study.

I may state I have discussed my motion with the leaders on my own side of the aisle and with the minority of the Committee on Interstate and Foreign Commerce and we are in agreement.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CASE of South Dakota. As the Senator from Washington has said, the amendments of the House do not change the basic purposes of the bill. They do take into consideration the fact that the Weather Advisory Committee has passed out of existence. Primarily, the House amendments make the provisions of Senate bill 86 a part of the basic National Science Foundation Act. The purposes of the bill remain the same.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point some remarks which I shall make later in the afternoon with respect to the entire program.

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

Mr. CASE of South Dakota subsequently said:

Mr. President, the Senate had before it earlier today a motion to concur in the amendments of the House of Representatives to Senate bill 86.

The amendments to S. 86 which were adopted by the House of Representatives do not alter the basic purposes of the bill as it was passed by the Senate on August 5, 1957. The amendments simply make the provisions of S. 86 a part of the National Science Foundation Act of 1950.

The bill authorizes the National Science Foundation to undertake an orderly research program in weather modification. In conducting its studies, the Foundation would consult with meteorologists and scientists in private life and with agencies of Government interested in or affected by experimental research in weather control. The Foundation is authorized to accomplish its purposes through contracts with private or public institutions, including cooperative programs with the States. The Foundation may accept as a gift, money, material, or services, and other agencies of the Government are authorized to loan property and personnel to the Foundation as may be deemed useful.

A new section of the bill, as it was amended by the House, authorizes the National Science Foundation to require by subpena information necessary to carry out its provisions.

The House also deleted a section of the bill which would abolish the Advisory Committee on Weather Control and transfer its functions, duties, and records to the National Science Foundation. That section was no longer needed. S. 86 passed the Senate in August 1957, and since that time, the Advisory Committee on Weather Control has ceased to exist.

Mr. President, for a comparatively new field, weather modification has quite an extensive legislative background. The Congress first acted favorably on weather modification legislation in 1953 when it passed the bill which created the Advisory Committee on Weather Control. That legislation—S. 285—Public Law 256—was the outgrowth of bills by the Senator from New Mexico, Mr. Anderson; the Senator from Oregon, Mr. Cordon; the Senator from Nebraska, Mr. Butler; the Senator from Washington, Mr. Magnuson; the Senator from Florida, Mr. Smathers; the Senator from New York, Mr. Lehman; the Senator from Utah, Mr. Watkins; the Senator from Montana, Mr. Ecton; the Senator from North Dakota, Mr. Young; the Senator from Kansas, Mr. Capper; the Senator from Wyoming, Mr. O'Mahoney; and myself over a period of 3 or 4 years. Three Senate committees held joint hearings on the bills introduced at that time, and I was asked to work out a residual bill, which was S. 285.

Under that bill, the Advisory Committee on Weather Control was directed to study and evaluate public and private experiments in weather modification. The committee was comprised of the Secretaries, or their designees, of the Departments of Agriculture, Commerce, Defense, Interior, and Health, Education, and Welfare, and the Director of the National Science Foundation, or his designee.

It also included five private members appointed by the President from the fields of science, agriculture, and business. They were: Capt. Howard T. Orville, United States Navy (retired), Baltimore, Md., the chairman; A. M. Eberle, dean of agriculture, South Dakota State College, vice chairman; Lewis W. Douglas, Southern Arizona Bank and Trust Co., Tucson, Ariz.; Joseph W. George, Brigadier General, United States Air Force Reserve, Atlanta, Ga.; and Kenneth C. Spengler, executive secretary of the American Meteorological Society, Boston, Mass. The chairman and vice chairman were appointed by the President. It will be seen that the committee was comprised of outstanding men in their fields who gave their time and efforts to this work without pay.

The first executive secretary to the committee was Charles Gardner who was previously a member of my staff. Later Jack Oppenheimer was appointed to serve as executive secretary when Mr. Gardner resigned. Each of them made a real contribution to the successful functioning of the committee.

The advisory committee was not authorized to conduct basic research in weather modification, but was directed to make a complete study and evaluation of the experiments being made by public and private groups for the purpose of determining the extent to which the United States should experiment with, engage in, or regulate weather modification activities.

Mr. President, the original approach to this matter, I think, came from various points of view. The original bill which I had introduced proposed a research program through the Department of Agriculture. The Senator from Wyoming [Mr. O'MAHONEY] proposed a program of research which would have centered in the Department of Interior, as did the Senator from New Mexico [Mr. ANDERSON]. In the composite bill which we worked out it was decided it would be best initially to let the different public and private groups carry on their research and experimentation and report to the advisory committee, which should bring together the data it collected and then report to the President and the Congress. The advisory committee did so, and put out an interim report as well as a final report at the end of 1957. With that the life of the advisory committee expired. The committee made its final report to the President earlier this year.

For the record, I want to say that the committee and the staff did a remarkable job. Its report is the most valuable single document in the field.

Volume 2 of the advisory committee report has a bibliography on weather research and control which is probably the most comprehensive thing of its kind ever undertaken. The bibliography itself is an important contribution.

The conclusions of the committee are also of outstanding interest. The report states that in the mountainous areas in western United States the seeding of winter-type storm clouds produced an average increase in precipitation of 10 to 15 percent with heavy odds that this increase was not the result of natural variations in the amount of rainfall.

In nonmountainous areas, the results were not as dramatic but the committee report points out that this does not mean that precipitation may not have been produced. The variability of rainfall patterns in the nonmountainous areas made it difficult to evaluate the changes that may have occurred.

I should like to read one short section from the committee report dealing with its recommendations:

The committee recommends that a research program include work along the following lines:

(1) The effects of solar disturbances on weather.

(2) The factors which control our global atmospheric circulation.

(3) The factors which govern the genesis and movement of large-scale storms.

(4) The dynamics of cloud motions.

(5) The processes of rain and snow formation, and the relative importance of the physical phenomena which govern these processes.

(6) The electrification process in clouds, and the role electricity plays in meterological phenomena.

(7) The natural sources of condensation and ice-forming nuclei, and their role.

(8) The methods, materials, and equipment employed in weather modification.

The above recommendations, all of which demand basic and fundamental investigations and research, emphasize the meagerness of our present knowledge. These recommendations also reflect the complexity of the problems that must be investigated to provide the basic scientific knowledge that is essential to a technology of weather control.

Therefore, the committee recommends the enactment of S. 86, 85th Congress, which directs the National Science Foundation to initiate, coordinate, and support such a program.

Mr. President, it was a source of real satisfaction to me that after the Senate Committee on Interstate and Foreign Commerce had listened to the evidence presented in its hearings on this bill, every member of the committee who was present asked to be listed as a cosponsor of the bill as it was amended and presented to the Senate, and the bill came to the floor with 16 cosponsoring names on it, and the unanimous endorsement of the Committee on Interstate and Foreign Commerce.

Today there is a growing interest in weather modification in this country. Until enactment in 1953 of the Federal law which established the Advisory Committee on Weather Control, only a few States had passed laws in the field of weather modification. By the end of 1956, 13 States, Arizona, California, Colorado, Massachusetts, Nevada, New Hampshire, New Mexico, Oklahoma, Oregon, South Dakota, Utah, Wisconsin, and Wyoming had provided for regulation of weather modification activities in some degree. My own State of South Dakota explicitly claims sovereign rights to the moisture in the clouds and atmosphere within our State boundaries. There may be some question as to how this right might be enforced, but the indication is that our people are alert to the situation.

The United States Forest Service is carrying on a research program known as Project Skyfire to try to develop more effective means of lightning-fire suppression, including the possibility of preventing lightning fires and reducing fire danger through cloud seeding. Lightning is the greatest single cause of forest fires in Western United States.

Mr. President, water is America's No. 1 problem. Our water use has more than doubled since the turn of the century. In addition, our population has doubled. Annually we spend millions of dollars trying to discover new water sources and to better utilize those we already have, while in the sky there is a reservoir of uncounted billions of gallons of sweet, fresh, clear water. The program authorized in this bill is designed to provide the necessary experimentation program so that this generation, and those following, might eventually tap that source of supply.

We annually spend millions of dollars for drought relief in this country. We spend millions more for flood relief, and beyond that there are untold millions lost in flood and drought damage.

If clouds can be modified so that rain can be produced in time of drought, or clouds dissipated to prevent disastrous floods, the investment of a comparatively small amount of money is a wise investment. Particularly, the benefits of more accurate and longer range forecasting offer tremendous returns for efforts expended, even though we did not have the possibility of modifying the weather in any particular.

There may be a multitude of variables that create weather—it is not a thing of chance. Most of the weather phenomena seem to be conditioned by what happens at high altitudes where there are striking variations in temperature and winds with resulting currents and countercurrents. What man is seeking to do is to find the "recipe" which produces weather of different character. We look to the National Science Foundation with confidence to find the answers to our questions. Mr. President, weather is not an accident. It conditions all of life. Let us learn what we can about it.

In concluding my remarks, I again wish to acknowledge the encouragement and valuable help given by many Senators in enactment of this legislation. The distinguished majority leader, the Senator from Texas [Mr. JOHNSON], and the distinguished minority leader, the Senator from California [Mr. KNOWLAND] not only gave the bill right-of-way on the calendar, but endorsed its passage on various occasions.

The distinguished chairman of the Senate Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON], and the distinguished ranking minority member, the Senator from Ohio [Mr. BRICKER], were most helpful in their interest to see that the matter had prompt action within that committee.

The chairman of the subcommittee to which the bill was assigned, the distinguished Senator from Nevada [Mr. BIBLE], the ranking minority member, the distinguished Senator from Kansas [Mr. SCHOEPPEL], and their associates conducted full and complete hearings that were most helpful in bringing out the merits of the measure.

The hearings attracted nationwide interest from scientists and such Federal interests as Agriculture, Interior, Defense, and Commerce that have a stake in improved methods of forecasting weather and its possible modification.

Many other distinguished Senators have taken an active interest in the progress of the legislation, notably the Senator from Utah [Mr. WATKINS], the Senator from Wisconsin [Mr. WILEY], the Senator from New Mexico [Mr. ANDERSON], the Senator from Arizona [Mr. HAYDEN], the Senator from Wyoming [Mr. O'MAHONEY], and many others.

Our efforts have also received excellent cooperation from many Members of the House of Representatives, among whom I should at least mention the Honorable OREN HARRIS, chairman of the House Interstate and Foreign Commerce Committee, the Honorable GEORGE M. RHODES, who conducted the hearings in the subcommittee, my own colleague, the Honorable E. Y. BERRY, who introduced a companion bill in the House, as did Representative HULL, of Missouri, ENGLE, of California, BARING, of Nevada, and DIXON, of Utah.

To each of those whom I have named and to many others in both the House of Representatives and in the Senate who have manifested their interest at one time or another, I express my deep appreciation, along with the confident hope that our efforts in this field will bring benefits and blessings to the people of the world which can only be dimly imagined at this time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON] that the Senate concur in the House amendments to Senate bill 86.

The motion was agreed to.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1959

Mr. PASTORE. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 12948, the District of Columbia appropriation bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

The Senate proceeded to consider the bill (H. R. 12948) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. PASTORE. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as thus amended, be considered as original text for purposes of amendment; and that points of order shall not be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 3, after the word "and", to strike out "$20,000,000" and insert "$21,500,000"; on page 3, at the beginning of line 1, to strike out "$8,600,000" and insert "$5,500,000", and in line 5, after the word "the", where it occurs the second time, to strike out "following funds: highway fund, $5,500,000, and

water fund, $3,100,000" and insert "highway fund."

On page 4, line 7, after the word "investigations", to strike out "$382,000" and insert "$435,000."

On page 4, at the beginning of line 22, to strike out "$4,700,000" and insert "$4,725,000."

On page 6, line 1, after the name "Columbia", to strike out "$650,000" and insert "$660,060."

At the beginning of line 5, to strike out "$39,758,000" and insert "$39,965,900."

On page 11, line 2, after the word "Rehabilitation", to strike out "$215,000" and insert "$224,800."

On page 13, line 12 after the word "Health", to strike out "$30,505,000" and insert "$30,877,954", and in line 15, after the word "exceed", to strike out "$3" and insert "$3.50."

On page 15,, line 25, after the word "committed", to strike out "$15,000,000" and insert "$15,140,000."

On page 18, line 3, after the word "license", to strike out "$2,000,000" and insert "$2,022,000."

On page 18, line 7, after the word "services", to insert "expenses of attendance of one person, without loss of pay or time, at specialized traffic engineering classes, including tuition and entrance fees;"; in line 13, after the word "vehicles", to strike out "$7,484,000" and insert "$7,907,000"; in line 14, after the word "which", to strike out "$4,670,623" and insert "$5,093,623"; and in line 18, after the word "appropriation", to insert a colon and *"Provided further,* That the Commissioners are authorized and empowered to pay the purchase price and the cost of installation of new parking meters or devices from fees collected from such new meters or devices, which fees are hereby appropriated for such purposes."

At the top of page 19, to strike out "Department of Vehicles and Traffic" and in lieu thereof, to insert "Department of Motor Vehicles"; at the beginning of line 3, to strike out "Department of Vehicles and Traffic" and insert "Department of Motor Vehicles"; in line 4, after the word "including", to strike out "expenses of attendance of one person, without loss of pay or time, at specialized traffic engineering classes, including tuition and entrance fees;"; in line 12, after the word "years", to strike out "$1,465,000" and insert "$1,042,000"; and in the same line, after the word *"Provided",* to strike out "That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining streetcar loading platforms and lights of any description to distinguish same, except that a permanent type of platform may be constructed from appropriations contained in this act for street improvements when plans and locations thereof are approved by the Public Utilities Commission and the Director of Vehicles and Traffic and the street railway company shall after construction maintain, mark, and light the same at its expense: *Provided further,* That the Commissioners are authorized and empowered to pay the purchase price and the cost of installation of new parking meters or devices from fees collected from such new meters or devices, which fees are hereby appropriated for such purposes: *Provided further."*

On page 27, line 2, after the words "Women's Reformatory", to insert "warehouse for public schools and Department of Buildings and Grounds (including shop facilities and record center)"; in line 5, after the words "District of Columbia Village", to insert "and motor vehicle safety inspection station (additional amount)"; at the beginning of line 17, to strike out "$15,704,000" and insert "$17,799,000"; in the same line, after the word "which", to strike out "$7,350,000" and insert "$7,850,000"; in line 19, after the numerals "1959", to insert "and $81,000 shall be payable from the highway fund", and in line 20, after the word "and", to strike out "$836,250" and insert "$862,000."

On page 33, line 2, after the word "adjustment", to insert a colon and *"Provided further,* That no part of this or any other appropriation contained in this act shall be expended for building, installing, and maintaining streetcar loading platforms and lights of any description employed to distinguish same, except that a permanent type of platform may be constructed from appropriations contained in this act for street improvements when plans and locations thereof are approved by the Public Utilities Commission and the Department of Highways and the street-railway company shall after construction maintain, mark, and light the same at its expense."

On page 36, line 10, after the word "exceed", to strike out "$25,000" and insert "$40,000."

On page 38, line 7, after the numerals "1945", to insert a colon and *"Provided,* That leases for rentals shall be on terms and periods not in excess of 5 years."

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

Mr. PASTORE. I yield.

Mr. CLARK. I have sent to the desk an amendment to the bill which would increase the Federal payment called for by the bill from $21,500,000 to the total amount of $32 million, which has been authorized by previous legislation of Congress. I shall not call that amendment up for a vote. I realize that it is subject to a point of order, because of the fact that there was no budget request which would enable it to be carried into effect.

If I may have the indulgence of my friend from Rhode Island, I should like to make a few brief observations and ask him a question or two before the bill is passed.

Mr. PASTORE. I yield for that purpose.

Mr. CLARK. It seems to me, from my 2 years of service on the District of Columbia Committee, that the Congress has been derelict in its duty toward the District, in that it has failed to supply for the District budget, for many a long year, sums adequate to enable the Nation's Capital to be administered as a municipality on the basis on which it should be administered if we are to give the residents of the District a decent standard of municipal service.

I believe it is extremely important that the District of Columbia should set a high standard for the other cities of the Nation, and, indeed, for the other cities of the world, because this is the Capital of the richest country in the world. For us to be niggardly with respect to the type of services which the Capital City, a modern municipality, should furnish its inhabitants is to set a bad example all over the world.

I am particularly concerned because, to my way of thinking, the salary level for teachers in the District of Columbia is not only a disgrace, but it has failed to enable the Board of Education to recruit properly trained teachers for the District. It has resulted in an inadequate standard of education, from kindergarten to college. That situation is being held up throughout the country, and perhaps throughout the world, as an indication that the United States of America, as represented by its Congress, does not care enough about the education of its children to provide a first class system of training, upbringing, and education.

I think that reflects all over the world against the United States. It certainly reflects against our ability to stand up to the Russians in the cold war in which we are engaged, in a field in which education makes so very much difference in the final result, as to who will win the cold war.

I am particularly concerned also because, in my judgment—and I note the presence in the Chamber of the distinguished senior Senator from Oregon [Mr. MORSE]—the level of services in health and welfare areas in the District of Columbia is entirely inadequate, when we consider the well-established need within 3 blocks of the Capitol, and the level of services in other municipalities.

With that preliminary comment, I should like to ask my good friend from Rhode Island why it was that the full authorized Federal payment of $32 million was not accepted by the Appropriations Committee as the proper sum to be awarded to the Commissioners of the District of Columbia.

Mr. PASTORE. At the outset let me say to my distinguished colleague from Pennsylvania that the very eloquent appeal he has made to make the city of Washington the showplace of the Nation, and, indeed, the showplace of the world, does not fall upon unsympathetic ears so far as the junior Senator from Rhode Island is concerned.

It was my happy privilege when I came here 8 years ago to be assigned to the Committee on the District of Columbia. There, of course, I recognized the problems of the schools, teachers, firemen, and policemen of the District of Columbia as I had come to know such problems in my own State of Rhode Island. There I strove with all the energy and industry I possessed to do whatever I could to solve such problems. Within recent years it has been my happy privilege to function as chairman of the Subcommittee on Appropriations for the District of Columbia. There again I had an opportunity to reiterate my previous position of a kindly attitude toward the District of Columbia and a more generous contribution or payment on the part of the United States Government to the

District of Columbia to compensate for the vast properties the Federal Government uses and occupies and owns and withdraws from the taxable area of the District of Columbia.

So far as the appeal of the Senator from Pennsylvania is concerned, let me say this: The budget, of course, has to do with the fiscal year 1958–59. The original budget request for the Federal contribution was $23 million, the full authorization as of that time.

Mr. CLARK. Mr. President, if the Senator will yield at that point I should like to ask if I am not correct in saying that this budget is for fiscal 1959?

Mr. PASTORE. 1959, this year; from the beginning of July, July 1, 1958, to the end of June, June 30, 1959. It is the 1958–59 fiscal budget. The $32 million the Senator speaks of will have to be handled either by way of a supplemental appropriation or by way of the 1960 fiscal budget. The fact is that the original authorization was $23 million. Then, through the effect of law, the Budget Bureau saw fit to impose $2 million additionally on the $8 million which had originally been authorized but not yet appropriated. For that reason, the Commissioners requested $25 million. Of the $25 million, the House allowed $20 million. The Commissioners asked for a restoration of $1½ million of the $5 million which had not been allowed by the House. The Senate committee allowed the entire $21,500,000 the Commissioners requested.

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

Mr. PASTORE. I yield.

Mr. CLARK. Then it is a fact that the Commissioners of the District of Columbia not only did not request the Senator's subcommittee to give them the full $32 million payment, but asked for only $21,500,000, which the committee on appropriations allowed to them? Is that correct?

Mr. PASTORE. The committee allowed that sum within the budget request, yes. However, the Commissioners made abundantly clear to us that they have not abandoned their desire to have a Federal contribution of $32 million. It would be unjust to leave the impression on the floor of the Senate that they had done so. They made it abundantly clear that because of the 10 percent pay raise which was granted, and which is applicable by parallel law to the District of Columbia——

Mr. CLARK. The Senator is referring to the pay raise for classified employees, I assume.

Mr. PASTORE. Yes. The pay raise for policemen and firemen and schoolteachers and all the other employees of the District of Columbia.

Mr. CLARK. It was not a straight 10 percent increase. It is my understanding that it varied within the various categories.

Mr. PASTORE. That is correct. I am not debating the extent of the raise. I am merely referring to the effect of the raise. The effect of the raise is such that the District of Columbia will have to pay $5,700,000 in back pay. I believe that is the correct figure. For the new fiscal year I believe the figure will be $12,800,000. That is a substantial amount of money. The Commissioners of the District of Columbia said: "We are not asking for the $32 million; nor are we asking even for the $25 million. We are only asking for $21,500,000. But we are coming back to ask Congress to appropriate the full $32 million to assist us not only in paying the back pay but also to pay the increases in salaries for the next fiscal year."

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

Mr. PASTORE. I should like to conclude first.

The point I am making is this: There has been no abandonment on the part of the Commissioners insofar as the Federal payment is concerned. Realizing how the Senator from Pennsylvania feels, I hope he will withhold his fire and join with me when the request comes from the Commissioners, and help put on a real strong fight to have the Government of the United States make a fair and equitable and just payment to the District of Columbia for the many services it receives.

Mr. CLARK. I thank my good friend from Rhode Island for his very lucid explanation. I can assure him that come next January it will be my pleasure to stand side by side with him in the fight to get justice for the District of Columbia and to see to it that the Federal Government keeps its word, and puts enough money into the till, so that the Nation's Capital can be adequately served and its inhabitants receive the kind of municipal government they deserve, and so that all of us can be proud of the Capital City as a model for our country and for the world.

Mr. PASTORE. I should like to make another point, and that is with regard to the complaint or lamentation to the effect that the taxes in the District of Columbia are not as high, commensurately, as taxes in comparable cities throughout the country. In the District of Columbia there is in effect every known form of taxation. There is not only a real estate tax—which possibly is not as high in assessed values and possibly even not in respect of the rate, in comparison with other localities—but there is in effect also a sales tax and an income tax. Therefore the real estate tax is only one of the three sources from which the city's revenues are derived. I would say that any tax which is invented, or devised, is sooner or later imposed in the District of Columbia. By and large, in comparison with any comparable city, the citizen of Washington, D. C., is paying a fair share of the taxes. The idea that the Federal Government is being overgenerous and that the local taxpayer is not doing his share, is erroneous. It creates the wrong impression. It is being voiced by persons—and I say this with all due deference—who are not well acquainted with the intimate fiscal affairs of this community.

Mr. CLARK. I thank the Senator from Rhode Island, and I wish to associate myself with his last remarks. Everything the Senator has said is quite correct.

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

Mr. PASTORE. I should first like to explain the bill. However, I am happy to yield to the Senator from Oregon.

Mr. MORSE. Would the Senator prefer to explain the bill?

Mr. PASTORE. Yes; I believe I should do that first.

Mr. President, I desire to make a few brief comments on the District of Columbia Appropriation Bill for 1959, which bill carries the unanimous approval of the Appropriations Committee. The bill as reported is $2,935,714 over the House bill; $7,760,334 above the total appropriations for 1958; and $8,941,686 under the total budget estimates submitted for 1959.

The increase of $2,935,714 provides for operating expenses the additional sum of $840,714 and for capital outlay, $2,095,000. One item of the capital outlay increase involves a combination building to provide for a public school warehouse, shop facilities for the Department of Building and Grounds, and a record center at a cost of $1,886,000. The committee also included an item of $50,000 requested for the repair of paddocks at the zoo, in order to afford better protection not only to the animals and the employees, but also to the visiting public.

There were but three major increases in the operating expense category; namely, $207,900 for the public schools system, $140,000 for the Department of Public Welfare, and $372,954 for the Department of Public Health. These increases were considered by the committee to be urgently needed by the respective departments in the ensuing fiscal year and were based solely on a high priority basis. For example, included in the public school increase of $207,900 were funds for 28 additional teaching positions of the 48 requested in elementary schools where the pupil-teacher ratio was excessive. With these additional teachers, the ratio will approximate 32 to 1 in impacted-area elementary schools. Part-time classes will be reduced to 133 during the next school year, so officials advised the committee, through the use of nonclassroom space, such as auditoriums, and additional classrooms made available under the construction program.

The committee learned that urgent equipment replacement items were needed at the D. C. General Hospital, as well as additional positions, for improvement of services in the fields of administration, nursing, and housekeeping services, and accordingly allowed about $225,000 of the Commissioners' request for these purposes.

The bill does not appropriate any funds for approved or pending pay increases to District of Columbia employees, the cost of which is estimated at $18.7 million for the fiscal years 1958 and 1959. It concerns only the regular estimated annual obligations as submitted in the President's budget in January and supplemental estimates forwarded to date.

After providing for the additional sums recommended over the House bill, the committee determined there would be a surplus on June 30, 1959, of approx-

imately $5,441,447 in the five funds. The general fund, which bears most of the expenditures of the District of Columbia government, will have an estimated surplus of $1,388,053. It is this fund into which the committee recommended a Federal payment of $21,500,000, or $1,500,000 over the House allowance. The committee felt the small increased Federal payment was essential and well justified in consideration of the ever-increasing obligations of the local government, many of which are uncontrollable and imperative to meet expanded activities in the schools and the health and welfare departments.

As Senators well know, the taxable property in the District of Columbia is limited. For the fiscal year 1958 approximately 53 percent of the land area is exempt, and of this percentage, 43 percent represents United States property.

Mr. President, I yield now to the Senator from Oregon.

Mr. MORSE. I appreciate the courtesy of the Senator from Rhode Island in yielding to me.

Mr. President, it has been my privilege to serve for some years on the Committee on the District of Columbia. I serve now under the able leadership of the Senator from Nevada [Mr. BIBLE], the chairman of the committee. The acting majority leader, the Senator from Pennsylvania [Mr. CLARK], also is a member of the committee. The newest member, and a great addition to the committee, is the Senator from Wisconsin [Mr. PROXMIRE], about whose position on the teachers' salary proposal I shall have something to say in a moment.

Before I turn to some observations on certain items in the bill, I express to the junior Senator from Rhode Island my appreciation for the careful work which he and his committee have done on the 1959 appropriation bill. The committee report gives evidence of the thoughtfulness and thoroughness with which he and his colleagues reviewed the bill as passed by the House. In this connection, also, I think that he would agree with me that the House of Representatives, in passing the bill, were most discriminating in their review of the budget requests.

I am glad to hear the Senator's explanation of the bill and his strong indication that, come January, we will all be standing shoulder to shoulder in an endeavor to obtain for the District of Columbia the authorized amount of $32 million.

In am not critical of the Commissioners. I only express regret that, in the case which they made this year, they did not ask for a larger sum, because, in my judgment, for some of the very needed services of the District, they should have asked for more. I shall have a brief comment to make on that subject in a moment.

I think, however, it is important to point out the position of the subcommittee headed by the Senator from Rhode Island [Mr. PASTORE]. As he has made clear in his explanation, the committee wished to have the accurate figures of cost resulting from the recent pay increases before the committee committed itself to the full payment at this time.

For fiscal 1959, pay increases for teachers, police, and firemen will, in all probability, have to be made; and since the testimony is that even the most modest of the increase proposals will make necessary the full Federal payment, or very close to the full Federal payment, if not the entire amount, it would seem to me that all of us should appreciate the fact that when we vote on the bill today, we shall be voting only for a major installment, not the total amount. We should realize that, come January, we shall have the obligation of making certain that we meet the pending increases.

I hope in addition that we will provide increases for some of the needed services by way of a supplemental appropriation bill.

As chairman of the Subcommittee on Public Welfare of the Committee on the District of Columbia, I appreciate the $2,004,000 increase in public welfare funds. I say most respectfully that, in my opinion, the District Commissioners could have made a much stronger case for a larger amount. We have a long way to go in the District of Columbia to fulfill what I consider to be our legislative obligations concerning the so-called public welfare services in the District.

Now I shall speak about teachers and teachers' salaries, in line with the excellent work which is being done in our committee by the Senator from Wisconsin [Mr. PROXMIRE]. Let us keep in mind that 1 out of 4 teachers in the District of Columbia is a so-called temporary teacher. What does that term mean? It simply means that 1 out of 4 teachers in the District of Columbia does not have the qualifications which are considered the minimum qualifications necessary for certification. That is a very serious comment. I cast no reflection on the temporary teachers. We are simply plain lucky that we have temporary teachers. We are very fortunate, indeed.

The principal reason why we have temporary teachers is that we do not pay salaries to teachers in the District of Columbia which are adequate enough to enable the school system to get certificated teachers; teachers who have at least the minimum educational standards; the type of classroom teachers our boys and girls should have.

If there is one place, let me make perfectly clear, where the senior Senator from Oregon will never cast an economy vote, it is in the category of teachers' salaries. We cannot afford to economize on teachers if we want to keep freedom strong in America.

Thus I take this occasion, with the indulgence of my friend from Rhode Island, to commend the Senator from Wisconsin [Mr. PROXMIRE], who has been leading the great fight in the Committee on the District of Columbia for higher salaries for the teachers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tables which appear in the hearings on the District of Columbia appropriation bill. The tables show the estimated situation with respect to the indicated cost of pay raises for all District of Columbia government employees. They deal also with the problem of pay for teachers.

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

[Dollars in thousands]

Type	Estimated average percentage increase	Estimated cost (including retirement cost)		
		Fiscal year 1959	Retroactive Jan. 1, 1958	Total
Classified	10.0	$4,639	$2,141	$6,780
Teachers:				
Commissioners' proposal, S. 3957	13.7	3,700	2,190	5,890
Board of Education proposal	32.0	9,000	5,330	14,330
S. 3734	63.0	16,800	9,900	26,700
Commissioners' proposal for policemen and firemen	13.2	3,150	1,454	4,604
Wage Board	6.4	1,371	(1)	1,371
Total, using Commissioners' proposal for schoolteacher increases, S. 3957		12,860	5,785	18,645
Total, using Board of Education proposal for schoolteacher increases		18,160	8,925	27,085
Total, using S. 3734 proposal for schoolteacher increases		25,960	13,495	39,455

[1] Retroactive portion of this increase (Apr. 8, 1958) provided for through supplemental request now pending.

[In thousands]

	Fund distribution				
	General	Highway	Water	Sanitary sewage works	Motor vehicle parking
Classified	$6,271	$234	$181	$82	$12
Teachers:					
Commissioners' proposal, S. 3957	5,890				
Board of Education proposal	14,330				
S. 3734	26,700				
Commissioners' proposal for policemen and firemen	4,225	379			
Wage Board	992	148	158	73	
Total, using Commissioners' proposal for schoolteacher increases, S. 3957	17,378	761	339	155	12
Total, using Board of Education proposal for schoolteacher increases	25,818	761	339	155	12
Total, using S. 3734 proposal for schoolteacher increases	38,188	761	339	155	12

Mr. MORSE. Mr. President, in the bill which the Senator from Rhode Island is managing in the Senate today, I am happy to see that the committee has increased by $2,719,850 the public-school budget over the previous years' appropriation. I hope that, come January, when we deal with pay-increase problems, there will be the support which we need in the Senate, and also in the House, to pass the necessary supplemental budget.

I hope also that the specific items of increase in this year's budget, which the Senator from Rhode Island has set forth in the report, will be accepted by both Houses. I hope the Congress will not be parsimonious with respect to this matter, but that the amounts approved by the Senate will be granted.

I again stress particularly the sorry need of the schools. One of the tables I have just placed in the RECORD shows the percentages of pay increases for teachers. The Commissioners' proposal—mark this—was an increase of 13.7 percent. For teachers' salaries, the proposal of the Board of Education was 32 percent. The teachers' request was 63 percent. The proposal of the Senator from Wisconsin [Mr. PROXMIRE], which our committee already has adopted by a majority vote, would be in the neighborhood of 21 percent. It would result in an additional cost, for the period January 1, 1958, through June 30, 1959, of $9,824,486. I think this is the day to pinpoint attention on that need, as we come to vote on the District of Columbia appropriation bill.

DEVELOPMENT OF MINERAL RESOURCES OF THE UNITED STATES

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 3817) to provide a program for the development of the mineral resources of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1959

Mr. CLARK. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of the District of Columbia appropriation bill.

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

The Senate resumed the consideration of the bill (H. R. 12948) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1959, and for other purposes.

Mr. MORSE. Mr. President, as I was saying, today is the day to pinpoint attention to the unfinished job which the report the Senator from Rhode Island [Mr. PASTORE] has submitted on the pending bill makes plain to the Senate, because today we are working on only an installment. I wish to stress that point. Come January, the least we can do for the teachers in the schools in the District of Columbia is to see to it that we vote for a supplemental appropriation which will provide at least the $9,823,486 for which the Proxmire bill calls, as an increase in the salaries of the teachers.

I could develop the subject further; but I believe that what I have said is sufficient, except to ask this question: How can we, as legislators, fail to vote the funds which are needed for the schools of the District of Columbia? It is an area which has no home rule, an area in which we—because of the failure of Congress over the decades to act—have denied to the citizens the right to vote, the right to make known their wishes with respect to the salaries of teachers, the cost of public welfare, and all the many other projects which go along with the operations of a municipality.

Mr. President, today there would be quite a different debate in the Senate, in my judgment, if there were home rule in the District of Columbia. In that event there would be quite a different debate each year when this question comes before the Senate, or if a delegate from the District of Columbia were sitting in the House of Representatives.

But because the Congress has not given the people of the District of Columbia the political power to which they are entitled, we have all the greater moral obligation to see to it that we do justice to them.

So, Mr. President, in closing my remarks I wish to thank my friend, the distinguished Senator from Rhode Island [Mr. PASTORE], for the assurance he has given us this afternoon.

I also wish to commend my colleague on the District of Columbia Committee, the Senator from Pennsylvania [Mr. CLARK], for the battle cry he has raised here today in behalf of the people of the District of Columbia. I want him to know that I am a recruit in his ranks; and, come January, I hope that he and I and the Senator from Wisconsin [Mr. PROXMIRE] and all the other members of the Committee on the District of Columbia, including its very able chairman, the Senator from Nevada [Mr. BIBLE], will get behind the standard which has been raised by the Senator from Rhode Island for a supplemental appropriation bill which will provide at least the paltry $32 million which I believe the District of Columbia should receive by way of funds from the Congress, so the people of the District can put that money to work for human betterment and to assure a better and greater Capital of the Nation.

Mr. DIRKSEN. Mr. President, will the Senator from Rhode Island yield to me?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair.) Does the Senator from Rhode Island yield to the Senator from Illinois?

Mr. PASTORE. I yield.

Mr. DIRKSEN. Mr. President, while serving under the able leadership of the distinguished Senator from Rhode Island [Mr. PASTORE], I have observed that out of his abundant experience as Governor of his State he has brought great skill and ability to the job of chairman of the District of Columbia Appropriations Subcommittee. I pay tribute to him. All of us know that the work is a labor of love, and that it does not pay off in votes back home. But Washington is the Nation's Capital; and, so long as the present system continues, this job must be done.

There was a time when the District of Columbia had the status of a Territory, with a Governor, a delegate in the House of Representatives, and an elected Assembly. I think that dates back to 1846. But since then, since the commission form of government has been established in the District of Columbia, obviously this job must be done by the District of Columbia Committees of the House of Representatives and the Senate.

My distinguished friend, the Senator from Rhode Island [Mr. PASTORE] has done this job ungrudgingly. I may say as much for the staff of the subcommittee, Mrs. Mizen and Mr. Harold Merrick, whom I have known for so long a time.

I must say that I have been a little bit of a laggard in this field, this year. The trouble is that I have been faced with so much work in the Judiciary Committee and so much work of other kinds that I could not lend the helping hand I had hoped to lend to the District of Columbia Appropriations Subcommittee.

So, Mr. President, I commend the distinguished Senator from Rhode Island for the fine job he has done.

I believe that, in the main, the bill is a well-balanced one.

With respect to taxes in the District of Columbia, let me say that that subject is an age-old one. It came up 25 years ago, when I began to serve on the District of Columbia Committee in the House of Representatives; and we have heard the echoes of tax problems and challenges from that day to this. As chairman of that Legislative Committee in the House of Representatives, I even instituted some surveys and studies, as a result of which I found, over a period of time, that, considering the tax situation in 30 American cities comparable in size to the District of Columbia, in the District of Columbia the tax load is about average—higher than some, and lower than others. So it is never possible to sustain the charge that the people of the District of Columbia escape scot-free from taxation. As all of us know, in the District of Columbia there is an income tax, there is a sales tax, and there is a real-estate tax; and when all the taxes paid by the people of the District of Columbia are combined, they amount to about the same total tax burden as that which is imposed on the people of other municipalities in the United States.

So I commend my distinguished friend, the Senator from Rhode Island [Mr. PASTORE] for the able way in which he has performed a heavy task.

Mr. PASTORE. Mr. President, I thank the Senator from Illinois. I assure him that we did miss him from time to time; but we well understood his many burdens and the responsibilities he had to meet.

I wish to join him in saying that if it had not been for Mr. Harold Merrick and Mrs. Mizen, the job would have been

much more difficult than it actually was. Much of the spadework was done by them, and they were of great help to all the members of the committee.

Mr. BIBLE. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PASTORE. I yield.

Mr. BIBLE. First, Mr. President, I wish to join my colleagues who have commended the Senator from Rhode Island [Mr. PASTORE] for the splendid work he has done as chairman of the District of Columbia Appropriations Subcommittee. In that position he has been aided by able Members on both sides of the aisle. It is heartening to me to know that, as Chairman of the District of Columbia Appropriations Subcommittee, we have a Member who has at heart a keen interest in the District of Columbia, and is attemping to do his very best to see to it that a somewhat larger share of the proper Federal payment is provided to the District of Columbia. I recognize the limitations and some of the problems under which the Senator from Rhode Island has worked.

Mr. President, although I was not a member, this year, of the Fiscal Affairs Subcommittee, I did sit in on a number of the joint hearings. It seemed to me that a very clear case was made by the Commissioners of the District of Columbia for the full $32 million Federal payment. I feel very deeply and keenly about that matter. I think the situation was well stated by the Senator from Pennsylvania [Mr. CLARK], when he spoke a few moments ago.

I know that, come January and February, in the Senator from Rhode Island [Mr. PASTORE] we shall have a valuable ally to implement the legislation which already is on the statute books. Of course it is one thing to work on the legislative side of these problems, and it is another to secure the necessary funds.

So again I commend the distinguished Senator from Rhode Island.

Let me say that today we have on our calendar two very important bills, in one of which the Senator from Wisconsin [Mr. PROXMIRE] has taken a very vital interest; it is a bill to increase the salaries of the school teachers in the District of Columbia. Also on the calendar is a bill to increase the salaries of the policemen and firemen in the District of Columbia.

Those two bills will obviously increase the cost—as has been explained—by approximately $18 million or $19 million. I think the case should be most compelling when submitted either through a supplemental appropriation bill or in the regular channels.

Mr. CHAVEZ. Mr. President, I wish to associate myself with my colleagues who complimented the chairman of the Subcommittee on Appropriations for the District of Columbia. I agree with everything that has been said about the Senator from Rhode Island [Mr. PASTORE]. Not so long ago, when I was chairman of that subcommittee, on more than one instance the Senator from Wyoming [Mr. O'MAHONEY] and I actually wrote the bill. I know the work involved and I know the work that has been done by the Senator from Rhode Island.

If my memory is correct, I believe the Commissioners have made it very clear that they will, at their next meeting with the Senate Appropriations Committee, and with the comparable committee on the House side, seek the full payment of $32 million Federal payment. Is that correct?

Mr. PASTORE. That is correct.

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

Mr. PASTORE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to say to the chairman of the subcommittee that his reply certainly "sparked" me when he challenged the Senator from Pennsylvania to fight shoulder to shoulder with him for the full Federal payment. If the people of Wisconsin are willing, since I shall be up for election in the fall, I shall be glad to battle with the Senator from Rhode Island. I am sure the people of Rhode Island will be glad to have their junior Senator here to wage that battle.

Mr. PASTORE. I do not know what doubts the Senator from Wisconsin may have, but the Senator from Rhode Island is quite sure he will have the distinguished Senator from Wisconsin as an ally, because I have every confidence the people of Wisconsin recognize the fine work the Senator from Wisconsin has done, and will return him to these legislative halls, in order that he may continue his fine work.

Mr. PROXMIRE. I thank the Senator and deeply appreciate his kind remarks. I had an opportunity to sit in on the hearings when matters concerning the policemen, firemen, and teachers were discussed. There is no question that we should have done more than we did. I think every member of the committee feels that way. We were disappointed that we could not do more. However, we did have the serious problem to which the Senator from Rhode Island has adverted, the matter of heavy taxes in the District of Columbia, and the fact that the Federal payment is held as a hammer over the heads of the members of the committee. It is heartening to us to learn that the Senator from Rhode Island is going to make the fight next January. I think it is tremendously important that we all succeed in that fight.

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

Mr. PASTORE. I yield.

Mr. BEALL. I wish to commend the chairman of the Fiscal Affairs Subcommittee. It has been my privilege to serve on the committee. In my 16 years of service in Congress I know of no one who has been more zealous in trying to bring about a fair appropriation for the Nation's Capital than has the junior Senator from Rhode Island. I think he has been very ably assisted by the staff, who have worked together so well.

I was not present on the floor when the junior Senator from Pennsylvania [Mr. CLARK] was advocating a larger Federal payment for the District of Columbia, but we all know that Washington is the Capital of our country. We all know that those who serve on the District of Columbia Committee, such as the Senator from Nevada [Mr. BIBLE], the Senator from Pennsylvania [Mr. CLARK], the Senator from Wisconsin [Mr. PROXMIRE], and other Senators are trying to bring about the enactment of model legislation. We would like to have model legislation respecting salaries for teachers, policemen, and firemen. There is only one way to do that, and that is to provide the money. It is necessary to have the money. There is no question that in the case of salaries for teachers and other municipal workers we have been trying to get a model law, to which we could point with pride everywhere in the country.

I certainly wish to associate myself with the Senator from Pennsylvania and the Senator from Rhode Island in insisting on a greater Federal contribution for the District of Columbia.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. It has been a pleasure for me to have been present at the session today and to have listened to some of the statements which have been made about problems in the District of Columbia, and to have heard the various Members on both sides of the aisle who have participated.

I hope the distinguished Senator from Rhode Island will pardon me if I say I understand something of the problems of the District of Columbia, since I once served as chairman of the legislative subcommittee, and served at one time on the Appropriations Committee in the House and also in the Senate. I say that merely to qualify me to make the statement that I think the District of Columbia is in good hands in the Senate today.

I have had occasion to watch legislation affecting the District of Columbia which has been enacted this year. I see the Senator from Nevada [Mr. BIBLE] present on the floor, as well as the Senator from Maryland [Mr. BEALL], who has just spoken. As leaders in the legislative committee, they have done a magnificent job this year. They have handled the final resolution of the thorny bridge problems. They have tackled the problems of pay for employees of the District of Columbia. They have worked on legislation relating to public works. Those are all aspects of legislation with which I have some familiarity. I think they have done an excellent job.

I also wish to say, for the benefit of the Senator from Rhode Island [Mr. PASTORE] and the Senator from Illinois [Mr. DIRKSEN], that I have seen their work. Both of them have been diligent and have brought to their tasks a realization of the needs of the people of the District of Columbia. They have regarded the residents of the District of Columbia as citizens of the United States, even though those residents may not vote. That is something which the people of the District of Columbia should appreciate.

As an observer on the sidelines today, let me say that I think the legislative committee and the appropriations subcommittee for the District of Columbia have done an excellent job in 1958.

Mr. PASTORE. I thank the Senator from South Dakota.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 12948) was read the third time and passed.

Mr. PASTORE. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. MCCLELLAN, Mr. JOHNSON of Texas, Mr. BIBLE, Mr. FREAR, Mr. DIRKSEN, Mr. IVES, and Mr. BEALL conferees on the part of the Senate.

DEVELOPMENT OF MINERAL RESOURCES

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3817) to provide a program for the development of the mineral resources of the United States, its Territories, and possessions, by encouraging exploration for minerals, and for other purposes.

AMENDMENT TO SMALL BUSINESS ACT OF 1953

Mr. CLARK. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1748, H. R. 7963, a bill to amend the Small Business Act of 1953, as amended.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

THE HIGHWAY CONSTRUCTION PROGRAM

Mr. CHAVEZ. Mr. President, as chairman of the Public Works Committee I wish to call to the attention of the Senate certain matters having to do with highway legislation.

It has been almost 2 years since the passage of the Federal-Aid Highway Act of 1956. Since July 1, 1956, and through June 30, 1958, total funds, including Federal and State in the amount of $6.965 billion have been obligated for improvements on the Interstate Highway System and on the primary, secondary, and urban roads. Of this amount, $3.184 billion represents obligations of Federal funds and $320 million of State funds for improvements on the Interstate System and $1.801 billion represents obligations of Federal funds and $1.661 billion of State funds for improvements on the primary, secondary, and urban system. According to the schedule set up by the Bureau of Public Roads, the obligations to July 1, 1958, have exceeded by about 5 percent the total obligations anticipated.

The 1958 Federal-Aid Highway Act provides additional authorization for fiscal year 1959 of $200 million which, in addition to the $2 billion previously authorized, provides $2.2 billion for fiscal year 1959. The act also provides an authorization of $2.5 billion for fiscal 1960 for the Interstate System and a similar amount for fiscal year 1961, thereby providing for the 3 years a total of $7.2 billion authorization, and with the States matching share the total for the 3 years would amount to $7.92 billion.

The 1958 act provides an authorization of $400 million for the primary, secondary, and urban programs which is in addition to the $875 million provided for in the 1956 act. In addition, the 1958 act authorizes $900 million for fiscal year 1960 and $925 million for fiscal year 1961, making a total authorization of $3.1 billion Federal funds; and adding the required State contribution, there would be available a total of $6 billion.

The 1958 act directs that the authorizations for fiscal year 1959 be apportioned immediately upon enactment of the act and those apportionments have been made. In addition, $115 million was authorized for use by the States in lieu of a portion of the State matching share of projects financed under the $400 million authorization for the primary, secondary, and urban programs. This amount is to be deducted from any apportionment made for fiscal years 1961 and 1962.

To insure prompt action in utilizing funds and to aid in reducing unemployment, we specified in the 1958 act that the $400 million would be available only for work placed under contract or work commenced prior to December 1, 1958, for completion prior to December 1, 1959. The ratio of participation for these particular funds was changed from 50–50 to two-thirds Federal, and one-third State.

As I have pointed out, the 1958 act revises the fiscal year 1960 authorization for the Interstate System from $2.2 billion to $2.5 billion and a similar amount for fiscal year 1961. Authorization for the primary, secondary, and urban programs for fiscal years 1960 and 1961 was provided in the amount of $900 million and $925 million, respectively.

In the 1958 act, we made it possible for apportionments for fiscal year 1960 to be made immediately instead of deferring apportionments to the latter part of the year.

I am informed that in excess of 1,000 project contracts have been awarded for construction on the Interstate System and over 8,000 construction contracts have been awarded for the primary, secondary, and urban systems.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. CASE of South Dakota. The chairman of the Public Works Committee is making a very significant statement. At one time, I remember, some question was raised about whether the highway program was getting underway. The chairman has pointed out that as of July 1, 1958, today, the obligations have exceeded by about 5 percent the total obligations anticipated. Is that correct?

Mr. CHAVEZ. That is correct.

Mr. CASE of South Dakota. Furthermore, 1,000 project contracts have been awarded for the work on the Interstate System and more than 8,000 construction contracts have been awarded for the primary, secondary, and urban systems.

Mr. CHAVEZ. That is correct. Nationwide we have never seen so much construction and so many people at work in connection with the highway program.

Mr. CASE of South Dakota. It is a very fine record the Bureau of Public Roads is making. The Public Works Committee has contributed toward that fine record in various ways, notably because—a fact the Senator has mentioned—in the 1958 act we made it possible for apportionments for fiscal year 1960 to be made immediately, instead of waiting until the latter part of the year.

Mr. CHAVEZ. That is correct. I wish the Senator would pay particular attention to the next paragraph in my remarks.

It has been estimated that about 70 percent of the total funds available for the Interstate System represent funds which would be available for contract work. The balance of 30 percent would represent costs of rights-of-way and preliminary engineering. I am also informed that about 85 percent of the total funds for the primary, secondary, and urban system would be available for contract work. The other 15 percent would be used for rights-of-way and preliminary engineering.

I have a table which indicates the authorizations of Federal funds for fiscal years 1959, 1960, and 1961, and the total amount when the States' matching shares are included. I ask unanimous consent that the table be printed in the RECORD at this point.

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

[In millions]

Fiscal year	1956 act		1958 act		Total
	Federal	State	Federal	State	
	Interstate				
1959	$2,000	$200	$200	$20	$2,420
1960	2,200	220	300	30	2,750
1961	2,200	220	300	30	2,750
Total					7,920
	Primary, secondary, and urban				
1959	$875	$875	$400	$200	$2,350
1960			900	900	1,800
1961			925	925	1,850
Total					6,000

Mr. CHAVEZ. Mr. President, there would be available about $5.54 billion for contract work on the Interstate System

and about $5.1 billion for contract work on the primary, secondary, and urban system. It is estimated that for each $1 billion of funds available for contract work that 5,715,000 workweeks—40-hour weeks—of employment are provided in on-site and direct off-site work, or for each $1 billion invested in roadbuilding 228,600,000 man-hours of work are provided. About one-half of this total or 114,300,000 man-hours of work are provided in on-site employment and 114,300,000 man-hours of work are provided in off-site work. Therefore, if we assume that $10.64 billion are available for roadbuilding work, there would result more than 1.2 billion man-hours of on-site and over 1.2 billion man-hours of off-site employment. There are in addition in excess of 1.6 billion man-hours of employment which have resulted from the $6.965 billion already obligated.

The American Road Builders Association estimated that for each billion dollars of highway construction there would be required 16,000,000 barrels of cement, over a million tons of aggregates, 995,000 tons of bituminous material, about 1,500,000 tons of steel, which includes structural steel and reinforcing steel, many thousands of tons of petroleum products, and many thousands of pounds of explosives along with large quantities of other materials.

With a total program of $10.64 billion, 170,000,000 barrels of cement would be required, 800,000,000 tons of aggregates would be required, more than 10,000,000 tons of bituminous material would be required, about 16,000,000 tons of steel, both structural and reinforcement, would be required, as well as large quantities of petroleum products, explosives, and so forth.

The above statistics indicate very clearly the employment opportunities which the 1956 and 1958 highway acts have made possible not only in the actual construction of highways, but in employing people occupied in industries supplying materials. In addition, many millions of dollars are spent on equipment. The 1958 act was designed to accelerate the highway program and also to aid in providing employment throughout the country. I believe that the Senate Committee on Public Works—when I say the committee, I mean the whole committee—can point with great pride to its contribution in developing legislation which means so much in the form of necessary improvements in our country and in providing employment during this period of unemployment. You can visualize what the highway program has done in preventing additional unemployment in our country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation which shows the percentages of construction costs associated with materials and labor on the primary system. The Interstate System program has not been underway for a sufficient length of time to compute accurately similar statistical information for that program. However, the table does furnish an indication of similar requirements for that program.

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

Percentage of construction costs, all primary highway, noninterstate

	Percent	Per million
Cement	3.9	$40,000
Aggregates	6.1	60,000
Bituminous	2.5	25,000
Lumber	.9	9,000
Timber piling	.3	3,000
Metal culvert pipe	.8	8,000
Reinforcing steel	3.3	33,000
Structural steel	5.9	59,000
Ready mix concrete	4.5	45,000
Premix bituminous paving	3.5	35,000
Concrete culvert pipe	1.3	13,000
Clay pipe	.1	1,000
Petroleum products	3.3	33,000
Explosives	.4	4,000
Miscellaneous steel	1.6	16,000
Not reported	6.0	60,000
Subtotal	44.4	444,000
Labor	23.5	--------
Equipment rental, operation, overhead, bonds including profit	32.1	--------
Total	100	--------

RETIREMENT OF LEWIS L. STRAUSS AS CHAIRMAN OF THE ATOMIC ENERGY COMMISSION

Mr. HICKENLOOPER. Mr. President, at the close of business yesterday an unusually able and dedicated public servant, Lewis L. Strauss, retired from the office of Chairman and member of the Atomic Energy Commission, a post which he has held for the past 5 years. It marked the end of the term for which he was appointed by President Eisenhower 5 years ago.

This retirement was completely voluntary on the part of Admiral Strauss, and his decision was made based on what he believed to be in the interest of continuing the vigorous atomic energy program of the United States with which he has had an almost unique part in developing over the course of the last decade. It is well known that the President had asked and urged him to accept reappointment for another term, and, in spite of the snipings and veiled insinuations of a small group of writers, there is not the slightest question that the reappointment of Lewis Strauss would have received the overwhelming approval of the Senate; and the confirmation of his nomination by the Senate, had he accepted reappointment, was never at any time in doubt.

Mr. Strauss' history of public service is long, honorable, and valuable. As a Reserve officer in the Navy, he spent 4 years in the service of his country during World War II. When the Atomic Energy Commission was established by the act of 1946, Lewis Strauss was appointed as a member of the first group of Commissioners and served in this capacity for 3½ years. At the time of his appointment the atomic energy program was on dead center, and he vigorously lead the efforts, not only to maintain, but also to advance the supremacy of the United States in the various fields of atomic energy development. In 1947 and 1948, when strong influences were being brought to bear to play down the perfection of atomic weapons, Strauss was probably the most vigorous advocate of their development in the interest of the security of our country and the world. We had no early warning system which would detect possible enemy attack at that time, and he almost single handedly generated the program for the establishment of such a system.

While the military aspects of atomic energy were proportionately overwhelming at that time, nevertheless, he also devoted time, effort, and leadership to the program for the expansion of peaceful and humanitarian uses of atomic science and, while reports to the contrary have been circulated by those who either do not know or disregard the facts, he urged and developed the making available of radioactive isotopes to universities and research laboratories in this country and abroad. The only objection which he raised to sending any radioactive isotope abroad was in connection with the sending of a certain radioactive isotope which could give valuable military information to a potential enemy.

After 3½ years of service on the original Atomic Energy Commission, he resigned and returned to private business. However, when President Eisenhower was elected he named Lewis Strauss as his personal adviser on atomic energy matters and thereafter persuaded him to accept appointment again as a member and as Chairman of the Atomic Energy Commission in 1953. It is this term of appointment which terminated on yesterday.

During his term which has just expired, his activities were marked by vigorous development of international cooperation in atomic energy. He was a prime mover in the atoms-for-peace movement and is making available, not only to the American public, but also to the world at large, information on the peaceful uses of the atom. The original setup in Geneva 2 years ago bears the strong stamp of his handiwork.

He also advocated and strongly supported the establishment of the International Atomic Energy Agency, which came into being in Vienna last year, and he has supported and cooperated with the European Atomic Energy Organization called Euratom. His extensive acquaintance from private and public life has established invaluable respect on the part of business and governmental leaders in all parts of the world.

As is the case with any strong and vigorous leader, he has had his critics, but they are in small minority as compared with those who have admired and valued his services. He has clearly seen the threat to our peace and security and has vigorously acted to counterbalance that threat with strength. He has left an indelible mark on our atomic program, and his contributions cannot be erased through the years.

More than 8½ years of his life have been given to the program, as well as an additional 4 years in the Armed Forces. His services will not be lost, however, because he has been designated as the President's adviser on international atomic energy matters. In that

position he will continue his contributions to the general benefit of humanity.

While I regret his decision not to accept reappointment for another 5 years, nevertheless, I respect his desire to be relieved of many of the burdens attendant upon the job, and I know that he will continue to render unselfish service to his country.

The volume of editorial comment in newspapers throughout the United States praising Admiral Strauss for his service and regretting his decision to retire is large. I ask unanimous consent to have printed at this point in the RECORD editorals published in the New York Times of June 7, 1958; the Washington Evening Star of June 7, 1958; the Los Angeles Times of June 6, 1958; the Nashville Banner; the New York Daily News of June 5, 1958; the Richmond Times-Dispatch of June 7, 1958; the Omaha World-Herald of May 20, 1958; the Greenville News, of Greenville, S. C., of June 6, 1958, and the Houston Chronicle of June 10, 1958.

I present these editorials as a cross-section of the great volume of favorable comment which has been carried in the press regarding the service of Lewis L. Strauss to his country.

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

[From the Des Moines Register of June 10, 1958]

MR. ATOMIC ENERGY

Lewis Lichtenstein Strauss steps down from the Atomic Energy Commission this month after leaving perhaps the strongest imprint of any American on the scope and direction of the United States atomic energy program.

Strauss has served on the Commission for 9 of its 12 years of existence, 5 years as Chairman. In the 1946 to 1950 phase he was a minority voice favoring rapid military development and opposing a more liberal atomic information policy, frequently the lone dissenter in 4–1 Commission votes.

But Strauss was an influential minority. His espousal of the need to push ahead with construction of the H-bomb won the backing of the Truman administration and was chiefly responsible for the crash program to build the bomb. Strauss is credited with calling attention to the need for setting up monitoring devices to check on Soviet atomic tests. He has strongly opposed halting nuclear weapons tests.

With his reappointment to the AEC by President Eisenhower in 1953, Strauss appeared more and more to dominate atomic energy policy. He was a strong Chairman with decided views—Mr. Atomic Energy himself. It was during his chairmanship that the present program for development of atomic power for peaceful purposes began to take shape.

In this program, the AEC concentrates on research and development in the field of civilian power reactors, and primary responsibility is left to private industry for financing and building full-scale nuclear power plants. The program has not resulted in any lead for the United States in the civilian power field.

The huge costs involved and the relative cheapness of conventional power have made industry reluctant to go into this extensively. The National Planning Association and the American Assembly in recent months have expressed concern at the lack of private and public investment in nuclear power. They have urged bolder United States programs not only to meet future needs but to place this country in a position to supply nuclear equipment and know-how to less-developed countries.

The Atomic Energy Commission under Strauss has seemed to be bold in pushing forward the military uses of atomic energy but cautions in promoting civilian uses. Mr. Strauss has been under attack by Democrats in a joint Congressional atomic committee for "running a one-man show" and for favoring private utilities in development of atomic power. Regardless of the merit of these criticisms, there is no doubt that Mr. Strauss deserves a major share of the credit for the nuclear military power for the United States.

Mr. Strauss' new job will be special assistant to the president for the promotion of peaceful uses under the atoms-for-peace program. It is good to know that the full energies and brilliance of Lewis Strauss will now be brought to bear on this phase of atomic development.

[From the New York Times of June 7, 1958]

WELL DONE

After long and distinguished public service Lewis L. Strauss has resigned as Chairman of the Atomic Energy Commission, effective at the end of this month. Thanks largely to what President Eisenhower, in a particularly warm letter of appreciation, calls Mr. Strauss' leadership, judgment and vision, this country, and for that matter the Free World, has passed safely through the initial perils and confusions of the atomic age and remains strong enough to check Soviet aggression and to preserve peace.

The resignation results from the political party feud launched against Mr. Strauss by Democrats on the Joint Congressional Committee on Atomic Energy. They have accused him of too much independence in what they characterized as a one-man rule of the Commission and have criticized him because, in the development of atomic power, he championed private rather than public power plants. This feud assumed proportions which began to affect the morale of the Commission's staff, and rather than have it continue Mr. Strauss declined the President's offer to reappoint him for another 5 years.

No doubt Mr. Strauss was an independent and at times a difficult man. But it is thanks to these qualities that, starting single-handed, he could make a decisive contribution to those achievements on which rest today the safety and the hope of the Free World. He was the first, as member of the Atomic Energy Commission under appointment by President Truman, to press for the creation of the atomic detection system which enabled the United States to announce the first Soviet atomic explosion and thereby put the West on guard. Even more important, he was the first, and in the beginning the only, member of the Commission to call for the development of the hydrogen bomb and to urge a crash program on it after the Soviets had acquired the atomic bomb. It is terrifying to think what the Soviets might have done with the hydrogen bomb if they had been the first to develop it.

Finally, Mr. Strauss helped to draft President Eisenhower's atoms-for-peace program, presented to the United Nations, and he represented the United States in the Geneva Conference that produced the International Atomic Energy Agency to harness atomic power for the benefit, not the destruction, of mankind. On that enterprise Mr. Strauss will continue to serve, as special assistant to the President.

On the issue of this record we are confident that the American people will join us in a hearty Navy salute of "Well done, Admiral Strauss."

[From the Washington Evening Star of June 7, 1958]

BIG SHOES TO FILL

Personality specialists, who sometimes oversimplify human nature to an outrageous degree, probably would say of Lewis L. Strauss that he has been cursed, as Chairman of the Atomic Energy Commission, with an indefinable quality that has rubbed certain important people the wrong way. Presumably, but quite vaguely, able and earnest Americans like Senator ANDERSON and former AEC Commissioner Murray would agree with this assessment of the man. So, too, would those numerous less distinguished critics who have made a sort of mean national pastime out of attacking him with recurrent outbursts of articulate ignorance, in both words and pictures.

Yet, whatever may be said of his personality in the office, there can be no doubt that Mr. Strauss has rendered outstanding service to our country as head of the AEC, and also in his so-called second-hat role as special adviser to the President on nuclear affairs. Unfortunately, however, now that he has declined Mr. Eisenhower's offer to renominate him for another 5-year term as chairman, his more intemperate critics have made a point of trying to belittle him with talk about such things as his association with the ill-conceived Dixon-Yates power contract, his past emphasis on the need for strict security restrictions regardless of "the people's right to know," and his stubborn insistence that there should be no suspension of American atomic-hydrogen tests without adequate safeguards in the form of an international policing system effective enough to cope with the danger of clandestine Soviet violations and evasions. But this criticism does not hold up very well under inspection. Nothing in the Dixon-Yates investigation, for example, can be cited to cast doubt on Mr. Strauss' probity. As for his alleged addiction to excessive secrecy, the record will show that the commission, under his leadership, has carried out—nationally and internationally—a tremendous release of once-classified information. Finally, insofar as a testing ban is concerned, even the Russians, themselves, have grudgingly conceded that his views are sufficiently meritorious to warrant a special study by technical experts.

Further, now that he is preparing to leave the AEC at the end of the month, Mr. Strauss deserves special commendation for such contributions as the following: (1) As one of the Commission's pioneer members, from 1946 to 1950, he initiated our all-important monitoring system for detecting nuclear detonations in Russia and other lands; (2) he was a prime mover for action to arm the United States with the hydrogen bomb; and (3) no American has done more, and few nearly so much, to harness the atom for peace throughout the globe. In short, despite his maligners, and irrespective of what some may regard as his personality failings, he has done a superb job and the Nation is indebted to him for it. John McCone, or whoever else may be his successor, certainly will have very big shoes to fill.

[From the Los Angeles Times of June 6, 1958]

ADMIRAL STRAUSS IS HARD TO SPARE

To people who watch closely the political power plays which involve the national security, the resignation of Lewis L. Strauss as Chairman of the Atomic Energy Commission will come as a mighty shock.

Admiral Strauss' term expires June 30. But is well known that President Eisenhower intended to submit his reappointment to the Senate. In his letter of resignation to the President, Strauss said, "For the reasons which I set before you some time ago, I then believed and continue to believe that circumstances beyond the control of either of

us make a change in the chairmanship of the Commission advisable."

TO AVOID CONFLICTS

What the circumstances are that are beyond the control of the President of the United States are not mentioned. Whether they really are beyond his control is questionable. But Admiral Strauss evidently thinks there shouldn't be another of those fights he has waged so well for the people of the United States since the hydrogen-bomb decision of 1949.

Strauss' virtues were bound to raise up a lot of enemies against him. The enemies are a queer lot, and their hatred of Strauss is usually their only common ground; their association in the enterprise to destroy Strauss does not necessarily mean that they have an ideology in common. A few of his enemies are Communists, and with them, of course, the fellow travelers whom the public has almost forgotten. Some, believe it or not, are anti-Semitics, for Strauss is by descent a Jew.

REASONS OF OPPONENTS

Others, and probably the bulk of them, and the most influential elements, have interlocking reasons for attacking him. They are the variously striped liberals. They dislike him (a) because he overrode Oppenheimer when Oppenheimer was using all of his great prestige to block the development of the hydrogen bomb (which saved us after the Russians developed, long before they were expected to, a fission bomb) and (b) because he has steadfastly opposed the creation of a sort of nationwide TVA for atomic energy. Statists and authoritarians of various colors and degrees, including California's Representative CHET HOLIFIELD, have wanted his scalp because he is the symbol as well as the chief agent of the opposition to universal Federal control of power. And there is additional reason for hating Strauss (c) by the neutralists or the softness-toward-Russia element. Strauss has been steadfast in his opposition to the people who want to suspend hydrogen tests, along with the Russians, without any very firm system of inspection.

The last rallying point of Strauss opposition is very likely the reason he submitted his resignation. The United States Government's attitude toward the Russian proposals for banning tests was getting rather soft, as could be seen from the names of some of the scientists who were nominated to go to the technical conference. Two of them, Dr. James Brown Fisk, of Bell Telephone Laboratories and Dr. Robert F. Bacher, of Caltech, are known to favor suspension of tests. Only one, Dr. Ernest O. Lawrence, the Nobel prize-winning physicist of the University of California, has been a leading advocate of continuing nuclear tests until a bomb can be devised entirely free of fallout.

ADMIRAL'S CHOICES

Admiral Strauss is believed to have wanted Dr. Edward Teller to serve on this delegation. Teller fathered the hydrogen bomb, and he has frequently warned the unwary that Russia can continue to test bombs without detection—unless there is an adequate inspection system. Strauss is also reported to have wanted Dr. W. F. Libby, who is a member of the AEC and a well-known opponent of test suspension.

The picture that emerges is clear: the administration has, for one reason or another, put Strauss in a position where it is pretty hard for him to fight. If he accepted the reappointment which the President wanted to give him, he would have to wage war in the Senate (which would have to confirm him) against such bush fighters as Senator ANDERSON, who wants the Government to control all uses of atomic energy; Senator GORE, ditto, and others who oppose him for one or another of the spectrum of reasons which start at the left with the Oppenheimer case.

Our own opinion is that losing Admiral Strauss is the greatest single blow to security and national atomic development that we could suffer at this time. He can be replaced by somebody who knows as much or more about the theory and application of the physics of fission and fusion, but by none who has his strong will and clearness of vision.

Here goes a great public servant. We wish he would reconsider and fight it out with the ragtag and bobtail of opposition. Some of it only has to be seen clearly to be discredited.

[From the Nashville Banner]

STRAUSS RETIREMENT NATION'S LOSS—PICKING SUCCESSOR NO JOB FOR OPPENHEIMER CLIQUE

It is America's loss when a public servant of proven capability and steadfastness quits a position of vital responsibility—regardless of circumstances. It is doubly deplorable when that severance ensues as a result, directly or indirectly, of intolerable pressure by elements seeking his scalp to adorn their ideological tepee or the camp, per se, of reckless folly.

Adm. Lewis L. Strauss is such a servant. He has handled faithfully and well, and with a view to the paramount national interest, the assignment as Chairman of the Atomic Energy Commission. He is the victim of the Oppenheimer clique, whose endless tempest of harangue unquestionably was a big factor in his decision to step down with the expiration of his term June 30.

President Eisenhower has expressed his own regret and the Nation's loss of this service. He has insisted that Admiral Strauss remain in an administrative capacity as special assistant in charge of the President's atoms-for-peace program.

Since Oppenheimer's removal the clique in question has been after the Strauss scalp. Theirs has been an insistent effort to restore Oppenheimer to full status of security clearance. To that end, they have sought to embarrass and discredit the AEC Chairman, a campaign embroidered by political sniping on the part of liberals wittingly or unwittingly used in support of that untenable objective.

Strauss has directed the atomic-energy program through difficult years of policy and security decision. His insistence has been on standards of security within the Nation and the operation subscribing both to law and the realities evinced by developments attesting to internal dangers. He has known that the Soviet program developed by secrets stolen or leaked. He has refused to compromise on standards and rules respecting personnel. He has been equally adamant on questions of international policy flamboyantly pushed by the liberals, for example, the challenge to suspend bomb tests at the instance of Russian propaganda, and the egghead aspersion that America willfully pursues a program of dirty bombs in preference to clean ones.

Obviously these issues were joined and pushed by people, in Congress and out of Congress, who did not know what they were talking about. Just as obviously Admiral Strauss did know.

The President will want to make sure that the Oppenheimer clique does not prevail in the choice of a successor. That is mandatory. To assure it, the post must be kept out of the hands of anyone who has had, under any circumstances, a taint of that affinity on his record.

There are capable men to fill that vital assignment without the necessity of according them in any degree, or any connection whatever, the benefit of the doubt.

[From the New York Daily News of June 5, 1958]

ALL-AMERICAN STRAUSS

A vague, perhaps wishful-thinking report is going around that Adm. Lewis L. Strauss is looking for somebody to succeed him as Chairman of the Atomic Energy Commission when his term expires on June 30.

We hope the report is not true, and that President Eisenhower will nominate and the Senate confirm Admiral Strauss for another 5-year term.

Strauss has been and is fiercely pro-American in the sensitive field of nuclear energy and armament. He has refused to be fooled or frightened by Reds, fellow travelers, defeatists and idealistic (we hope) scientists bent on weakening our nuclear defenses in various ways.

If Strauss is eased out or bullyragged out now, there will be dancing, back-slapping and vodka-swilling in the Kremlin.

[From the Richmond Times-Dispatch of June 7, 1958]

MR. STRAUSS RETIRES FROM AEC

Resignation of Lewis L. Strauss as Chairman of the Atomic Energy Commission is understandable, under all the circumstances, much as we regret his retirement from this vastly important post. In it he has rendered brilliant service.

Senator CLINTON ANDERSON of New Mexico, who is expected to head the Joint Congressional Committee on Atomic Energy, is a violent and bitter foe of Mr. Strauss. He has taken a deep personal dislike to the AEC chairman, with the result that he would have sought to block confirmation of Mr. Strauss by the Senate, had the Virginian accepted President Eisenhower's nomination for another 5-year term. This would have been a nasty and disagreeable fight, and while Mr. Strauss probably would have won it, wounds which already have opened would have been made wider.

During his 5 years as chairman of AEC, and when he served a previous term as a member from 1946 to 1950, Mr. Strauss did not hesitate to take firm stands on various controversial questions which arose in this vital field. For instance, he was vigorously in favor of making the H-bomb at a time when there was serious doubt whether that gigantic engine of destruction would be manufactured by us. He was opposed during his first term to shipping radioisotopes abroad, but later endorsed legislation providing for the supply of nuclear information and materials to our allies.

He has been strongly against stopping nuclear testing, until there is also a corresponding cessation by Soviet Russia, plus a cessation of the manufacture of such bombs—any such moves by the U. S. S. R. to be subject to our close inspection.

For these and other stands, Mr. Strauss has been pilloried by "liberals." In editorials and cartoons he has been depicted as a narrow, mean, opinionated person who sought to dominate the Atomic Energy Commission, suffered from a complex in favor of supersecrecy, and generally was unwilling to take advice.

Like everybody else, Mr. Strauss has made mistakes. Yet we think he has been much more nearly right than his critics.

He has discharged an enormously difficult responsibility well, and has made his fellow Virginians proud of him. Honorary degrees awarded him by the University of Richmond and the Medical College of Virginia, plus a special scroll from the Virginia State Chamber of Commerce, testify to the high esteem in which he is held in the Old Dominion.

It is good that President Eisenhower will continue to have the benefit of his advice as special assistant in charge of promoting the atoms-for-peace program. Mr. Strauss had

a good deal to do with the President's proposal of that program in 1953.

This should not be too demanding a job, and it is to be hoped that Mr. Strauss now will find it possible to relax on his estate near Brandy, in Culpeper County. He has certainly earned a period of freedom from the sort of harassment he has had to take in Washington. His 9 years of dedicated service on the Atomic Energy Commission have placed the Nation in his debt.

[From the Omaha World-Herald of May 20, 1958]

UNITED STATES NEEDS THIS MAN

The term of Adm. Lewis L. Strauss as Chairman of the Atomic Energy Commission will expire June 30, and some liberal columnists and commentators and scientists are trying to block his appointment to another 5-year term.

These gentry of the left would be happy to see an end to the influence of Mr. Strauss in matters atomic, for reasons which become obvious when the Strauss record is reviewed.

Perhaps Admiral Strauss' greatest hour was when, as a member of the AEC in 1949, he crossed swords with Dr. J. Robert Oppenheimer, then Chairman of the General Advisory Committee to the AEC. The Russians had just exploded their first atomic bomb. The urgent question then became: Should the United States proceed to develop the more destructive hydrogen bomb?

Dr. Oppenheimer advised against it, and many atomic scientists of that day stood with him.

Admiral Strauss, who had planned to resign from the AEC, decided to stay on. His clear-cut memorandum, after President Truman asked each Commission member to state his views in writing, persuaded Mr. Truman to give the H-bomb project the go-ahead.

That decision enabled the United States to stay abreast of Russia in the weapons race.

For his part in that episode, the lefties have long sought to punish Admiral Strauss. The nature of the opposition to him is the best possible reason for keeping him on the job.

[From the Greenville (S. C.) News of June 6, 1958]

STRAUSS HELD BACK SOCIALIST TIDE

The refusal of Adm. Lewis L. Strauss to accept reappointment as Chairman of the Atomic Energy Commission ends a highly productive career.

President Eisenhower had publicly offered to reappoint Admiral Strauss to the post despite strong opposition among left-wing Democrats. The admiral gave no reason for declining the offer except to observe that "circumstances beyond the control of either of us made a change in the chairmanship of the Commission advisable."

It is obvious that Admiral Strauss felt a Senate fight over his confirmation would result in harm to the Commission and to the country. He also was aware that his chief Senate critic, Sen. CLINTON P. ANDERSON, of New Mexico, next year will become chairman of the Joint Congressional Atomic Energy Committee.

It is a mark of the character of the man that not even his worst enemies are likely to accuse him of running from a fight. He simply gave up the office rather than jeopardize the effectiveness of the agency.

In politics as in life, a man can be judged by the enemies he makes. On this score, Admiral Strauss ranks high. Much of the surface skirmishing as over the question of the effect of radioactive fallout resulting from our continued testing of nuclear weapons.

To this argument no one yet has given a final answer. Scientists themselves still hotly debate the problem and the public is hopelessly confused.

To depict Admiral Strauss as knowingly and willfully conspiring to contaminate the entire world—the United States included—with lethal doses of radioactivity is to paint him a demon beyond imagination. The very extremity of the charge weakens its impression.

Beneath this accusation lie two salient questions, which, even more than the debate over nuclear testing, made Admiral Strauss a controversial figure. They are the strange case of Dr. J. Robert Oppenheimer and the issue of public versus private development of atomic energy.

Admiral Strauss was Chairman of the Atomic Energy Commission when Dr. Oppenheimer was denied access to secret government work. This case has now become a classic, similar in many respects to that of Alger Hiss.

The Admiral and the other commissioners who voted to bar Oppenheimer have been portrayed as inhuman monsters persecuting a humanity loving unsophisticated scientist whose only crime was association, for ever so brief a time, with individuals dimly suspected as having Communist affiliations.

The charge against Admiral Strauss and his associates is grossly distorted. What cost Oppenheimer his Federal job was concealing his associations and lying about them when they were discovered.

It is one thing to drift into suspect activity through ignorance and misguided zeal. It is another entirely to lie under oath about them. But this is what Oppenheimer did repeatedly.

Admiral Strauss' forthright stand in favor of private development of atomic power was perhaps even more directly responsible for his unpopularity in certain quarters. The Federal Government's work in the atomic field, arising from military necessity, has presented the public-power monopolists a heaven-sent opportunity to expand their activities.

One thing stood between the advocates of socialized power and their goal: Lewis L. Strauss. He never ceased to advocate and to provide the opportunity for private concerns to make use of atomic energy as their capabilities permitted.

This fight still rages. Senator ANDERSON is a dedicated and able proponent of public power and his influence will loom large if Admiral Strauss' successor is a weaker-willed man.

It is well that President Eisenhower has named Admiral Strauss a special assistant to promote the atoms-for-peace program. In this position his vigorous personality will continue to be felt, and his battle against further centralization of Federal authority can go on.

[From the Houston Chronicle of June 10, 1958]

STRAUSS HAS SERVED WELL

For nearly 12 of his 62 years, Adm. Lewis L. Strauss, retiring Chairman of the Atomic Energy Commission, has served his country ably and faithfully. He began his career at 21 with the Belgian Relief Commission and was soon made secretary to Herbert Hoover, Food Administrator. This was to prove a valuable connection, because it brought him to the notice of Mortimer Schiff, friend of Hoover's and a member of the powerful banking firm of Kuhn, Loeb & Co., which Strauss joined after World War I. He became a partner 10 years later.

Strauss was selected by President Truman as minority member of the Atomic Energy Commission in 1946. He retired in 1950 but returned in 1953 as Chairman by appointment of President Eisenhower. The following year hearings opened before the AEC which were to result in startling disclosures relating to the questionable loyalty of one of the AEC's big-name scientists, Dr. J. Robert Oppenheimer. The upshot was dismissal of Oppenheimer as a security risk. Since then, the United States has made rapid strides forward in the field of atomic energy, both for defense and peacetimes uses, and today can boast a clear lead over Soviet Russia.

But now, Strauss is nearing the end of his 5-year term and will retire by his own choice on June 30 to his 1,600-acre estate in Virginia. He had long since severed his connection with Kuhn, Loeb & Co. He has often come under attack by the leftwing element which supports the Oppenheimer-Linus Pauling scientist appeasers and detests such outstanding men as Dr. Edward Teller who can find no conflict between scientific ability and patriotism. But the rank-and-file American, untainted by sympathetic regard for Moscow, will retain a feeling of gratitude for Admiral Strauss. These wish him well in his retirement.

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

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. I join with the Senator from Iowa, the Senator from Ohio [Mr. BRICKER], and other Senators who have served on the Joint Committee on Atomic Energy in paying tribute to Admiral Strauss.

As a member of the Committee on Appropriations, I have seen Admiral Strauss from year to year as he has come before our committee in connection with atomic-energy appropriations. He has expressed himself very clearly, very sincerely, and also very logically.

From my own personal knowledge, he has improved considerably the accounting practice of the Atomic Energy Commission during his term of office as Chairman.

I join with the Senator from Iowa, the Senator from Ohio, the Senator from Minnesota [Mr. THYE], and other Senators in wishing Admiral Strauss well in his new service to the Government, a service which I know he will perform just as well, just as admirably, and just as imaginatively as he has served as Chairman of the Atomic Energy Commission.

I thank the Senator for this opportunity to speak in commendation of Admiral Strauss.

Mr. BRICKER. Mr. President, will the Senator from Pennsylvania yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Pennsylvania yield to the Senator from Ohio?

Mr. CLARK. I am very happy to yield.

Mr. BRICKER. Mr. President, I wish to join the distinguished Senator from Iowa [Mr. HICKENLOOPER] in the remarks he has made.

When I first became a Member of the Senate, and became a member of the Joint Committee on Atomic Energy, the Senator from Iowa was chairman of that Committee. For 2 years I served with him on the Committee. During that time, Chairman Strauss was one of the first members of the Atomic Energy Commission. I was happy to vote for the confirmation of his nomination; and I have been proud that I have stood by him ever since.

He came to the Commission after making a success in the financial world.

But he came as somewhat of a dedicated man. Although at that time, as he testified, and as I believe the hearings showed, approximately 95 to 98 percent of the usefulness of atomic energy was in the military field, he hoped the time would come when this new force in the hands of man, which had been created by the minds of the scientists, would be used for peaceful purposes.

Nevertheless, Chairman Strauss began immediately a constructive program to build up the defenses of the Nation, through the utilization of atomic energy, after the atomic bombs were dropped toward the end of World War II, and brought a speedy end to that war. He was very successful in accomplishing that purpose.

From that day to this, under his leadership, primarily, our stockpile of weapons has increased to the point where we now have considerable confidence in the ability of our country to defend itself against any attack. Great was his accomplishment in that field.

A few years ago the President went before the United Nations and, largely under the guidance and the inspiration of Chairman Strauss, presented to the other nations of the world the plea to begin to think collectively about the utilization of this great force for the betterment of mankind, rather than for his destruction.

After the President's address, a conference was called at Geneva, looking forward to implementing the President's program. That conference was largely under the leadership and guidance of Chairman Strauss. Great things were accomplished there. From it, great enlightenment came to the world, especially to the nations which did not then have this new facility. They were given courage for the future, because of the belief that finally mankind was dedicated to peaceful living, so that this new development could be used for the betterment of international relations and the welfare of their fellow men.

After that, Chairman Strauss began the implementation of the program for the peaceful uses of atomic energy, to which he had been dedicated from the very beginning. That dedication had its beginning because of the personal relationships he had, because of the afflictions of disease, with many persons who were close to him. In that work he has attained great success. He has lived to see the day when his dreams have been fulfilled. In fact, the accomplishments have even exceeded the dreams he had in those early days.

According to one of his colleagues, it is estimated that last year there was saved to the industries of this country approximately $1 billion of manufacturing and production costs; and it is estimated that in like manner there was saved to American agriculture half a billion dollars which otherwise would have been lost.

In the field in which Chairman Strauss has long been vitally interested in achieving success, on which a dollar value cannot be put—namely, the alleviation of pain, the curing of disease, and a better understanding of life processes themselves, in order that people may live healthier and happier lives—Chairman Strauss has made outstanding achievements.

So during the past 12 years he has worked in very close relationship to this program, which really was a pioneering one. It was something new and revolutionary in the scientific world. In the beginning it was startling and really cataclysmic in connection with the relationship of man to his fellowmen, in the relationship of man to his government, and in the relationship of one government to another.

During all this development, Chairman Strauss skillfully guided the Atomic Energy Commission and so helpfully guided the Joint Committee on Atomic Energy, of which the distinguished Senator from Iowa [Mr. HICKENLOOPER] has, all this time, been a member, that today Chairman Strauss can look back and can say that a good job has been done. He can be proud of his handiwork; and all the other citizens of the country can be grateful that he assumed that responsibility.

Likewise, Mr. President, the other nations and the other peoples of the world feel a debt of gratitude to Chairman Strauss because of the way in which his constructive efforts have promoted the peace and welfare of the world. After all, that is the paramount responsibility of every Member of this body and of all others who serve in the field of government.

After the first 2½ years of his service, I urged Chairman Strauss not to leave that work. But he sought to do so at that time. I was delighted when, later, he returned, in compliance with the invitation of President Eisenhower.

I have been delighted to work with him. It has been a fine experience. I regret that at this time he sees fit to leave the service of his Government.

I hope—as was expressed a moment ago by the Senator from Iowa—that the services of Chairman Strauss will be at the call of his Government, and that they will be availed of in the weeks, months, and years ahead.

Mr. President, Lew Strauss should be very proud of the work he has done, as we are proud of what he has accomplished.

Mr. THYE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. THYE. Mr. President, I wish to join the distingushed Senator from Iowa [Mr. HICKENLOOPER], the distinguished Senator from Massachusetts [Mr. SALTONSTALL], and the distinguished Senator from Ohio [Mr. BRICKER] in paying a well deserved tribute to Adm. Lewis Strauss, an able administrator who has rendered a great public service as Chairman of the Atomic Energy Commission.

I was privileged to become acquainted with Adm. Strauss during my service as a Member of the Senate and, in particular, as a member of the Appropriations Committee, and also when I served as chairman of the Select Committee on Small Business.

I have dealt with Admiral Strauss and his board members in my capacity as Chairman of the Small Business Committee, in connection with our endeavors to use the knowledge of the Atomic Energy Commission and its technicians and advisers in assisting small business to be a part of, and to participate in, the development of nuclear power in the private enterprise field.

I found Admiral Strauss to be not only a profound student, but also most receptive to new thoughts and ideas, and most able in aiding and assisting the small business firms in their endeavors to understand the atomic age and all that is involved in this new field.

Mr. President, on next Sunday, July 6, we shall take part in a program at Elk River, Minn., where ground will be broken for a new plant for the development of nuclear power to generate electricity to serve our rural cooperative associations and a vast area in the State of Minnesota. Mr. President, the Chairman of the Atomic Energy Commission has aided in piloting this new venture on its course.

Therefore, it is with regret that I see this able and distinguished leader in the atomic-energy field retire from his present assignment. I wish him well; and I know he will serve not only mankind but also the Nation very ably in the future, in some capacity which will be worthwhile to all.

Mr. JAVITS. Mr. President, will the Senator yield to me on the same subject for 30 seconds?

Mr. CLARK. I yield to the Senator from New York for 30 seconds. I know he is just as anxious as I am to get on with the unfinished business.

Mr. JAVITS. I could not help speaking just a word about Lewis Strauss, who is a very distinguished New Yorker, whom I have known for a long time in community and religious affairs. He was for a long time a leader in a prominent temple in New York City. I also knew him as an admiral in the Navy, when I dealt with him while I was in the Army.

It is deeply gratifying for a fellow New Yorker to hear the praise which Admiral Strauss so justly deserves, and to hear his services to humanity and to the Nation signalized by such distinguished leaders as Members of the Senate.

Nothing would please him more, nothing would be a greater recompense to a man like Admiral Strauss, than the fine words of praise which are an acknowledgment of the critically vital service which he has rendered to his country. I wish for him in the future happiness and also continuing success in the services which he will render to our Government and the people of our country.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

The Senate resumed the consideration of the bill (H. R. 7963) to amend the Small Business Act of 1953, as amended.

Mr. CLARK. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CLARK. 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. CLARK. 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. CLARK. Mr. President, the pending bill represents a complete revision of the Small Business Act of 1953, as amended. It was passed by the House of Representatives on June 25, 1957. Extensive hearings were held last year and this year by the Small Business Subcommittee of the Banking and Currency Committee of the Senate. During the course of those hearings a great many Senate bills were also given consideration by the Banking and Currency Committee.

The bill presently before the Senate contains a number of amendments to the House bill adopted as a result of the deliberations of the Banking and Currency Committee and its Subcommittee on Small Business.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments which were agreed to en bloc are as follows:

On page 2, line 22, after "Sec. 3." to strike out "(a)"; on page 3, line 3, after the word "business", to strike out "Where the number of employees is used as one of the criteria in making such definition for any of the purposes of this act, the maximum number of employees which a small business concern may have under the definition shall vary from industry to industry to the extent necessary to reflect differing characteristics of such industries and to take proper account of other relevant factors"; after line 9, to strike out:

(b) The Administrator shall without delay establish a new definition, in compliance with subsection (a); and if such new definition has not been established and placed in effect for all the purposes of this act within 60 days after the date of the enactment of this subsection, the definition which was in use by the Administrator for financial assistance purposes immediately prior to the date of the enactment of this subsection shall be in effect for all the purposes of this act from the end of such 60-day period until such time as the Administrator establishes and places in effect such new definition. Nothing in this subsection shall affect any small business certificate issued under this act before the enactment of this subsection, or restrict the authority of the Administrator to issue such certificates under section 8 (b) (6).

At the top of page 6, to strike out:

(d) There is hereby established a National Small Business Advisory Board, which shall advise and consult with the administration in carrying out the purposes of this act. The Board shall consist of the Administrator, as chairman, the Secretary of the Treasury, the Secretary of Commerce, and not less than two nor more than six other individuals appointed by the Administrator who are familiar with small business needs and problems and are truly representative of small business interests. The Secretary of the Treasury and the Secretary of Commerce may each designate an officer from his Department, who has been appointed by the President by and with the advice and consent of the Senate, to act in his stead as a member of the Board.

And, in lieu thereof, to insert:

(d) The Administrator shall establish general policies (particularly with reference to the public interest involved in the granting and denial of applications for financial assistance by the administration and with reference to the coordination of the functions of the administration with other activities and policies of the Government) which shall govern the granting and denial of applications for financial assistance by the administration.

On page 11, line 3, after the numeral "(9)", to strike out "to"; in line 10, after the word "temporary", to strike out "(not in excess of 6 months)" and insert "(not in excess of 1 year) or intermittent"; after line 23, to insert a new subsection, as follows:

(d) To the extent he finds it will contribute to the more effective functioning of the administration, the Administrator is authorized to conduct or provide training and to assign employees for training or attendance at meetings at Federal or non-Federal facilities, including public or private agencies, institutions of learning, laboratories, industrial or commercial organizations or other appropriate organizations or institutions, foreign or domestic, and, if he deems it appropriate, to pay in whole or in part, the following: The salaries of such employees for the period of training or attendance; the cost of their transportation and per diem in lieu of subsistence in accordance with the Travel Expense Act of 1949, as amended; necessary expenses incident to their training including tuition, study materials, and other customary expenses. Appropriations or other funds available to the administration for salaries and for expenses shall be available for the purpose of this subsection.

On page 14, line 21, after the word "exceed", to strike out "$250,000" and insert "$350,000"; in line 23, after the word "than", to strike out "5 percent per annum, and shall not be more than the rate prevailing within the Federal Reserve district where the money loaned is to be used if such prevailing rate is lower than 5 percent per annum" and insert "6 percent per annum"; on page 15, line 15, after the word "of", to strike out "$250,000" and insert "$350,000"; on page 17, line 21, after the word "drought", to insert "or excessive rainfall"; in line 24, after the word "drought", to insert "or excessive rainfall"; on page 18, line 6, after the word "drought", to insert "or excessive rainfall"; in line 14, after the word "drought", to insert "or excessive rainfall"; on page 24, line 11, after the word "act", to strike out the comma and "in addition to the National Small Business Advisory Board established by section 4 (d)"; after line 19, to insert a new section, as follows:

SEC. 9. (a) Research and development are major factors in the growth and progress of industry and the national economy. The expense of carrying on research and development programs is beyond the means of many small-business concerns, and such concerns are handicapped in obtaining the benefits of research and development programs conducted at Government expense. These small-business concerns are thereby placed at a competitive disadvantage. This weakens the competitive free enterprise system and prevents the orderly development of the national economy. It is the policy of the Congress that assistance be given to small-business concerns to enable them to undertake and to obtain the benefits of research and development in order to maintain and strengthen the competitive free enterprise system and the national economy.

(b) It shall be the duty of the Administration, and it is hereby empowered—

(1) to assist small-business concerns to obtain Government contracts for research and development; and

(2) to assist small-business concerns to obtain the benefits of research and development performed under Government contracts or at Government expense.

(c) The Administration is authorized to consult and cooperate with all Government agencies and to make studies and recommendations to such agencies, and such agencies are authorized and directed to cooperate with the Administration in order to carry out and to accomplish the purposes of this section.

(d) (1) The Administrator is authorized to consult with representatives of small-business concerns with a view to assisting and encouraging such firms to undertake joint programs for research and development carried out through such corporate or other mechanism as may be most appropriate for the purpose.

(2) The Administrator may, after consultation with the Attorney General and the Chairman of the Federal Trade Commission, and with the prior written approval of the Attorney General, approve any agreement between small-business firms providing for a joint program of research and development, if the Administrator finds that the joint program proposed will maintain and strengthen the free-enterprise system and the economy of the Nation. The Administrator or the Attorney General may at any time withdraw his approval of the agreement and the joint program of research and development covered thereby, if he finds that the agreement or the joint program carried on under it is no longer in the best interests of the competitive free-enterprise system and the economy of the Nation. A copy of the statement of any such finding and approval intended to be within the coverage of this subsection, and a copy of any modification or withdrawal of approval, shall be published in the Federal Register. The authority conferred by this subsection on the Administrator shall not be delegated by him.

(3) No act or omission to act pursuant to and within the scope of any joint program for research and development, under an agreement approved by the Administrator under this subsection, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act. Upon publication in the Federal Register of the notice of withdrawal of his approval of the agreement granted under this subsection, either by the Administrator or by the Attorney General, the provisions of this subsection shall not apply to any subsequent act or omission to act by reason of such agreement or approval.

On page 27, at the beginning of line 11, to change the section number from "9" to "10"; on page 30, at the beginning of line 10, to change the section number from "10" to "11"; on page 31, at the beginning of line 21, to change the section number from "11" to "12"; on page 32, at the beginning of line 4, to change the section number from "12" to "13"; on page 33, at the beginning of

line 3, to change the section number from "13" to "14"; at the beginning of line 8, to change the section number from "14" to "15"; in line 14, after the word "capacity", to strike out "or"; in line 15, after the word "programs", to insert a comma and "or (3) to be in the interest of assuring that a fair proportion of the total purchases and contracts for property and services for the Government are placed with small-business concerns. These determinations may be made for individual awards or contracts or for classes of awards or contracts"; at the beginning of line 24, to change the section number from "15" to "16"; on page 35, after line 10, to insert a new section, as follows:

SEC. 17. Any interest held by the Administration in property, as security for a loan, shall be subordinate to any lien on such property for taxes due on the property to a State, or political subdivision thereof, in any case where such lien would, under applicable State law, be superior to such interest if such interest were held by any party other than the United States.

At the beginning of line 18, to change the section number from "16" to "18"; at the beginning of line 23, to change the section number from "17" to "19"; on page 36, at the beginning of line 4, to change the section number from "18" to "20"; at the beginning of line 7, to change the section number from "19" to "21"; in line 9, to strike out "inconsistency." " and insert "inconsistency."; after line 9, to insert a new section, as follows:

SEC. 22. (a) This act and all authority conferred thereunder shall terminate at the close of July 31, 1961, but the President may continue the Administration for purposes of liquidation for not to exceed 6 months after such termination.

(b) The termination of this act shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to this act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States.

And, on page 37, after line 5, to insert a new section, as follows:

SEC. 4. The Secretary of the Treasury is hereby authorized to further extend the maturity of or renew any loan transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan.

Mr. CLARK. Mr. President, prompt passage of this bill is a matter of urgency. The Small Business Administration arose from the ashes of the Reconstruction Finance Corporation as a result of legislation passed by the 83d Congress. Its own life will expire July 30, 1958; but as the appropriations committees of both bodies require that substantive legislation extending the life of the Small Business Administration be passed before appropriations will be recommended beyond the end of the 1958 fiscal year on June 30, it is important that this proposed legislation should become law promptly, so that employees of the Administration will not be faced with payless pay days.

The committee report, which was unanimous, sets forth the current activities of the Small Business Administration and the present status of each. The pending bill continues the four main functions of the SBA:

First. Business and disaster loans;

Second. Procurement contracts obtained by SBA and subcontracted to small business;

Third. Technical and managerial aids; and

Fourth. Assistance to small business in obtaining Government contracts.

The principal changes in existing law, together with the principal amendments made by the Committee to the House bill, are:

First. Extending the life of the SBA for 3 years, as opposed to the House provision making the SBA permanent.

Second. Increasing the loan authorization for the revolving fund of the SBA by $120 million. This results from increasing the authorization for business loans from $305 million to $500 million; retaining the disaster loan authorization at $125 million; and decreasing the authorization for prime contracts loans from $100 million to $25 million, inasmuch as this section of the act has heretofore not been utilized by the SBA. These loan authorizations are identical with those in the House bill.

Third. The committee initially voted to eliminate the Loan Policy Board called for by existing law, and also to strike the House provision which created, in lieu of the Loan Policy Board, an Advisory Board on which representatives of small business would serve. Because, however, of the strong view of the administration that the Loan Policy Board should continue, consisting, as it does, of the Small Business Administrator, and representatives of the Secretary of Commerce and the Secretary of the Treasury, the committee is prepared to accept a floor amendment sponsored by the Senator from Indiana [Mr. CAPEHART] and take to conference with the House the Loan Policy Board provisions of existing law.

Fourth. The maximum loan which the SBA can grant has been increased from $250,000 to $350,000.

Fifth. A new section 9 directs the Administrator to assist small business in obtaining Government research and development contracts; obtaining research and development information from other contracts entered into by the Government with other firms; and authorizing small business to join together in research and development work without regard to antitrust laws, providing the Administrator and the Attorney General agree that the national interest would be served thereby.

I understand the distinguished junior Senator from New York has an amendment on that point which he will bring up soon, and which the committee is prepared to accept.

Sixth. The term for which temporary employees may be retained for specific technical purposes is extended from 6 months, as in the House bill, to 1 year as in the custom with many other Government agencies.

Seventh. A section authorizing training of employees, both within the Administration and outside educational institutions has been included.

Eighth. The maximum interest rate on SBA loans has been left at 6 percent, as called for by existing law, instead of 5 percent as the House bill provides. The prevailing interest rate in the locality requirements contained in both existing law and the House bill have been deleted as impractical.

Ninth. The provisions calling for assistance to small business in the field of procurement have been liberalized to make them applicable on a peacetime basis. Heretofore, these provisions were available only in times of war or national emergency.

Tenth. Subordination of SBA claims against small businesses to State and local tax liens are called for when the law of the State so provides.

Mr. President, the Senate bill rejects as unnecessary a House provision requiring the administrator to go forward with a new definition of what a small business is. The committee felt it desirable to leave sufficient flexibility in the hands of the Administrator, who has pertinent studies in this field under way, and whose hands, it was felt, should not be tied.

Mr. President, through inadvertence one committee amendment did not appear in the report and is not presently in the bill. I should like to move to amend the bill so as to correct the inadvertence, and I ask the clerk to read the amendment I submit.

The PRESIDING OFFICER. The amendment will be stated.

Mr. THYE. Mr. President, before the amendment is read, will the Senator yield?

Mr. CLARK. I yield.

Mr. THYE. Referring to the statement regarding the maximum interest rate permissible under the act, which is 6 percent, that is not a mandatory interest rate which has to be charged on a loan, is it?

Mr. CLARK. That is the maximum rate.

Mr. THYE. It is the maximum. If the participating bank and the Administrator see fit to do so, the interest rate could be set at any rate up to the 6 percent.

Mr. CLARK. The Senator is correct.

Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. On page 19, line 3, after "Reorganization Plan Numbered 2 of 1954" it is proposed to insert the words "or Reorganization Plan Numbered 1 of 1957."

Mr. CLARK. Mr. President, in explanation of the committee amendment I wish to state for the benefit of the Senate that Reorganization Plan No. 1 of 1957 transferred certain RFC loans to the Treasury and certain other RFC loans to the Small Business Administration. The bill provides that the Treasury may extend its RFC loans for periods not to exceed 10 years. The amendment I have

proposed would give the same extension privilege to the Small Business Administration in administering the loans which it acquired from the RFC.

Mr. President, the amendment is noncontroversial, and I move that it be agreed to.

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

Mr. CLARK. I am happy to yield to the Senator from California.

Mr. KNOWLAND. I have not been able to follow the amendment in its exact effect. For the sake of protection, with respect to any other amendments which might be offered, I wish to be sure that the parliamentary situation would not prevent the particular section from being amended in the event any other amendments should be proposed.

Mr. CLARK. I would be happy to ask unanimous consent to that effect; but I do not think the Senator's doubts are really in order.

Mr. KNOWLAND. I do not know that they are. I have no reason to so believe.

Mr. CLARK. I thank my friend.

Mr. President, the particular amendment I am offering was recommended by the administration. We thought it was in order.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

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

Mr. CLARK. I am happy to yield to the Senator from New York.

Mr. JAVITS. I ask unanimous consent that I may present an amendment to the bill and that the amendment may be acted on without the Senator from Pennsylvania losing his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I call up my amendments 6-25-58-E and ask that they be stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 15, line 14, it is proposed to strike out "or supplies" and insert in lieu thereof the following: "supplies, or the benefits of research and development".

On page 25, line 14, strike out "and".

On page 25, line 17, strike out the period and insert in lieu thereof " ; and".

On page 25, between lines 17 and 18 insert the following:

(3) to provide technical assistance to small-business concerns to accomplish the purposes of this section.

On page 26, line 4, after the period insert the following:

Such joint programs may, among other things, include the following purposes:

(A) to construct, acquire, or establish laboratories and other facilities for the conduct of research;

(B) to undertake and utilize applied research;

(C) to collect research information related to a particular industry and disseminate it to participating members;

(D) to conduct applied research on a protected, proprietary, and contractual basis with member or nonmember firms, Government agencies, and others;

(E) to prosecute applications for patents and render patent services for participating members; and

(F) to negotiate and grant licenses under patents held under the joint program, and to establish corporations designed to exploit particular patents obtained by it.

Mr. JAVITS. Mr. President, the amendments propose that the Small Business Administration, within its other limitations and authority, without changing any provisions with respect to money, interest rate, maximum loan, or in any other manner, shall have the right to help small business engage in joint programs for research and development.

Mr. President, the committee was very kind to consider favorably the substance of S. 4033, which I introduced on June 19 in association with my colleagues, the Senator from Pennsylvania [Mr. CLARK], the Senator from Maryland [Mr. BEALL], the Senator from Kentucky [Mr. COOPER], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Alabama [Mr. SPARKMAN], the Senator from Minnesota [Mr. THYE], and the Senator from West Virginia [Mr. HOBLITZELL].

The Senator from Pennsylvania took a very special interest in the matter. Indeed, he was kind enough to suggest he would present the amendment himself if I were absent and unable to do so.

What the committee has proposed is to take the essence of our bill and incorporate it at pages 25 and 26 of the pending bill, with the exception that those of us who were sponsoring the amendment thought it would be best to make even more specific the exact activities in which small business might engage in the research and development field.

I might point out, Mr. President, that the amendment which has been proposed seeks only to empower the Small Business Administration to give small-business concerns technical assistance in respect to research and development activities and also to specify what the joint programs for research and development shall be, as follows, shown on page 2 of the amendment which is on every Senator's desk:

To construct, acquire, or establish laboratories and other facilities for the conduct of research;

To undertake and utilize applied research;

To collect research information related to a particular industry and disseminate it to participating members;

To conduct applied research on a protected, proprietary, and contractual basis with member or nonmember firms, Government agencies, and others;

To prosecute applications for patents and render patent services for participating members; and

To negotiate and grant licenses under patents held under the joint program, and to establish corporations designed to exploit particular patents obtained by it.

Mr. President, this is one of the great areas in which small business is at a disadvantage as compared to big business. Big business is going to spend about $8 billion on research and development in the current fiscal year. Interestingly enough, such expenditures are going up 10 percent, while expenditures for plant and equipment have gone down about 30 percent.

Partly by reason of what is stated in the bill and partly from the authority of the Small Business Administration, the cooperative activities can be conducted with complete protection against a violation of the antitrust laws, which is covered by the bill itself, and small business can obtain some of the advantages from research and development which are now obtainable only by large aggregations of capital.

I understand the committee is willing to accept the amendment. I think it will represent a very constructive addition to the bill.

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

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New York (Mr. JAVITS), for himself and other Senators.

Mr. CLARK. Mr. President, I should like to say, on behalf of the committee, that we have no objection to the amendments proposed by the junior Senator from New York. The amendments really build on the foundation of section 9 of the bill, which in turn comes from S. 2993, which was the bill of the Senator from Arkansas (Mr. FULBRIGHT), which is incorporated largely in section 9 of the pending bill.

I think my friend from New York has made 2 or 3 helpful additions to section 9 of the bill. Having consulted with other members of the committee on both sides of the aisle, I can state we are prepared to accept the amendment.

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

Mr. CLARK. I yield to my friend from Minnesota.

Mr. THYE. Mr. President, as a cosponsor of the amendments offered by the distinguished Senator from New York, I wish to say that I believe the amendments will greatly improve the pending bill, and I believe without a question they will greatly aid the small-business firms of the Nation. That is, of course, what we are endeavoring to do in the legislative proposal.

I commend the Senator from New York (Mr. JAVITS) for developing the thought and advancing it. I also commend the acting majority leader, the Senator from Pennsylvania (Mr. CLARK), who is now in charge of the bill on the floor, for indicating that he will accept the amendment, since it will greatly improve the legislative bill.

Mr. CLARK. I thank my friend from Minnesota.

Mr. SPARKMAN and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield, and if so, to whom?

Mr. CLARK. I yield first to my friend from Alabama [Mr. SPARKMAN], and then I shall yield to my friend from Vermont [Mr. AIKEN].

Mr. SPARKMAN. Mr. President, I should like to say a word about the amendment which has been explained by the distinguished Senator from New

York. When the Senator discussed it with me before offering it, I invited his attention to the fact that the Senator from Arkansas [Mr. FULBRIGHT] had proposed a similar amendment. However, I thought the proposal of the Senator from New York perfected to some extent what was contained in the bill, and that it made some addition to it. It was an improvement. Therefore I was glad to join in sponsoring the amendment. I think it would accomplish a desirable result for small business.

Research, study, and scientific investigation are needed in connection with every activity. Often we overlook that fact. I note the presence in the Chamber at the moment of the distinguished Senator from Vermont [Mr. AIKEN], a great farm leader. I believe that one of the most neglected fields in this area is is the field of agriculture. We need a program of research and study for agriculture, and certainly we need it for small business. Big business would not carry on production without a program in the field of research and scientific study. I believe that this measure would accomplish for small business something which needs to be done.

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

Mr. CLARK. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I concur in the remarks of the distinguished Senator from Alabama, for this reason: Research and development in agriculture are an absolute "must." Many decades ago we advanced a program of research and development for increasing the production of grains, legumes, and other crops, as well as livestock, but we did not go far enough to develop the study of sales, packaging, exploitation, marketability of the product, and so forth. Therefore we piled up surpluses when there was starvation in many other areas of the world, because the cost of transportation was prohibitive.

Last week the Committee on Agriculture and Forestry gave consideration to and reported a measure providing for research and development. I commend the chairman of the Small Business Committee for having called to our attention the importance of research and development in agriculture.

Mr. SPARKMAN. I thank the Senator from Minnesota. I hope we shall be able to develop a real program of research and development in all phases of agriculture, rather than a one-sided program such as that referred to by the Senator from Minnesota.

Mr. CLARK. I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I favor the amendment of the Senator from New York, which is being accepted by the Senator in charge of the bill, but I should like a little interpretation as to the scope of the provisions of the amendment.

More than a year ago I proposed for small business something like the extension service in agriculture. I made a brief statement at that time. As a preliminary to my question, I should like to read that statement. It will require only a moment:

> A high percentage of the failures incurred by small-business people today is due to causes which could be prevented if the operator were better informed on the factors which make for failure or success.
>
> Many a man has failed to make good in business or industry, not because he lacks initiative or natural ability, but because of faulty location, improper equipment, inadequate promotion, or lack of understanding of the proper use of credit.
>
> The Agricultural Extension Service has been of inestimable value to the Nation's agriculture and has been largely responsible for reducing farm failures to a minimum.
>
> This new service would be operated by the Small Business Administration and would be of particular benefit to the borrowers from that agency.
>
> We have never received the fullest value from the Small Business Administration or its predecessor, the RFC, simply because adequate guidance and follow-up service has not been available to the borrowers.
>
> With the extension service I am suggesting there should be not only a lower percentage of failures among small-business men, but a more satisfactory rate of repayments among borrowers from both the Small Business Administration and private lending agencies.

In reading the amendment offered by the Senator from New York, I find that the only provision which definitely authorizes dissemination of the information which is acquired in the laboratories and in other fields of research is in connection with subparagraph (C), which reads: "To collect research information related to a particular industry and disseminate it to participating members."

Does the Senator from New York or the Senator from Pennsylvania believe that the language of the amendment is broad enough to authorize research in the successful application of basic principles to small business, and to provide for the dissemination of such information to the borrowers from the Small Business Administration?

Mr. CLARK. I shall make a preliminary answer. My friend the Senator from New York [Mr. JAVITS] may wish to supplement it.

I invite the attention of my friend to section 9 of the bill, which will still remain in the text after the adoption of the amendment of the Senator from New York. I read from page 25, line 10:

> (b) It shall be the duty of the Administration—

That is, the Small Business Administration—

> and it is hereby empowered—
>
> * * * * *
>
> 2. To assist small-business concerns to obtain the benefits of research and development performed under Government contracts or at Government expense.

The thought is that any research or development work which is conducted by big business at Government expense, and which would help small business, should be made available by the Administrator to small-business men. I think that is what my friend had in mind.

Mr. AIKEN. Yes. At the time I made the proposal a little over a year ago I suggested the services of highly qualified technicians in the field of banking and accounting, plant management, sales promotion, labor management, and other business techniques which would be made available to small-business enterprises.

I realize that that probably goes a little further than the amendment of the Senator from New York. However, I presume that the Small Business Administration would have authority, under the provision just read by the Senator from Pennsylvania, as well as under an interpretation of the amendment offered by the Senator from New York, not only to carry on research in various fields of direct concern to small business, but to provide means of disseminating the results of such research.

Mr. CLARK. The Senator is correct.

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

Mr. CLARK. I yield.

Mr. JAVITS. I think that purpose would be buttressed by my amendment, which, in clause (B), provides for joint programs to undertake and utilize applied research.

That particular clause is not restricted in terms of members or nonmembers in connection with each of the joint programs. Therefore, I would anticipate that when the Small Business Administration came to negotiate with a particular group, there would be the kind of extension service which the Senator from Vermont has just described.

Mr. AIKEN. At the time I made the suggestion I received many communications from all over the country. I was advised that there were 2 or 3 colleges—I believe the most prominent is the University of Texas—which carry on an extension service for small businesses. However, I think it is important to have made clear at this time the extent of the amendment offered by the Senator from New York, and that is the purpose for which I rose.

Mr. JAVITS. I thank the Senator.

Mr. THYE. Mr. President, I call up my amendment designated——

Mr. MUNDT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. There is already an amendment before the Senate.

Mr. THYE. I understood that the Senator in charge of the bill had accepted the amendment offered by the distinguished Senator from New York.

Mr. CLARK. The question has not been put on the amendment of the Senator from New York.

Mr. BUSH. Mr. President, I desire to speak on the pending amendment when I can obtain recognition.

Mr. MUNDT. So do I.

Mr. CLARK. I shall be happy to yield to the Senator from Connecticut; or does he wish the floor in his own right?

Mr. BUSH. I shall be glad to have the Senator yield to me. Before the question is put, I should like to comment on the amendment.

Mr. CLARK. I am happy to yield to my friend at this time.

Mr. BUSH. I do not recall that the amendment was discussed before the committee as such——

Mr. CLARK. The Senator is correct.

Mr. BUSH. Not that I recall, when we held the hearings on the bill.

Mr. CLARK. The Senator is correct.

Mr. BUSH. On the other hand, the question of research and development is one which, with increased fervor, has been commanding our attention for a long time. I am sure that our committee and other committees of Congress regard it with as being of extreme importance, particularly as research and development pertain to American industry.

Mr. CLARK. The Senator from Connecticut will recall that section 9 is already in the bill.

Mr. BUSH. I was going to refer to that, if the Senator will permit me to proceed briefly. I was going to say that from examining the bill I note that the amendment is not in conflict with the bill. In fact, I would say that it is not only not in conflict with the bill, but that the Small Business Administration has authority even now to do the things for which the amendment seeks to provide. That is a fact beyond any question, as I read the bill.

Mr. CLARK. Quite possibly that statement is correct.

Mr. BUSH. Therefore it seems to me that if we approve the amendment we will only be fortifying the administration in an authority which it already possesses, and perhaps will be emphasizing the importance of the research and development aspects of the proposed legislation, which, under present conditions particularly, is a highly desirable thing to do. For that reason I shall support the amendment.

Mr. CLARK. I thank the Senator.

Mr. CAPEHART. Mr. President, I should like to ask some questions about the amendment. In the first place, I do not believe it will do any good. Second, I do not believe it is workable. Third, the Small Business Administration can now lend money to any small business corporation for any purpose in which such corporation is engaged in business.

I read subparagraph F of the amendment offered by the Senator from New York:

> To negotiate and grant licenses under patents held under the joint program, and to establish corporations designed to exploit particular patents obtained by it.

What is the meaning of that language? Will the SBA lend money for such purposes? Why is that langauge in the amendment?

Mr. CLARK. I should like to give a brief explanation, and then I shall ask the Senator from New York to give a fuller explanation, if he will do so.

The Senator from Indiana will recall that we had been hopeful we would be able to pass the small-business bill last week.

Mr. CAPEHART. Yes.

Mr. CLARK. He and I had some conferences, as a result of which I was prepared to accept the amendment which he intended to offer, in the interest of expediting the passage of the bill. At the same time, our good friend, the Senator from New York [Mr. JAVITS] had his amendment, in which he was very deeply interested. As we saw it, it made no significant change in section 9 of the bill other than to clarify it and to button up tighter the research and development encouragement feature, which I believe all of us favor. Therefore, at that time, in order to expedite the passage of the bill, I conferred with some of my colleagues, including my friend from Indiana, with respect to these amendments, which I was prepared to accept. Perhaps the Senator from New York would like to give a more detailed explanation.

Mr. CAPEHART. What is the purpose of the language on page 2 of the amendment? I have no objection to the SBA lending money to a small business corporation to enable it to engage in any business in which it wishes to engage, including research. However, what is the purpose of the language on page 2 of the amendment? I read the language at the top of page 2:

> On page 26, line 4, after the period, insert the following:
>
> "Such joint programs may, among other things, include the following purposes."

Mr. JAVITS. Mr. President, may I explain that language?

Mr. CAPEHART. I wish the Senator would.

Mr. JAVITS. The purpose of my amendment is to make it possible for the SBA to lend money to a group of small concerns which may club together or organize a corporation for the purpose of engaging in research and development, when they cannot do it alone. In my amendment I have certain specifications or criteria which they must meet in order to get a loan, when they club together for the purpose of engaging in research and development, or organize themselves into a corporation to engage in research and development. The amendments represent a concept of small concerns clubbing together to carry on cooperative research. The specifications in my amendments are the particular things which they can do when they are actually cooperating.

Mr. CAPEHART. I do not believe that we should start giving Federal charters to corporations and designating what they can do and what they cannot do.

Mr. JAVITS. My amendment would not authorize the establishment of such a corporation. However, if it is created under State authority for the purpose of engaging in cooperative research, then the amendment would allow the Small Business Administration to help that kind of organization or corporation or setup. The amendment would not set up a corporation by charter.

Mr. CAPEHART. Must the small businesses establish a corporation, or can there be a partnership arrangement?

Mr. JAVITS. My thought was that they would get together in a joint program.

Mr. CAPEHART. As a partnership, too?

Mr. JAVITS. They could do it that way.

Mr. CAPEHART. The SBA could lend money to a partnership which might consist of a half dozen small companies. Is that correct?

Mr. JAVITS. Exactly.

Mr. CAPEHART. Each of them could say, "I will put in $10,000."

Mr. JAVITS. Yes.

Mr. CAPEHART. That would be $60,000, if there were six of them, and the SBA would lend the partnership an X amount of money.

Mr. JAVITS. When they are unable to proceed alone; yes, in order to enable them to move ahead together with programs for research and development.

Mr. CAPEHART. The SBA would lend them the money?

Mr. JAVITS. Yes.

Mr. CAPEHART. Why is it necessary to have all this language in the amendment?

Mr. JAVITS. Only to specify exactly what the SBA will look for as criteria. The small-business people will set up the contracting authority themselves. However, the SBA will look for these criteria in connection with the making of loans. It is authority. It is not direction. It is not a charter.

Mr. CLARK. Mr. President, may I clarify that point?

Mr. CAPEHART. I should like to pursue the suggestion further.

Mr. CLARK. I have the floor. I believe I can help the Senator from Indiana, if he will permit me to do so. I will ask my friend to be kind enough to turn to page 15 of the bill, where he will find the section to which the Senator from New York has referred. It is where the amendments of the Senator from New York would apply. If the Senator from Indiana would indulge me by looking at page 15 of the bill, I would be grateful to him. I refer particularly to page 15 at line 9 of the pending bill. I read, as follows:

> (5) In the case of any loan made under this subsection to a corporation formed and capitalized by a group of small-business concerns with resources provided by them for the purpose of obtaining for the use of such concerns raw materials, equipment, inventories, or supplies, or for establishing facilities for such purpose—

At that point, where the bill deals with raw materials, equipment, inventories, or supplies, the amendments offered by the Senator from New York would be inserted. That is where the amendment dealing with the research and development program would be inserted. In that way the loan program would be helpful not only in connection with raw materials, equipment, inventories, or supplies, but also in connection with research and development activities. That, in effect, is the principal purpose of the amendments of the Senator from New York.

Mr. CAPEHART. I believe I understand the purpose. However, subparagraph (E) on page 2 of the amendment reads:

> To prosecute applications for patents and render patent services for participating members.

Subparagraph (F) reads:

To negotiate and grant licenses under patents held under the joint program and to establish corporations designed to exploit particular patents obtained by it.

My question is: What business is it of the Federal Government to charter a corporation or to designate what a corporation can do? That is a 100-percent State function.

Mr. JAVITS. We do not authorize anything but the SBA to make loans to this kind of outfit. Whether or not it would have the powers indicated would depend on the charter received from the State, or, if there were a partnership, the contract of partnership. The only point we are making is that when the SBA undertakes to lend the money, it will first look for these criteria. This pertains to things which small-business concerns cannot do for themselves. We are not directing them to do them. We are not even giving them the power to do them. We are only telling the SBA: "When somebody comes to you, say a corporation or a partnership, equipped to do this kind of business, you may consider them for a loan."

Mr. CAPEHART. Of course, I am making a record on this point.

Mr. JAVITS. I understand.

Mr. CAPEHART. I do not understand how this would mean anything to a small-business man. What small-business man will join with a half dozen other small-business men to engage in a program of research? I want the RECORD to show that this proposal will not work. I tried it once myself, and I know what I am talking about. The only thing I see wrong with it is that we are endeavoring by legislation to provide for a sort of charter which corporations must use in connection with their bylaws in order to do these things, which they have a right to do now. I do not like to set up criteria, or at least I do not like to see the Federal Government set up criteria even by printing that sort of thing in a bill. Corporations have the authority to do these things under the State charters they have received.

I think it is bad practice. In my opinion it is the beginning, possibly, of the wedge of the Federal Government getting into private business and of the Federal Government chartering corporations in the United States. Otherwise, it is a harmless little matter. Probably it will not do any harm or any good.

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

Mr. CLARK. I yield.

Mr. JAVITS. I appreciate the opportunity to make it clear that we are not chartering, we are not directing, we are not even giving a frame of authority to various companies; we are only providing standards for the SBA itself when it considers loans for this kind of proposition.

Mr. CAPEHART. It means that half a dozen little companies may get together and "may include the following purposes." The amendment goes that far. The right exists now to do that without the language proposed, if it is desired to do so. To accept this sort of proposal will be writing into the Federal statutes what has heretofore been reserved 100 percent to the States.

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

Mr. CLARK. I yield.

Mr. FULBRIGHT. All the language on page 2 of the amendment is not controlled by the language in paragraph (d) beginning on the bottom of page 25 of the bill.

I agree with the Senator from Indiana. I do not think the language is necessarily important, but it undertakes to specify and spell out some of the things which are authorized in the bill in section (d) beginning in line 24, page 25. I do not think it adds much, but I do not see that it is particularly objectionable, either. It does not authorize the Small Business Administration to create corporations. It authorizes the SBA to assist private firms that are working in this field so that if they wish to create a corporation in the regular way, they may receive assistance in such a joint undertaking.

Mr. President, to clarify the matter further, I ask unanimous consent to have printed at this point in the RECORD, in order to make a legislative record, a statement I made on the subject, which appears on page 558 of the hearings before the Committee on Banking and Currency, part 2, May 23, 1958. The statement clarifies the whole subject in greater detail.

We agreed to accept the amendment, not because we thought it added a great deal to the bill or that the subject would be controversial, but because it merely expanded and specified what we believed was the authority already contained in the bill.

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

STATEMENT BY SENATOR FULBRIGHT

The growth and progress of industry and commerce in the United States has been, to a very considerable extent, the result of research and development. Research in the fields of electronics, chemistry, physics, and other sciences has yielded principles which have been further developed and applied to reveal the new world we see around us. The patent system, the land-grant colleges and universities, the Smithsonian Institution, the National Bureau of Standards, the Naval Research Institute, and the National Science Foundation indicate the importance which the Federal Government has always placed upon the increase and diffusion of knowledge among men and the application of this knowledge to useful arts and sciences for benefit of the Nation at large.

Basic and applied research and the development of useful applications of the principles which are discovered are going on at a remarkably high rate today. We can expect that the current research and development work will result in even greater changes in the world of tomorrow.

According to a survey made by the Bureau of Labor Statistics for the National Science Foundation, on the research and development work performed in 1953, the total of this research and development work amounted to more than $5 billion during that year. Of this, programs financed by industry amounted to about $2.3 billion, and programs carried on or financed by the Federal Government amounted to almost $2 billion.

In its sixth report on Federal funds for science, the National Science Foundation estimated that the Federal research and development budget for fiscal 1958 would involve expenditures of $3.3 billion, and Business Week of September 21, 1957, estimated the total spending on research in 1957 at $10 billion.

Much of this research and development work will produce commercially valuable products and processes, which will benefit those concerns able to produce and sell them. Unfortunately for the free competitive enterprise system and in the long run for the national economy, a disproportionate share of the research and development is being done by large concerns, while the small concerns are able to do proportionately little research and development work. The National Science Foundation report on science and engineering in American industry in 1953 shows that only 8.3 percent of manufacturing companies with 8 to 99 employees engage in research and development and only 22.4 percent of manufacturing companies with 100 to 499 employees do so, while 94.3 percent of concerns with 5,000 or more employees carry on research and development. The same report shows that manufacturing concerns with less than 500 employees, which have about 35 percent of manufacturing employment, employ only 20 percent of the total scientists and engineers and account for only about 11 percent of the amount spent on research and development. Concerns with 5,000 or more employees, however, which have about 40 percent of manufacturing employment, employ more than 60 percent of the scientists and engineers and account for almost 75 percent of the research and development expenditures by industry.

The vast amounts spent by the Federal Government on research and development also go overwhelmingly to large firms. The Defense Department, which in 1956 accounted for $1.9 billion of the total Federal expenditure of $2.7 billion, reported only about 6 percent of its research, and development contracts were with small-business firms in fiscal 1956. The Atomic Energy Commission, which had the next largest research, and development program, awarded only 1 percent of its research and development contracts to small business in fiscal 1953, 1954, and 1955.

The advantages to a concern performing this Government research are considerable. In addition to the assured profit on the contract itself, the concern will receive the inside track on substantial procurement contracts which may result from the research. It will also have advance knowledge and probably extra information about new commercial products which may be developed from the research. It will have built up a staff of scientific personnel familiar with the research and be in the best position to develop commercial applications. And in many cases it will be able to obtain patents, subject, in the case of research for the Department of Defense, only to a license to the Government, leaving commercial exploitation up to the concern. Under these conditions small-business concerns must necessarily fall rapidly behind in the competitive race for new products and new processes.

In my judgment, three things can be done which will help to keep small business in the race and will thereby strengthen the free competitive enterprise system and the national economy.

In the first place, every effort should be made to see that small-business concerns have a chance to obtain Government research and development contracts. I realize that this cannot be done in every case. In some instances only the large concern can do the research or may be interested in doing the research. Nevertheless, I believe that a vigorous effort should be made to award as many research and development

contracts to small businesses as possible. This will be of direct benefit to the small-business concerns and to the economy as a whole.

In the second place, every effort should be made to make available to small-business concerns the benefits and results of all of the research and development work done by the Government or at Government expense. If the Government pays for research and pays a price which will yield the concern doing the research a profit, it would seem difficult to justify adding to that profit the right to all the commercial benefits of an invention derived from that research, paid for by the taxpayers, including small-business concerns.

In the third place, I believe that arrangements should be made to enable small-business concerns to get together to carry on research and development programs, with an exemption from the antitrust laws and the Federal Trade Commission Act. Research and development projects are often extremely expensive and the results do not always pay off at once in measurable profits. A single small-business concern may not have the financial resources to carry on over a period the kind of research and development work which would give it an equal opportunity to compete in a new fast-developing market with its giant competitor. However, a group of small-business concerns might each be able to devote a fraction of the cost of the research and development contracts and produce something which would benefit not only the small-business concerns involved but also the consuming public and the national economy.

This would not be inconsistent with the basic purposes of the antitrust laws and Federal Trade Commission Act. Rather, by increasing the opportunity of small-business concerns, it would promote and strengthen the free competitive enterprise system and the national economy as well.

In order to carry out these objectives, I have prepared a bill which will give to the Small Business Administration the duty and authority to pursue these three objectives in the interest of small businesses. Other Government agencies which have activities in this field will be called upon to cooperate with the Small Business Administration in pursuing these objectives.

This bill will not eliminate the need for other relief for small-business concerns, such as tax revisions and measures to provide access to credit. It will, however, serve to reduce substantially one of the handicaps under which small businesses now suffer, and to place them in a more nearly equal position with big businesses in the competitive race for the future. In my judgment, this will be a substantial benefit to the economy of the Nation.

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

Mr. CLARK. I yield.

Mr. JAVITS. The Senator from Arkansas is a pioneer in this matter. I have simply tried to have some specific provision in the bill, in view of the sponsorship of the bill by a number of Senators. I am very grateful to my colleagues for their understanding.

Mr. CLARK. Mr. President, I am prepared to yield the floor and to have the Chair put the question on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and other Senators.

The amendment was agreed to.

SENATOR MUNDT ANNOUNCES DEATH OF A SENATOR'S HOPE—HFELL IS DEAD, DPP IS AILING

Mr. MUNDT. Mr. President, I rise in sorrow to announce the passing of an old friend of the Senate. I had hoped until very recently that this announcement could be avoided, but I now find it necessary to report the death of a cherished hope, held by what I believe to be a majority of the Members of this body—the hope for effective labor legislation in the 85th Congress.

Mr. President, this hope for effective labor legislation has been cherished by most of us since the so-called McClellan hearings on improper activities in the labor or management field were little over 18 months old. All of us have heard our colleagues rise in their places to express this hope in one way or another, both during the Senate debates on the labor legislation designed to correct certain abuses in pension and welfare funds and, more recently, as we discussed amendments to the so-called Kennedy-Ives labor bill.

This honorable and cherished friend of the Senate—hope for effective labor legislation—has been a special friend of the Members of this body from that great section of the country known as Dixie. Many of our most distinguished Members from the Old South have, during the debates on both of these Senate bills, expressed their deep confidence in this hope, and have voted in the conviction that hope for effective labor legislation would be redeemed and implemented when the legislation was discussed and voted upon in the House of Representatives. It appears, however, Mr. President, that this friend of ours—hope for effective labor legislation—has in some way or other met with a tragic and violent death between the 17th day of June, when he left the Senate with colors flying, supported by a yea-and-nay vote of 88 to 1, and headed for the other end of the Capitol. Even as I speak, his remains are buried somewhere, with his whereabouts unknown, and this bill of ours—S. 3974—has not yet found its way to the Labor Committee of the House of Representatives. Mr. President, the cause of the death of this bright hope for effective labor legislation is not clear, and since the coroner's jury has not yet brought in its verdict, the responsibility for the demise cannot be clearly fixed. However, accumulating evidence points the finger of suspicion at one or another of several possible culprits.

One line of suspicion, Mr. President, indicates that this friend of ours—Hope for Effective Labor Legislation—was stabbed to death at Democratic national headquarters located here in Washington. It is rumored that in a moment of anger, someone connected with Democratic national headquarters felt that his party had somehow let him down by passing any type of labor legislation at all, and so, motivated by passion or inspired by partisanship—as the case may be—the death-dealing sword may have been stabbed into the back of this faithful friend by someone connected with Democratic national headquarters. Mr. President, I speak not in an effort to fix the responsibility, because the coroner's jury, comprised as it is of the court of public opinion, now weighing the evidence throughout the country, must, of course, bring in the final verdict. I merely report on some of the suspicions which appear to be taking form in the shape of testimony before this nationwide coroner's jury on labor legislation.

Another report has it that our friend, whom I shall henceforth identify in these remarks solely by his initials, HFELL, was poisoned to death by operatives representing Walter Reuther, of the United Automobile Workers. Some go so far even as to implicate the Governor of Michigan in this skein of suspicion. I am not here to make any specific accusations, but I do believe, since so many of my colleagues reposed such great confidence in this friend of ours on so many frequent occasions, that at least all of us who knew HFELL so well and embraced him so warmly would be interested in the possible identity of his slayer.

A third line of suspicion indicates that HFELL may simply have starved to death at some place on the journey from the Senate to the House for lack of nourishment and care over on the other side of the Capitol.

Mr. President, the demise of HFELL would be bad enough in itself, and would cause me sufficient sorrow in making this announcement to the Senate, were it not accompanied by another unhappy development which I also feel it is my duty to report. HFELL had a strong and sturdy companion who was also highly respected by the Members of this body, and it is my duty to report that this companion is also seriously ill and in danger of becoming permanently incapacitated. I refer, Mr. President, to the democratic processes which historically have proved so effective in the House of Representatives. Ordinarily, this fine, stalwart companion body of the Senate follows a practice of referring all proposed legislation to its committees for consideration, and, from its committees, through the Rules Committee, to the House of Representatives where Members of the House have the historic right and opportunity to work their will upon the proposed legislation, just as we cherish the same right here in the Senate of the United States. Historically, Members of the House of Representatives have the opportunity to vote for or against amendments and to offer suggestions, modifications, and additions to proposed legislation coming to them from the Senate, in the same fashion that we of the Senate consistently insist upon exercising those American rights upon any proposed legislation coming to us from the House.

It is true of course, Mr. President, that there have been times when these great parliamentary provisions and rights enjoyed by the House of Representatives have not functioned as vigorously or as effectively as at other more glorious periods of American history. As one who served in the House of Representatives at a time, when a top-heavy majority was present there, reflecting the goals and aspirations of leadership in the White House which was of the same political affiliation, I recall there were complaints

about "rubber stamp Congressmen," and fears that the coordinate strength of Congress was being subordinated to the powers and pressures of the White House. At times, opposition was shouted down a bit ruthlessly, under those conditions; but, in the main, and over the long pull, the House of Representatives and the Senate have risen magnificently to assert their authority when there came before them such basic issues as attempts to pack the United States Supreme Court or to place the Comptroller General of the United States under political obligation.

Throughout their history, therefore, Mr. President, both the House of Representatives and the Senate, regardless of the party majorities which were in control, have resisted the global trend to develop topheavy executive authorities which in turn weaken the rights of the people by circumventing the opportunities of their representatives in Congress to speak and act for them.

I feel, however, Mr. President, that America should now be put on notice that we are witnessing, over on the other side of the Capitol, something which is a foreboding of evil, and indicates that the democratic processes over there may be in danger of deterioration. Even as I speak here, Mr. President, some force, some influence, some pressure from somewhere, or something which it is impossible clearly to define, appears to be exerting more power and authority in the House of Representatives than public opinion and a great unorganized but dominant majority attitude in this country are able to exert.

Fifteen long days ago, by a vote of 88 to 1, in a historic yea-and-nay vote, the Senate voted its approval of Senate bill 3974, and sent our friend, HFELL, over to the House of Representatives. Before the final rollcall vote, Senators on both sides of the arguments involved, and those who had either supported or opposed one or another of the many amendments offered, stated that they hoped and believed the House of Representatives would improve the proposed legislation before it was finally acted upon over in the other body. However, after all these 15 days, we find that HFELL has not even seen the light of day at the other end of the Capitol.

Buried somewhere without ceremony, this gallant effort of ours has not even been referred to the House Committee on Education and Labor, which was its rightful, its traditional, and its expected destination when it left the Senate. Instead, we hear rumors that the Democratic high command over yonder has decided to continue delaying referring Senate bill 3974 to the House committee until so much time has elapsed so that it can be logically proclaimed that it is too late for the House committee to hold hearings and to consider the proposed legislation, and that consequently the bill must be considered by the House under a suspension of the rules, thus detouring the House committee altogether. The signficant point to note, Mr. President, is that under the suspension of the rules procedure in the House, no amendments can be considered or adopted. That certainly is gag rule.

Mr. President, this would therefore confront us with the ugly, un-American alternative of either having no labor bill at all, thus burying HFELL unceremoniously, without even a tablet or a monument to mark its passing, or, under alternative No. 2, it would mean that the House must vote, without adopting amendments of any kind, on the labor bill the Senate has passed. While either of these alternatives would, of course, be acceptable, and either is also favored by certain labor bosses, I am confident, Mr. President, that neither of these alternatives would be pleasing or acceptable to the general public, whom it is our duty to represent.

Mr. President, if ever there were a warning sign larger than a camel-shaped cloud that labor already has control of the Democratic Party in this country, we see it now, and we see it here, and we see it in what is happening to the so-called Kennedy-Ives labor bill over at the other end of the Capitol.

Mr. President, if this sturdy, American companion of HFELL, if this great American being called democratic parliamentary procedures, should follow HFELL into oblivion or into a state of incapacity, the loss to all of us and to the rest of the country would be even greater than the death of that promising figure of so short a time ago, known familiarly to us here on the floor of the Senate as Hope For Effective Labor Legislation.

Mr. President, should these democratic parliamentary procedures be stifled over at the other end of the Capitol, as many columnists and commentators now freely predict, our great-grandchildren will continue to mourn the tragedy, long after our own mourning wail over the death of HFELL has stopped.

Mr. President, we read with disdainful unbelief the practices of parliamentary procedures in the Russian Presidium, where members can do nothing but vote "yes" or "no," if they are permitted to vote at all. I recall that, a year or so ago, the world was startled when it learned that finally, over in the Russian counterpart of our great parliamentary body, the members were finally permitted to adopt an amendment. To be sure, the amendment was minor in nature, and had been carefully screened ahead of time by the Supreme Soviet; but, in all events, it was an amendment adopted by the parliamentarians of Russia. I hope we never see the day when Members of the Congress of the United States are denied the right to function through the amendatory procedure on the floor of either House of Congress.

Mr. President, one of the many weaknesses of the so-called parliament of Russia is the fact its members are controlled by its leaders, rather than having the freedom to exercise their own judgment or to reflect the wishes of their constituents.

It is unthinkable that Members of one body of this Congress, when dealing with the important proposed labor legislation passed by the Senate, shall not be given their American privilege of voting for or against amendments and of working their will upon the bill which has been passed by the Senate. To force House Members to vote "yes" or "no," without having an honest opportunity to offer and consider amendments which are needed to make the Senate version of the bill really effective and adequate to meet the challenges to true democratic unionism in America, would be a travesty on the great record of our House of Representatives and its fine tradition of legislative responsibility.

Consequently, Mr. President, I hope the rumors which are reverberating from the writings and statements of columnists, editors, and commentators are not well founded. I hope there will be no attempt to delay further the consideration of the Senate bill 3974 by the House Committee on Education and Labor. Already, much very valuable time—more than 2 weeks—has been lost through failure to have the bill appropriately referred and to have hearings subsequently scheduled.

I note that at one stage, the entire membership of the subcommittee of the House Committee on Education and Labor, to whom Senate bill 2888 was referred, walked out and resigned, in protest against the apparent lack of confidence in their abilities and good intentions. Later, the full membership of the committee adopted a resolution of confidence, and urged them to reconsider their resignations. Mr. President, I have confidence in the good intentions of these committee members; and I have a high regard for the able and distinguished chairman of the House Committee on Education and Labor, an old and valued friend of mine, Representative GRAHAM BARDEN. However, before the subcommittee can vindicate the confidence of the full committee and before the country can pass judgment on its determination to report constructive legislation, Senate bill 3974 must be referred to the committee, so the committee members can have some grist for their mill. Without a bill to consider and without the opportunity to work on the product sent them by the Senate, the best of intentions and the greatest of abilities can come to naught.

Mr. President, I served in the House a long time, under the able speakership of the present Speaker of the House. I have both admiration and affection for him. I cannot believe that he lacks confidence in the House membership, comprised, as it is, of a strong majority of members from his own Democratic Party. I cannot believe, either, that he lacks confidence in Representative BARDEN, the subcommittee, or the full committee. I am utterly at a loss, therefore, to understand what I read and hear from Washington reporters who relay the news that the bill has not been referred to its appropriate committee for consideration and action, after 2 long weeks or more of waiting on the other side of the Capitol. All I know and all I say, Mr. President, is that time marches on and the American public expects this Congress to enact constructive and comprehensive legislation to correct undemocratic abuses in the field of trade unionism.

Some Senators who voted for S. 3974 stated they did so in the Senate in the

hope certain provisions in it and amendments to it might be deleted in the House. Some Senators who voted for S. 3974 stated they did so in the Senate in the hope that certain additional provisions or amendments might be added to it in the House. To force the House of Representatives now, in this Congress, to take S. 3974 as it is or to take no labor legislation at all does not seem to me to be compatible with either the record of the House or with the desires of the American people. It might court the favor of certain labor bosses and of some political chieftains in the labor movement, but it does not meet the needs of our times, nor the dimensions of our established democratic procedures. If this is indeed the strategy of the Democratic policy committee of the House or of its national headquarters, I trust and hope a change of heart is in the offing. In fact, it is hard for me to accept the reports that this is the strategy or that the House leadership would be party to such a program of delay and defeat.

When labor legislation was first before the Senate in the form of a bill restricted solely to the problem of protecting pension and welfare funds, a number of us tried to add more comprehensive amendments to cover some conspicuous weaknesses in present labor law. We failed. Many of those voting against our efforts then, especially those from our Southern States, proclaimed they did not want to legislate on the floor of the Senate. We were assured by our majority leader and by the chairman of the Senate Subcommittee on Labor Legislation if these amendments could be defeated in the Senate, hearings would be held and Senators would be given another opportunity to legislate on the problems disclosed by our so-called McClellan Labor Investigating Committee, of which I am proud to be a member, and which has spent more than $1 million of the taxpayers' funds to uncover unsavory practices and the denial of democratic practices in labor unions.

Mr. President, the promise was publicly made, and that promise was kept by those who made it, although at the time a number of us, the senior Senator from South Dakota included, ruefully predicted this would mean that comprehensive Senate legislation would be enacted by this Chamber so late in the session that effective and adequate legislation could not or would not be enacted by the other body before the pressures for adjournment brought this session to an end. Mr. President, I still hope that we prove to be bad prophets in those statements, but the delay at the other end of the Capitol gives disquieting evidence that we may have been predicting accurately.

Certainly, unless the bill is referred to the House Committee on Education and Labor, and unless the House committee reports a comprehensive bill to the floor and induces the Rules Committee of the House to schedule it for action, and unless the full membership of the House itself is given its traditional and established right to debate the bill, to amend it, to work its will upon it, our prophecies will be proved and our predictions verified.

Mr. President, this is July the first. As I checked the situation in the House at 3 o'clock this afternoon, the bill has not yet been referred to committee. Clearly, the time for action is at hand if our long efforts in the Senate in this area are not to become just an expensive and exasperating gesture of futility. Adjournment is now undoubtedly only 6 weeks to 2 months away.

It has long been recognized in Washington by those who have been here long enough to distinguish between the Potomac and the Anacostia Rivers that if one cannot defeat reform by amendment on a legislative matter, he can many times defeat the opportunity to offer and adopt amendments to effectuate reform. Sometimes, when the party in authority lacks the votes, it exercises the power to deny the opportunity of voting.

Labor reform legislation is long overdue in the Congress of the United States. There are those on both sides of the party aisles of the Senate and the House who consider this legislation among the most important items to come before this Congress. There is still time for constructive action if the constitutional processes of legislation are permitted to operate. Delay can destroy that opportunity in this Congress, and perhaps postpone action on such legislation for 6 or 8 years in the future. Should the power of Congress to act be circumvented by parliamentary maneuvers, the predictions some of us felt compelled in simple candor to make at the time we were legislating in the Senate would become a parliamentary reality and a dark page in American history, and this Congress would adjourn without adopting effective labor legislation.

I sincerely hope that this Senate figure, HFELL, may yet in some way be miraculously resurrected and that his important companion, DPP, will never perish or become incapacitated, because if we weaken the democratic parliamentary procedures of this Republic by disuse, by delay, or by departure from established practices, we shall have lost one of the most important elements in the growth and preservation of our great American freedoms.

In conclusion, Mr. President, I should like to quote the statement of a great parliamentarian, a great Speaker of the House of Representatives, who said in 1931, on February 28th, speaking about the suspension of the rules device, as follows:

> Suspension of the rules is not a normal legislative procedure. In a sense it is a trifle unfair in that it limits debate and does not permit the right of amendment.

That quotation is to be found on page 412 of Cannon's Precedents and Procedures in the House of Representatives.

Mr. President, I submit that is not the way to approach our Congressional responsibilities of legislating on problems disclosed by the McClellan investigating committee.

ANALYSIS OF THE SENATE LABOR BILL

Mr. KENNEDY. Mr. President, many Members of Congress and others have requested information and analyses of the labor bill, S. 3974, which recently passed the Senate. I ask unanimous consent to have an analysis of Senate bill 3974 printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS OF S. 3974 AS PASSED BY THE SENATE

Section 1: Contains the short title of the act.

Section 2: Statement of findings, purposes, and policy.

TITLE I—REPORTING AND DISCLOSURE

Section 101 (a): Requires every labor organization in an industry affecting commerce to file with the Secretary of Labor a copy of its constitution and bylaws along with specific information detailing its major internal operations.

(b) Every such labor organization must also file a detailed and comprehensive report of the union's financial operations. Under this section all trade unions dealing with employers whose operations affect commerce must file reports whether or not they desire to use the facilities of the NLRB. All of the information required to be reported by present law will be reported under this section.

(c) Requires every labor organization required to report under title I to furnish information in such reports to each of its members in a form prescribed by the Secretary. Section 101 (b) permits the Secretary to exempt labor organizations with fewer than 200 members or annual gross receipts of less than $20,000 from the reporting requirements of 101 (b) if he finds that such exemption would not interfere with the attainment of the objectives of the act.

Section 102 (a): Every official or employee of a labor organization other than clerical employees, as defined by the Secretary of Labor, paid more than $5,000 in compensation and allowances in the preceding fiscal year is required to report to the Secretary of Labor any of six specified transactions in which he may have been involved for the preceding fiscal year which might constitute a conflict of interest. Reports from a union officer or employee are required only if they have been involved in any of the transactions enumerated in the subsection.

(b) This subsection exempts publicly traded securities and other securities which are publicly regulated from the reporting requirements involved in subparagraphs 1, 2, 3, 4, and 5 of subsection (a) of this section.

(c) This subsection makes it clear that union officers and employees not involved in any of the course of dealings specified in subsection (a) will not be required to file a report.

Section 103 (a): This subsection requires every employer who spends more than $5,000 in a fiscal year for activities intended to influence employees in the exercise of their rights to organize and bargain collectively or who is a party to an arrangement under which another person undertakes to in any way affect or to interfere with these rights, to report annually to the Secretary of Labor. This report would have to contain information identifying the business, the names of the unions with which the employer has had dealings, details of the arrangement and detailed financial data of expenditures for all labor-relations activity.

(b) Requires reports from every labor-relations consultant who has an agreement or arrangement with an employer to provide services intended to affect employees in the exercise of their rights to organize and bargain collectively or to provide an employer involved in a labor dispute with the service of paid informants or investigators for the purpose of interfering with, restraining, or

coercing employees in the exercise of their rights under the National Labor Relations Act. These reports will be required to contain full information about the consultant's business, receipts from any employer received for labor-relations advice or services, disbursements of any kind in connection with such services and a detailed statement of the arrangement between the consultant and the employer.

Section 104 (a): Specifies that the contents of reports and documents filed under sections 101, 102, and 103 should be public information and authorizes the Secretary to publish it and to use such information for statistical and research purposes, and to compile and publish studies and surveys based on the data contained in reports required to be filed under title I.

(b) Authorizes the Secretary to prescribe regulations permitting the inspection and examination by any person of the information contained in reports and documents filed under title I.

(c) Authorizes the Secretary to furnish copies of reports filed under title I upon a payment of a charge based on the cost of the service, provided that the Secretary may make available to a State agency copies of reports required to be filed under this title at no charge.

Section 105: Requires the maintenance and preservation of records and accounts of financial transactions necessary to verify reports required of union employer and labor-relations consultants for such periods of time as the Secretary shall prescribe.

Section 106 (a): Requires that reports required by this title be filed within 90 days of the time of enactment or 60 days after the date when any person first comes within the categories of those required to file such reports, whichever is later, and annually thereafter as the Secretary shall prescribe.

(b) Authorizes the Secretary to issue rules and regulations prescribing the form, content, and publication of reports and to prevent circumvention or evasion of reporting requirements. The Secretary is directed to provide simplified reporting forms for small unions and small business organizations but he is also given the power to require a full reporting form if he believes it desirable.

(c) Authorizes and directs the Secretary, when he has probable cause to believe that any person or labor organization has violated any provision of the title, to make an investigation, inspect records, and ascertain all of the facts relevant to the report in question. This subsection also authorizes the Secretary to make a full report to the members of a labor organization concerning the facts required to be reported, if any person or organization fails or refuses to file the reports, as required.

Section 107: Forbids a labor organization to make loans to any officer or employee in excess of $1,500 and forbids employers to make any loan to an officer or an employee of a labor organization representing or seeking to represent his employees.

Section 108 (a) and (b): Prescribes a fine of up to $10,000 or up to 1 year's imprisonment, or both, for willfully violating or failing to comply with any provision of title I or the rules or regulations issued thereunder, willful false statements or misrepresentations of material facts or failure to disclose information required by the title.

(c) Imposes a similar penalty upon any person who willfully destroys any books, records, reports, or statements required to be maintained under this title.

(d) Assigns personal responsibility to the union and company officers required to sign reports under sections 101 and 103 for the filing and the accuracy of statements in the reports.

Section 109 (a): Makes the embezzlement by an officer or employee of funds or assets of an organization exempt from taxation under section 501 (a) of the Internal Revenue Code a Federal crime, punishable by a fine not exceeding $10,000 or imprisonment not in excess of 5 years.

(b) Permits an individual union member to sue in a United States district court for the recovery of money or property misappropriated or misapplied by a union officer when the union, after having been requested to do so, fails to sue for the recovery of such property. A proceeding under this subsection cannot be brought except upon leave of the court, obtained upon verified application or good cause shown. Section provides for a reasonable recovery of counsel fees and the compensation of the member for expenses necessarily incurred in connection with the litigation. This subsection does not interfere with any legal or equitable remedy now available to a union member under State or Federal law.

Section 110 (a): Amends chapter 101 of title 18 of the United States Code so as to punish persons making false entries or destroying the records of labor organizations with intent to injure or defraud or to mislead any person authorized by law to examine or inspect such records. Violation of this provision would be subject to a fine of not more than $10,000 or imprisonment for not more than 5 years, or both.

(b) Makes appropriate modifications in the analysis of the United States Code.

Section 111: Establishes in the Department of Labor a Commissioner of Labor Reports, appointed by the President and confirmed by the Senate, who would undertake to fulfill all the responsibilities assigned by this act to the Secretary of Labor.

TITLE II—TRUSTEESHIPS

Section 201 (a): Requires reports by national or international unions to the Secretary within 30 days of establishment of trusteeships over subordinate unions (or within 30 days of enactment for existing trusteeships) and semiannually thereafter.

The reports are to show: The union in trusteeship, the date trusteeship established, a detailed statement of the reason for trusteeship and its continuance and the nature and extent of voting by members of the trusteed unions for convention delegates and national and international officers.

(b) Provides the secretary with the same rulemaking and publication powers he has under title I.

(c), (d), and (e) Makes failure to report, false reports or concealment or destruction of documents or records upon which report is based by responsible officers punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

(f) Provides that reports made by labor organizations under this section shall be made available to each member of the labor organization.

Section 202: Requires the establishment and administration of a trusteeship to be in conformity with the union constitution and for correcting either improper conduct, assuring the performance of agreements, restoring democratic procedures, or the achievement of proper union objectives.

Section 203 (a): Makes it unlawful during trusteeship (1) to count members' votes for convention delegates or national or international officers if not by secret ballot in which all members in good standing could participate, or (2) to transfer to parent organization any funds of the trusteed union except regular per capita and assessments payable by nontrusteed unions. It is provided that upon dissolution of the trusteeship, assets may be distributed in accordance with the charter, constitution, or bylaws.

(b) Makes violation of subsection (a) punishable by a maximum $10,000 fine or imprisonment for 1 year, or both.

Section 204 (a): Provides that upon the written complaint of a member or subordinate union alleging violation of section 202 or 203, the Secretary shall investigate and if he finds an unremedied violation, he may petition the appropriate Federal district court to enjoin and dissolve the trusteeship and for other appropriate relief.

(b) Provides for place and manner of bringing suit.

(c) This subsection provides that a trusteeship established by a labor organization (1) in conformity with the procedural requirements of its constitution and (2) authorized or ratified by the executive board of the labor organization after a hearing, shall be presumed valid for a period of 18 months. This presumption may be rebutted by clear and convincing proof that the trusteeship was not established for the purposes allowable under section 202. After the expiration of 18 months there will be a presumption that the trusteeship is invalid in any proceeding brought by the Secretary to remove the subordinate union from the trusteeship unless the labor organization can show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 202. If the labor organization can so show, the court may continue the trusteeship for a period not in excess of 1 additional year.

Section 205: Requires a report within 3 years by the Secretary on operation of title II.

Section 206: Makes clear that Federal suits under title II are possible only upon suit initiated by the Secretary. But all other rights and remedies at law or in equity are specially preserved, with the limitation that when the Secretary does file a complaint the proceeding is to be exclusive and the result res judicata.

TITLE III—ELECTIONS

Section 301 (a): Requires election by national and international labor organizations (except a federation of such organizations) of constitutional officers including at least 3 principal officers (1) at least once every 4 years, (2) by secret ballot or delegates elected by secret ballot, and (3) in accordance with the union constitution.

(b) Requires the election by local unions of constitutional officers including at least 3 principal officers (1) at least once every 3 years, (2) by secret ballot, and (3) in accordance with the union constitution and bylaws.

(c) Requires that members be given an opportunity to nominate and vote without coercion or restraint in selecting officers and delegates. Fifteen days notice of date and time of election is to be mailed to members unless the election is to be held at a time specified by the constitution and bylaws on file with the Secretary. Every member shall have one vote, and a member whose dues are checked off under a bargaining agreement is not to be disqualified for dues default. Ballots and election records are to be preserved for 1 year. The union constitution and bylaws are to govern the election to extent not inconsistent with the act.

(d) Provides that in a convention where delegates are to choose officers, the union constitution and bylaws are to govern and delegate credentials, minutes, and convention records pertaining to the election of officers are to be preserved for 1 year after the election.

(e) Provides that union funds are not to be used to promote individual candidacies in union elections subject to this title. Union funds may be used for ordinary expenses in connection with elections—for notices to members, statements to members of issues to be voted on, and other expenses required to conduct the election.

(f) Provides that officers of a local union may be removed at any time for cause shown, upon notice and hearing and by action of a majority of the members in good standing. The Secretary is empowered to exempt any

union from the provisions of this subsection if he finds that the union's constitution and bylaws provides means for the removal of officers guilty of misconduct substantially as effective as the requirements of this section.

(g) Authorizes the Secretary to promulgate rules and regulations prescribing standards for implementing the provisions of subsection (f).

Section 302 (a): Provides for the filing of complaints with the Secretary by a member alleging violation of section 301 if he has (1) exhausted his remedies under the union constitution and bylaws or (2) invoked such remedies without obtaining a final determination within 4 months. The election is presumed valid until a final decision and the union affairs shall be conducted by the officers elected or in the manner provided by the constitution and bylaws.

(b) The Secretary is to investigate, and if he has probable cause to believe a violation of the election provisions has occurred and has not been remedied, he is, within 30 days of the filing of complaint or as soon thereafter as possible but not to exceed 60 days, to institute suit in Federal district court against the union to set aside the election and to order a new election.

(c) Provides for a trial of the issues by the district court. If the court finds (1) the elections were not held within the times required by section 301 or (2) that a violation of section 301 did or reasonably could be expected to affect the election result, the election is to be declared void and a new election held under the supervision of the Secretary, and so far as lawful and practical, in conformity with the union constitution and bylaws. The Secretary is to certify the names of those elected to the court which shall, by decree, declare them to be the union's officers.

(d) An order directing an election is not appealable. Dismissal of the complaint or order declaring the election of union officers is to be appealable as the final judgment in a civil action.

(e) Empowers Federal courts to protect union assets when it voids an election.

Section 303: The duties, rights, and remedies of the election title are to be exclusive. They are not to be construed as altering or affecting rights under the National Labor Relations Act or the Railway Labor Act.

Section 304: The election provisions are to become effective—

(1) within 90 days for unions whose constitutions and bylaws can be modified to conform by its officers or interim governing bodies such as a general executive board or council; or

(2) where appropriate modification is possible only by convention, by the next convention or within 2 years after enactment, whichever is sooner.

Section 305 (a): Prohibits a person convicted of any felony from serving as a union officer, director, trustee, business agent, etc., prior to the restoration of his right to vote.

(b) Prohibits any person, who after notice by the Secretary refuses to file a report required under title I, and who the Secretary after hearing on a writen record determines to be in violation of the title, from holding union offices for 5 years after the final determination of the violation.

(c) Prohibits a person convicted of a violation of the reporting requirements of title I from serving in the same offices as in (a) or any union position paying more than $4,000 per year, for 5 years after final conviction. A union is prohibited from knowingly or willfully permitting such a person to take or hold office.

(d) Violations of the prohibitions upon union office holding by persons convicted of named crimes is made punishable by a maximum $10,000 fine, imprisonment for 1 year, or both.

(e) Clarifies that a person shall be deemed to have been convicted under this section when a jury has arrived at a verdict or such verdict is finally sustained by an appeals court, whichever date is later.

TITLE IV—CODES OF ETHICAL PRACTICES—ADVISORY COMMITTEE

Section 401 (a): Declares that it is in the national interest that labor organizations and nationwide and industrywide associations of employers engaged in industries affecting commerce should voluntarily adopt or subscribe to codes of ethical practices obligating such labor organizations or employers, as the case may be, to adhere to principles and procedures of conduct which will effectively eliminate and prevent improper and unethical activities in the administration of their affairs, in the use and expenditure of their funds, and in their relations with each other.

Declares that codes of ethical practices applicable to national and international labor organizations should contain provisions which will safeguard the democratic rights and privileges of members and which will eliminate and prevent improper and unethical activities on the part of labor organizations or their subordinate locals or any officer or agent thereof. Codes of ethical practices applicable to both labor organizations and employers should contain methods and procedures to assure the effective implementation and enforcement of the provisions of such codes.

Provides that codes of ethical practices should contain appropriate provisions for publication of the provisions of the codes so that employers and employees in the industries affected and the public will be fully apprised as to the provisions of the codes.

(b) Provides that codes of ethical practices shall not authorize or sanction any conduct on the part of any labor organization or employer or any officer, agent, or representative thereof which violates any Federal, State, or local law.

Section 402 (a), (b), and (c): Establishes an Advisory Committee on Ethical Practices to advise the Secretary on the administration of this act, including the provisions of title I, reporting and disclosure; title II, trusteeships; and title III, union elections; as well as title IV.

Section 403: Provides that not later than 3 years from the date of enactment of the bill the Secretary shall report to Congress on the progress achieved by labor organizations and employers engaged in industries affecting commerce in the elimination of improper activities in the administration of their affairs and the use and expenditure of their funds with particular reference to the significance of the voluntary adoption of self-policing codes of ethical practices in achieving such results.

TITLE V—DEFINITIONS

Contains various definitions applicable to the act.

TITLE VI—AMENDMENTS TO THE LABOR-MANAGEMENT RELATIONS ACT OF 1947, AS AMENDED

Section 601: Clarifies the meanings of "supervisor." The redefinition retains all of the indicia and tests of supervisory status contained in present law but makes clear that the types of authority enumerated must not only exist but also must be exercised effectively, whereas under the present definition putative "authority" to recommend actions of the kind enumerated is all that seems to be required. The redefinition would require that responsible direction of other employees must be "the principal function" in order for this attribute alone to make an employee a supervisor.

Section 602: Directs the National Labor Relations Board to assert the full jurisdiction given it under the National Labor Relations Act. Provides that the Board may cede jurisdiction over cases in certain industries to State agencies unless the State statute governing the disposition of such cases is inconsistent with the Federal law.

Section 603 (a): Makes it an unfair labor practice for a labor organization to conduct "shakedown" picketing, i. e., picketing with no legitimate purpose but which is to force an employer to "buy off" the union official involved. It bans picketing to exact from an employer a payment for the enrichment of an individual as distinguished from bona fide picketing the purpose of which is improvement in wages and working conditions for employees.

(b) Makes applicable the "mandatory injunction" provision of the act (sec. 10 (1)), to such picketing so as to provide a speedy remedy for such abuses.

Section 604 (a): Permits an employer primarily engaged in the building and construction industry to enter into agreements with labor organizations despite the fact that the union's majority status has not been established under section 9 of the act. The section also permits the union shop provisions of such a contract to take effect within 7 days of hiring. No other change is made in union security limitations now in the law. The agreements could also provide for: Employer notification to the union of job openings and opportunity for the union to refer qualified applicants for the openings. Agreements for apprenticeship qualifications, experience, industry, or geographical seniority would be permissible to meet the peculiar needs of the industry. It is specifically provided that a contract permitted by this section would not be a bar to a representation or decertification election if without the authorization of the section it would not be a bar to such an election.

(b) To remove all doubt, it is specifically provided that the union security provisions of agreements permitted by (a) are subject to the limitations of State and Territorial law just as all collective agreements under section 8 (a) (3) are limited by the provisions of section 14 (b) of the National Labor Relations Act.

Section 605: Amends the National Labor Relations Act to provide that economic strikers shall not be deprived of their right to vote in representation elections even though they have been replaced in the course of a lawful strike.

Section 606: Amends present law so as to require employers to file non-Communist affidavits as a prerequisite to use of the facilities of the NLRB. Under present law only trade-union officers are required to file non-Communist oaths.

Section 607: Amends section 302 (a) of the Labor-Management Relations Act of 1947 so as to clarify an ambiguity which presently exists. Under present law it is illegal for an employer to pay or deliver anything of value to a representative of his employees. The purpose of these amendments to section 302 is to forbid any payment or bribe by an employer or anyone acting on his behalf, whether technically an agent or not.

Section 608: Makes it unlawful to seek or accept payments made unlawful by section 302 (a) of the Labor-Management Relations Act. This section makes unlawful the demand or acceptance of improper unloading fees from interstate truckers. A proviso exempts fees provided for in agreements which may be based upon tonnage unloaded, hours worked, etc., pursuant to good faith collective bargaining.

Section 609: Conforms section 302 (c) to changes made in section 302 (b). It also provides that the general ban in section 302 of the Labor-Management Relations Act upon employer payments to unions is not to apply to employer payments to trust funds, in the building and construction industry, for pooled vacation benefits, or apprentice or other employee training programs. This provision is designed to remove doubts as to the propriety of such payments in this industry. However, it is not intended to cast

doubt upon the legality or propriety of such payments by employers in any other industry.

Section 610: Separability clause.

AMENDMENT OF SMALL BUSINESS ACT OF 1953

The Senate resumed the consideration of the bill (H. R. 7963) to amend the Small Business Act of 1953, as amended.

Mr. THYE. Mr. President, I call up my amendment identified as 6-19-58-D, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, line 9, after the period it is proposed to insert quotation marks.

On page 36, strike out lines 10 through 20.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, the amendment proposes to make the Small Business Administration a permanent agency. My amendment would amend the Senate committee bill to make it conform to the provision carried in the House bill. The House bill provided that the Small Business Administration should be a permanent agency of the Government.

Mr. President, why do I propose that the Small Business Administration be made a permanent agency of the Government? I think many reasons could be cited to support my position. The main, outstanding reason is that in connection with the Small Business Administration loaning activities we ask the local banks to participate with the Federal agency in making the loans. We believe it is highly desirable that the banks of a community should participate. The local banks are familiar with local business enterprise and are familiar with the individual or individuals concerned. The local banks have a sense of pride in community development. Therefore, it is much more desirable to have a loan with joint participation of the private banking institutions and the small business lending agency.

However, when a bank realizes that the agency has 1 year of life, as has been true in the past, or 3 years of life, as is proposed in the Senate bill, it tends to be reluctant to enter into a joint venture. The banks say. "A 10-year Federal loan is being asked, but the life of the agency at the best is 3 years." So there is a reluctance on the part of banking institutions to join in the program. That is one phase of the matter.

Another phase is that the applicant thinks the agency may go out of existence in the course of the next year or year and a half or 2-year period, and he wonders what will be the disposition of his obligation or loan with the Federal agency. He wonders if his loan will go to some other agency for immediate liquidation, or if the loan will be called and he will be forced to refinance. Those are some of the "ifs" that enter into the minds of the applicants.

Now let me state the most important phase of the problem, Mr. President. The present Presiding Officer and I know of our own insecurity, though we have 6-year terms. We can imagine the feeling of insecurity on the part of an employee if he knows the life of the agency for which he works is only 1 year, or a year and a half, or, at the most, 3 years, as is the proposal in the bill presently under consideration. Of course an employee would feel insecure in accepting a job with such an agency. Consequently, he would be seeking to make application for employment with an agency of a more permanent nature. Immediately the Small Business Administration is placed in jeopardy because of the fact that it cannot offer security to its employees. I want that situation corrected.

Mr. President, I was the author of the bill which was passed originally in 1953, and I have sought to improve the act by making the Small Business Administration a permanent agency. The President of the United States has supported my position that it should be a permanent agency.

We have amended the act from time to time in an effort to improve it. I hold fast to the idea and the philosophy that we must do everything possible to encourage the continuance of private enterprise and the right of individual ownership. I think nothing is more wholesome for the future of the United States than the responsibility of individual ownership.

In this day and age there are tremendous costs which a person must incur before he can become established in a business enterprise of his own. Our youth are faced with a highly competitive society, while at the same time there are no new frontiers to afford them great opportunities, such frontiers as the old ones of the Midwest or the previously undeveloped areas in the United States. When our youth finish their schooling today and go into the field of employment on the main streets of the cities or communities of the Nation, they are immediately faced with strong competition, as is the average businessman.

I have known a great number of young family men who have worked in business establishments on the main streets of our Nation for several years. These men are trustworthy. I would entrust them with business or with any enterprise. However, when such a young man goes to the local bank with the idea that he would like to obtain a loan to buy a business establishment in which he has been employed for a number of years, the banker of course is faced with restrictions imposed by the State banking laws and restrictions imposed by the Federal Government. The banker must make certain that the loan is absolutely repayable and is secure by chattels or real estate properties. The young man of whom I speak may have nothing such as that to offer. He may have a good name, a good reputation, and a desire to be a good member of the community, and, in addition, he may be a good family man, but that is all he has to offer as collateral. The bank possibly might lend such a man the money necessary to get started, but the young man also needs capital to make the business a profitable undertaking. He may then go to the Small Business Administration. The bank might say, "Very well, in cooperation with the Small Business Administration we will assist you by permitting some expansion," or "We will assist by lending you a little more money."

That was the situation I visualized when I offered the bill to provide for the Small Business Administration in 1953.

Mr. President, we all know what the Farmers Home Administration did for the farm youth of America. We know of the great number of farm families who have the responsibility of farm management today and who have assumed positions in the community of great responsibility. These are fine citizens in the school districts, in township affairs, and in community affairs.

If the Farmers Home Administration had not granted loans to such people in the first instance, we would not have those young families established in those communities. We would not otherwise have these farm families with the sense of responsibility and of pride in management and ownership which they now possess. We did much to make secure the future that our forefathers wanted, which is a free society, when we enacted the law to provide for the Farmers Home Administration.

We have the nucleus in the Small Business Administration, the same as we had when we authorized the Farmers Home Administration. We should continue to endeavor to build onto what we have until we have the means to give to the young couples on the main streets of America the opportunity to become business managers or business operators in their own right. If we do that, we need not ever worry about the future of the people on the main streets of America. We will not then need to worry about the philosophy of our people or of our society, because our people will be exponents of free enterprise. Our people will not have leanings toward socialistic-type governments, because any man who has the right and responsibility of a business of his own will never turn to the philosophy of a socialistic-type government.

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

Mr. THYE. I am delighted to yield to the Senator from South Dakota.

Mr. MUNDT. I have been listening to the Senator with great approval. I wish to commend the Senator from Minnesota for the leadership he has taken, originally in establishing the Small Business Administration, and presently in suggesting that it be made a permanent branch of the Government.

I have long felt, and have frequently stated, that the Small Business Administration should be made permanent. It has rendered a very helpful service to small-business men throughout the country, and can render greater service, obviously, if it is made a permanent institution.

At the present time many of its loans run far beyond the authority of the Small Business Administration under existing legislation. It seems only sensible that we should make a permanent

establishment of an agency which is making loans for 10 years or more, in order that it may recruit the best personnel, and, in an effective and efficient manner, give guidance and assistance to those who borrow the money.

I shall support the amendment of the Senator from Minnesota. I congratulate him on offering it. I hope that in the ensuing yea-and-nay vote, if there is to be one, it will receive an overwhelming vote, because it is certainly a movement in the direction of giving governmental assistance to people in this country who are most entitled to receive it.

Mr. THYE. I thank the distinguished Senator from South Dakota. He is not only a man experienced in the business field; he is a man with many years of experience in legislative service to his Government. I thank him for his words of commendation, and also for speaking in support of my amendment.

Mr. President, I hold in my hand several communications. I have received a telegram which reads as follows:

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

So that you will be fortified with factual knowledge of the position independent business has taken on making SBA a permanent agency, through the nationwide polls of the membership of the National Federation of Independent Business, all independent business and professional men—all voting members—result of first poll in mandate No. 202 disclosed 79 percent for the proposition; mandate No. 211, 84 percent for the proposition; mandate No. 227, 86 percent for the proposition; mandate No. 228, 84 percent for the proposition; mandate No. 237, 84 percent for the proposition.

It is significant and important that 3 out of the 5 national polls disclosed the consistency of small business in having SBA a permanent agency through an 84 percent vote for the proposition.

As this information comes from the grassroots of our Nation, trust that you will bring this to the attention of the Members of the Senate today.

GEORGE J. BURGER,
Vice President, National Federation of Independent Business.

WASHINGTON, D. C.

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

Mr. THYE. I yield.

Mr. PURTELL. I commend the Senator from Minnesota for the amendment he has offered. It is a necessary amendment. It would do a great deal to encourage our small businesses to realize the interest of the Government in their affairs. I assure the Senator of my complete support of his amendment.

Mr. THYE. I thank the Senator.

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

Mr. THYE. I am delighted to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I am happy that the Senator is offering this amendment. As a member of the Small Business Committee since its inception, I have watched the Small Business Administration grow and improve its administrative aspect, and also improve its methods of assisting small business. I believe that if we continue it for only 3 years, we shall be merely making a gesture, because at the end of 3 years it will be necessary to extend it again. I hope that it may be made a permanent part of the executive department.

Small business is here to stay. There will always be small business. Small business is a necessary part of every community, indeed, really the foundation of every community.

The Senator from Minnesota and I, as members of the committee, know that if this Administration were allowed to continue, and to have a permanent status, its methods of assisting small business financially could be made more effective than if it were to expire at the end of 3 years, and perhaps be extended again and again. If it is to remain as a temporary institution, the borrowers and the Administration will not have the proper background with which to work and carry forward their efforts.

I am very glad that the Senator has offered his amendment, and I hope the Senate will adopt it.

Mr. THYE. I thank the Senator from Massachusetts for his support and commendation of the amendment.

Mr. President, I hold in my hand a letter from the president of the Bank of Willmar, Minn. This bank was organized in 1876. So it is one of the old established banking institutions of our State. The letter reads as follows:

BANK OF WILLMAR,
Willmar, Minn., June 26, 1958.

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

DEAR SENATOR THYE: Your letter of June 23 received, in which you wrote in reference to your interest in the promotion of the Small Business Administration and I am 100 percent back of you in this regard. There are few banks in the State that have taken as much advantage of the Small Business Administration as we have here in Willmar.

We have negotiated many lines of credit ranging from $8,000 to $280,000. The maximum that the Small Business Administration can go is $250,000 and our bank carried the $30,000 additional. They have made a wonderful contribution to the businesses which have made the applications through our bank, and it has been very encouraging to us to see the results and benefits that are derived and for men who would otherwise not been able to be financed.

I was interested in reading the statement that you intend to make, and while I have learned that there is some agitation against the Small Business Administration, it is my honest thinking that the smaller country banks are not fully aware of the benefits that are available to the small businesses and which will help the rural communities by increasing their business developments.

Two of the officers of our bank were down to the Small Business yesterday with three business men, in connection with two of the large industries of our city, and which are contributing much to the welfare of the community, one being the Farmers Produce Company, which is a processing plant and which has possibly 400 people on the payroll. The men at the office were very cooperative and our dealings with them have been very friendly and agreeable and I appreciate their friendship and support to take care of our local needs. We on the other hand, try to only present deserving applications and we have kept in close touch with the business and individuals so that it will prove to be of benefit for all concerned, and especially to the applicant and to the community at large.

Thanking you for your continued interest in behalf of the Small Business Administration, I am

Yours very truly,
N. H. TALLAKSON,
President.

Mr. President, I have before me a number of other communications which I could read, but I shall not take the time of the Senate to read them. I ask unanimous consent that they be printed in the RECORD at this point as a part of my remarks.

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

WASHINGTON, *D. C., June 23, 1958.*

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

Small business in your State, through repeated federation mandate polls, has consistently voted to make SBA permanent agency. House concurred in request of small business 392–2. Small business demands Senate rollcall vote on SBA legislation and urges your support making it permanent agency. May we advise your constituents your support?

GEORGE J. BURGER,
Vice President,
National Federation Independent Business.

CINCINNATI, OHIO, *June 23, 1958.*

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

Very imperative in opinion of local people here that SBA be given permanent status. There is so much indecision about aid to small business and with economic trends what they are today the needs of small business particularly in the lending field are not going to be temporary. Countless small-business men are thinking of their existence in temporary terms for the good of the country. Too much cannot be done to reverse this kind of thinking.

ED WIMMER,
Vice President, Public Relations Director, National Federation of Independent Business.

HAYWARD, CALIF., *June 23, 1958.*

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

I strongly believe permanent SBA is essential to orderly and constructive solution of problems besetting small business and hope Senate will support Thye amendment.

HARRY J. HARDING,
President, the First National Bank of Pleasanton and Honorary President Independent Bankers Association of the 12th Federal Reserve District.

ROCHELLE, N. Y., *June 23, 1958.*

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

Please urge passage of Thye amendment making SBA a permanent agency.

FIRST WESTCHESTER NATIONAL BANK,
A. J. GEOGHEGAN, *President.*

BURLINGAME, CALIF., *June 23, 1958.*

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

We urge the Senate to vote the Thye amendment to make the Small Business Administration a permanent agency. This is in line with the individual mandate ballot votes among our membership numbering in excess of 100,000 business and professional people, all voting members who are scattered

nationwide in more than 2,000 communities. We urge the Senate for a rollcall vote on the Small Business Administration Act. Nothing would do more to help strengthen business than to see Congress move swiftly and decisively on small-business issues before them in line with party platform pledges made. Quick and favorable action on the Thye amendment will be an important step in the right direction.

C. WILSON HARDER,
President, National Federation of Independent Business.

Mr. THYE. Mr. President, I had prepared a statement referring to the number of loans, and some of the work of the Small Business Administration. I shall not take the time of the Senate to read it. I ask unanimous consent that it may be printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR THYE ON THYE AMENDMENT FOR PERMANENT SBA

Once again I rise to urge immediate and unanimous action by the United States Senate to make the Small Business Administration a permanent agency of Government.

THYE LEGISLATION

My reasons for amending the pending bill so as to make SBA a permanent agency are well known to my colleagues and to the small-business men throughout the Nation. Since 1953 it has been my pleasure to play a role of leadership in formulating and drafting legislation and policy designed to strengthen the small-business community in America. Throughout this time, the one single suggestion which I have heard most often from businessmen, from the banks, and from the public is to make the Small Business Administration a permanent agency.

Right now we are asked by the Banking and Currency Committee to extend the life of this agency by 3 years. This, of course, is a much more constructive suggestion than a 1-year extension which we had last year. However, no one has yet presented any substantial argument against making the agency permanent.

BACKGROUND

It will be recalled that in 1953 there was objection to permanent status on the grounds that this was a new agency and that we should observe its operation for 2 years and then decide whether it should be made permanent. So in 1953 the Small Business Act was passed for a 2-year period. In 1955 the Senate was called upon to extend the life of the agency. At this time the action came late in the session so the majority vote was in favor of another 2-year extension. Then we recall that last year the extension bill for SBA was delayed—a resolution was passed for a 30-day extension—and finally in haste a 1-year extension was worked out.

I trace this background briefly because I believe it demonstrates the need for a permanent extension. How can you expect wholehearted cooperation on the part of the banks and the other Government agencies which must work with SBA when they do not know from one year to the next whether the agency will be in existence? How can you expect the agency to maintain the type of employee morale which promotes top efficiency? Frankly, it is amazing to me that this agency has done such an effective job under the circumstances.

HOUSE ACTION

The House of Representatives has already voted for a permanent agency by a resounding vote of 392 to 2. The margin of this vote indicates the strong feeling in favor of a permanent agency in the House. In my conversations with Members of the Senate, I have not found any real objection to my amendment to make the agency permanent.

SBA enjoys strong bipartisan support today. That support is the result of the effective work SBA has done in behalf of the millions of small-business firms throughout the United States. The agency has shown continuous improvement in its loan program, its procurement assistance to small firms, its technical assistance program, and its disaster loan activities.

SBA RECORD

Let us examine for a moment the record of the Small Business Administration.

The SBA has approved some 11,000 business loans for almost half a billion dollars and has assisted additional thousands in obtaining credit from private credit sources. It has aided over 7,500 victims of disasters by approval of loans amounting to $81 million.

It has been able to have over 36,000 Government purchases in amounts totaling almost $2¾ billion set aside for small business. It has referred 32,000 small businesses to subcontract opportunities.

It has issued 400 certificates of competency involving over $56 million of Government contracts to small businesses which were low bidders but which otherwise would have lost the contracts because of questions raised as to ability to produce.

It has worked with numerous colleges and universities in developing courses directed to the management problems of small business. Almost 12,000 owners and managers of small business have graduated from these courses conducted by over 150 educational institutions.

It has given individual technical assistance to many thousands of small firms.

SBA has developed numerous management, technical, and marketing aids, and has distributed approximately 4 million copies of such documents. It has developed and sold over a half million copies of publications on special subjects, such as the purchasing directory which tells the small-business owner the locations at which the Government buys the product which he manufactures.

For the month of April 1958 a new record of 427 small business loan approvals for $20,181,000 was set by the SBA. During April a total of 148 disaster loans in the amount of $2,049,000 was approved. This is further evidence as to what the agency does in a typical month of its operations.

It must be remembered that the funds loaned by this agency are placed in the hands of thousands of small businessmen in the large cities, in the smaller cities and towns, and throughout the rural areas. I should like to also point out the interdependence of the small-business firm on main street with our agricultural economy. The loans made to small-business firms in the rural areas are also of assistance to the farmers in the same areas. As Mr. Barnes, Administrator of SBA, pointed out: "It is not unusual for proprietors of small firms to help the farmer by extending credit for the supplies and equipment he needs until his crops can be harvested. The long-term credit we are able to provide to businessmen in areas where crops have been heavily damaged or destroyed is making it possible in many cases for the small-business proprietor to continue to extend a line of credit to his farmer customers even in communities where local credit has been virtually exhausted."

There is much more I could say concerning the constructive program which SBA has given to our economy. But I do not believe that is necessary.

THYE DECISIVE

The time has come for a decisive vote on whether the Senate believes in what it says. I, for one, have gone down the line for a permanent Small Business Administration, and I intend to record another resounding "yes" vote for permanency today. There are many substantive arguments in favor of such a position. I have not heard any real argument to the contrary. If that be the case—let us eliminate any further question about the agency's status and make it permanent. I am ready to vote for a permanent agency.

Mr. THYE. Mr. President, I do not wish to take the time of the Senate to suggest the absence of a quorum. Therefore, I ask unanimous consent that the yeas and nays may be ordered on my amendment. If I am granted such unanimous consent, I shall not suggest the absence of a quorum. Otherwise I shall be obliged to make the point of no quorum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the yeas and nays are ordered.

Mr. THYE. Mr. President, the yeas and nays have been ordered on my amendment. I am ready for immediate action upon it.

Mr. KNOWLAND. Mr. President, I wish to state my unequivocal support of the pending amendment to establish the Small Business Administration as a permanent agency in the Federal Government. All of the Members of the Senate will recall that the Small Business Administration was first created 5 years ago and the history of its activities in the intervening period forms a sound foundation on which to establish it as a permanent entity.

Since its inception, the Small Business Administration has been able to have nearly $3 billion set aside in Government orders; it has aided nearly 8,000 disaster victims with loans amounting to over $81 million; it has approved business loans during this period of $414 million.

Mr. President, the small farmer and the small-business man, with the contributions they make to their community, have always formed a rugged backbone for much of what we call the American way of life. We know that one of the tenets of international communism tactics against free nations is to eliminate the small entrepreneur so as to create and intensify a class struggle between big business and the workers. It is in our best interests to safeguard and assure a healthy climate for all of the economic elements in our society. In my judgment, we will have taken a positive step in this direction by approving the pending amendment to establish a permanent agency in the Federal Government for small-business activities.

Mr. ALLOTT. Mr. President, I wish particularly to commend the senior Senator from Minnesota [Mr. THYE] for his efforts toward establishing the Small Business Administration as a permanent administration. The Senator from Minnesota is known as the father of the Small Business Administration in this Government. His constant devotion to the solution of the problems of small-business men has been an important factor in keeping the Small Business Administration alive, and has made the administration a real help during the past few months of the recession.

I wish to commend the able senior Senator from Minnesota also for his excellent statement on the need for a permanent Small Business Administration. This need has been recognized not only by many members of this body, but by the House of Representatives, the President of the United States, and by small-business men throughout the country. My colleague long has been known to them as their champion and an expert in their particular problems.

I have spent considerable time studying the problems confronting small business in my State and in the national economy as well. I have taken a close look, too, at the operations of the Small Business Administration in the fields of financial assistance, procurement, management, and technical assistance. As a result of this research and study, I have drawn these several conclusions:

First. The SBA has performed, since 1953, a most vital function in supplementing the activities of our commercial banks by providing credit that otherwise would have been unattainable. There is a real danger that this credit gap would remain unfilled were it not for the existence of SBA.

Second. Since World War II the Congress and small-business men have been greatly concerned over the ability of small business to participate in defense production and over the effect of defense spending on concentrations within particular industries. Here again, SBA has performed a most important function. It has striven to assure small business a fair share of Government purchases of goods and services. The SBA's joint set-aside program, its referrals of prime and subcontracts, and its counseling have helped assure small business an opportunity to compete with larger businesses on an equitable basis.

Third. Much comment has been made within the last few years on the rate of failures of small-business concerns in our economy. We are all concerned with the survival of small business. Our economy has become so complex in the past few decades that the management of any business enterprise must be expert in many, many fields. It is not sufficient to know merely financing, or to know the technical aspects of production—the small-business man must be an expert in all fields. The SBA, through its management and technical counseling, has done and is doing much to assist small business in this extremely competitive economy of ours.

There is another issue here which may not be as readily apparent. The creation of a permanent Small Business Administration will provide a continuity of service to our small-business men that would not otherwise be true. By establishing SBA on a permanent basis, we assure its personnel a measure of security which will most surely be reflected in the quality of people who can be attracted to, and retained on, its staff.

At the same time there is a matter of dealings with other agencies and other governmental bureaus. As a permanent agency SBA will assume a firmer stature and a more authoritative voice in its many intragovernmental transactions—all to the benefit of the small-business man, and ultimately, to the American people.

As of June 26, 1958, there was only $10 million in the SBA loan fund. Since this authority is rapidly running out, there is need to act and act quickly if we are to maintain the service to our small-business men.

The need for SBA is clear. There are over 4 million business units in the United States, 95 percent of them with 100 or fewer employees. There are those who talk of what they choose to describe as the rate of increase in small business failure. The truth, of course, is that there are more business establishments in the United States today than at any time during the preceding 25 years, and a third again more than a decade ago. The failures have more than been offset by new corporations, new partnerships, and new firms operated by individuals.

It is incumbent upon us to join in immediate action and approve H. R. 7963. We must recognize the excellent work done by the SBA. Further, we must assure the small-business man that there will always be a Federal agency to which they may come for assistance. We must, therefore, accept the amendment, introduced by my good friend, the eminent senior Senator from Minnesota, and make SBA a permanent agency.

Mr. THURMOND. Mr. President, I am glad to be numbered among the supporters of the small-business bill, H. R. 7963.

The bill extends the benefits of the Small Business Act of 1953, as amended, through July 31, 1961. This act, as administered by the Small Business Administration, has been helpful in assisting small businesses in South Carolina and throughout the Nation, through its loan programs, through technical and managerial aid, and through its programs to help small business obtain government contracts.

The bill carries forward this helpful program and includes amendments which will make the program more effective.

It is important that the small-business man continue to have the opportunity to grow and prosper, in order to avoid monopoly conditions, to provide diversified employment opportunities, and to maintain the American tradition that every individual may have a reasonable opportunity to become the manager of his own business.

Mr. CLARK. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without losing my right to the floor.

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

Mr. CLARK. 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. CLARK. 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. CLARK. Mr. President, I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, this matter was considered very carefully by the committee. I know the senior Senator from Indiana, who is the ranking minority member of the committee, was present. I am not certain that all members of the committee agreed, but all those present agreed that the act should be extended for 3 years rather than permanently.

This does not mean that we are being critical of the organization at all. I think this is good governmental practice. It is the duty of the Committee on Banking and Currency to review the work of the organization. The SBA has been doing good work. I think the bill itself is an improvement of existing legislation, and is itself proof of the validity of the idea that periodically the operations of the organization should be reviewed.

I happened to have a good deal to do with the old RFC. I think one of the troubles with the RFC was that the Senate did not review its work as carefully and as often as it should have done. Under the administration of a very powerful man, Mr. Jesse Jones, the RFC became influential. Everyone accepted the word of Mr. Jones and the work of the RFC was carried on long after Mr. Jones had ceased to be its head. But we did not examine its operations carefully. We made a superficial study in 1948, but no one thought to go deeply into its operations.

Then, 2 years later, when we went into its operations thoroughly, we found conditions which, while they were not so horrible, needed to be corrected, and they were corrected.

I think it is good practice to extend the law for 3 years. Then our committee can again look into the operations of the Small Business Administration. The SBA will receive very sympathetic treatment. No one in the committee wishes to destroy it; we wish to keep it in good condition. It is an important facility in my State, as it is in other smaller States which do not have the extensive financial facilities which are available in the States of the Northeast.

The Senate recently passed S. 3651, which authorizes the formation of small business investment companies. This is a new, experimental program which will be under the jurisdiction of the SBA. It is a program for which some of us have great hopes. That is another reason why Congress should review and have consultations of the most serious kind concerning the administration of this organization.

I hope the Senate will not adopt the amendment. As I have said, the committee unanimously rejected it after giving it due consideration.

Mr. CLARK. Mr. President, unless other Seantors desire to be heard, I will yield the floor and ask that the Chair put the question on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. THYE]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COTTON (when his name was called). On this vote, I have a pair with the junior Senator from West Virginia [Mr. HOBLITZELL]. If the junior Senator from West Virginia were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. JOHNSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that if present and voting, the Senator from Florida [Mr. SMATHERS] would vote "yea."

On this vote the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Mississippi [Mr. EASTLAND] would vote "yea," and the Senator from Virginia [Mr. ROBERTSON] would vote "nay."

Mr. KNOWLAND. I announce that the Senator from West Virginia [Mr. HOBLITZELL] is absent because of illness. His pair has been previously announced.

The Senator from New York [Mr. JAVITS] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from New York [Mr. JAVITS] and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Nevada [Mr. MALONE]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Nevada would vote "nay."

The result was announced—yeas 55, nays 26, as follows:

YEAS—55

Aiken	Hennings	Murray
Allott	Hickenlooper	Neuberger
Barrett	Humphrey	Pastore
Beall	Ives	Payne
Bennett	Jackson	Potter
Bricker	Johnston, S. C.	Purtell
Bridges	Kefauver	Revercomb
Bush	Kennedy	Saltonstall
Butler	Knowland	Schoeppel
Capehart	Kuchel	Smith, Maine
Carlson	Langer	Smith, N. J.
Carroll	Long	Sparkman
Case, N. J.	Magnuson	Symington
Case, S. Dak.	Mansfield	Thye
Church	Martin, Iowa	Watkins
Cooper	Martin, Pa.	Wiley
Curtis	Morse	Yarborough
Douglas	Morton	
Flanders	Mundt	

NAYS—26

Anderson	Goldwater	McNamara
Bible	Green	Monroney
Byrd	Hayden	Proxmire
Clark	Hill	Russell
Dworshak	Holland	Stennis
Ellender	Jordan	Talmadge
Ervin	Kerr	Thurmond
Frear	Lausche	Williams
Fulbright	McClellan	

NOT VOTING—15

Chavez	Hoblitzell	Malone
Cotton	Hruska	O'Mahoney
Dirksen	Javits	Robertson
Eastland	Jenner	Smathers
Gore	Johnson, Tex.	Young

So Mr. THYE's amendment was agreed to.

Mr. THYE. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I call up my amendments, which are at the desk and which are sponsored by myself, Mr. MURRAY, Mr. HUMPHREY, Mr. NEUBERGER, Mr. CHURCH, Mr. MANSFIELD, Mr. JACKSON, Mr. MAGNUSON, and Mr. PROXMIRE.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 2, line 17, after the comma, it is proposed to insert the following, "to insure that a fair proportion of the total sales of Government property be made to such enterprises."

On page 20, line 11, after "procurement," to insert "and property disposal."

On page 21, line 12, after "procurement," to insert "or property disposal."

On page 22, line 17, after "officers," to insert a comma and "and officers engaged in the sale and disposal of Federal property,".

On page 22, line 20, to strike out "procurement."

On page 23, line 1, to strike out "procurement."

On page 23, line 3, before "powers" to insert "or property disposal."

On page 23, line 5, to strike out "procurement."

On page 23, between lines 13 and 14, to insert the following:

(9) To obtain from any Federal department, establishment, or agency engaged in the disposal of Federal property such reports concerning the solicitation of bids, time of sale, or otherwise as it may deem pertinent in carrying out its functions under this act.

On page 23, line 14, to strike out "(9)" and insert "(10)."

On page 23, line 9, to strike out "(10)" and insert "(11)."

On page 24, line 1, after the comma to insert the following "to insure that a fair proportion of the total sales of Government property be made to small-business concerns."

On page 33, to strike out line 10 and insert in lieu thereof the following "receive any award or contract or any part thereof, and be awarded any contract for the sale of Government property."

On page 33, line 12, after "procurement" to insert "or disposal."

On page 33, line 15, to strike out "or."

On page 33, line 18, before the period to insert a comma and the following "or (4) to be in the interest of assuring that a fair proportion of the total sales of Government property be made to small-business concerns."

On page 36, between lines 9 and 10, to insert the following:

SEC. 22. Nothing contained in this act shall be construed to change any preferences or priorities established by law with respect to the sale of electrical power by the Government or any agency thereof.

On page 36, line 10, to strike out "Sec. 22." and insert in lieu thereof "Sec. 23."

Mr. MORSE. Mr. President, this amendment makes the Small Business Act applicable to sales of property by the Government. The present act deals only with procurement. The small-business men need this assistance. As an example, the Government sells over 8 billion board feet of timber from public lands and national forests. The amount now equals about one-fourth of the wood used by our Nation each year. The smaller firms have difficulty securing bids and financing road construction. What we propose here is to extend the helpful aid of the Small Business Administration to products sold by the Government.

The problems of the small-business men have been considered in the Small Business Committee. In addition, the Interior and Insular Affairs Committee in 1955 heard testimony on the problems of timber procurement facing small timber operators. Subsequently, the Small Business Committee looked into this specific problem at the request of several Pacific Northwest Senators. Many of the witnesses appearing before these committees have expressed the need for gearing Government timber sales programs to better serve the free enterprise system by aiding small business in obtaining a fair share of the tremendous amount of timber sold by the Government annually.

Normally, before a legislative proposal such as that envisaged by this amendment is acted upon by the Senate, I prefer to have the advantage of consideration of the specific topic by the committee reporting the bill. However, the subject of help to small business in procuring Government timber has been before at least two committees of the Senate for many months, and the members of those committees have had ample opportunity to consider the problem.

The way to assist in resolving this small business procurement matter is to amend this act, which is designed specifically to assist small business. There is no question that the amendment is germane. It would be generally helpful to small-business men who buy from the Government.

I commend the senior Senator from Montana for first proposing the amendment, and it is my sincere hope that the Senator from Pennsylvania will accept the amendment.

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

Mr. MORSE. I yield.

Mr. CLARK. I have conferred with other members of the committee with reference to the amendments proposed by the Senator from Oregon for himself and other Senators. I am prepared to accept the amendments.

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

Mr. MORSE. I yielded to the Senator from Indiana.

Mr. CAPEHART. I think they are good amendments, and we are willing to accept them.

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

Mr. MORSE. I yield.

Mr. NEUBERGER. I should like to make one very brief comment on the amendments before the Senate. The able senior Senator from Oregon referred to hearings in regard to the problems of small timber operators which were held by the subcommittee of the Senate Committee on Interior and Insular Affairs in the Pacific Northwest.

I think the RECORD should show that one of the men who was most active in holding those hearings, a member of the Senate Interior and Insular Affairs Committee at that time, was the late Senator W. Kerr Scott, of North Carolina. He helped to develop a great deal of valuable information about the way in which the small timber operators had been discriminated against, because he was aware of this problem in his own State and in his own part of the country. I should like the RECORD to show Senator Scott's dedication to this problem.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Oregon [Mr. MORSE] for himself and other Senators.

The amendments were agreed to.

Mr. CAPEHART. Mr. President, I call up my amendment identified as "6-24-58-C."

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The CHIEF CLERK. On page 6, beginning with line 14, it is proposed to strike out all through line 21, and insert in lieu thereof the following:

(d) There is hereby created the Loan Policy Board of the Small Business Administration, which shall consist of the following members, all ex officio: The Administrator, as chairman, the Secretary of the Treasury, and the Secretary of Commerce. Either of the said Secretaries may designate an officer of his Department, who has been appointed by the President by and with the advice and consent of the Senate, to act in his stead as a member of the Loan Policy Board with respect to any matter or matters. The Loan Policy Board shall establish general policies (particularly with reference to the public interest involved in the granting and denial of applications for financial assistance by the Administration and with reference to the coordination of the functions of the Administration with other activities and policies of the Government), which shall govern the granting and denial of applications for financial assistance by the Administration.

Mr. CAPEHART. Mr. President, all this amendment does is retain in the act we are now considering exactly the same language and the same kind of policy now in existence for the Small Business Administration, and which has been in existence since the inception of SBA.

Mr. CLARK. Mr. President, the committee originally rejected the amendment. Because of the administration's strong views that the present provision of the law is desirable and should remain in effect, the committee is ready to accept the amendment.

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

Mr. CLARK. I yield.

Mr. SPARKMAN. Is this the provision which has to do with the Loan Policy Board?

Mr. CLARK. It is.

Mr. SPARKMAN. I should like to say a word about it. I do so for the reason that on several different occasions on the floor of the Senate I have taken advantage of the opportunity to advocate that we eliminate the Loan Policy Board. I was against it in the beginning because I felt it would take away from the Small Business Administration needed flexibility, and that the Small Business Administration would find itself closely controlled by the Secretary of the Treasury and the Secretary of Commerce.

Mr. President, I was sincere in that belief, but I also am sincere in stating that after having observed the operations of the Small Business Administration over the several years it has been functioning, I have come to the conclusion that the Loan Policy Board was not restrictive on the Small Business Administration, but has been operating very well. Generally speaking, wise policies have been adopted and the Board has been very helpful. I will say I am agreeable to the amendment now proposed by the Senator from Indiana.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. BUSH. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 14, lines 21 and 22, it is proposed to strike out "$350,000" and to insert "250,000"; and on page 15, line 15, strike out "$350,000" and insert "$250,000."

Mr. BUSH. Mr. President, I shall not detain the Senate more than 2 or 3 minutes on the amendment, and I shall not ask for a yea and nay vote on it. However, I think the committee has gone too far in raising the limit on small-business loans to $350,000. The purpose of my amendments is simply to hold the line at $250,000, which has been found by the administration to be more than adequate.

The PRESIDING OFFICER. The Senator will suspend until the Senate comes to order. Senators will please desist from conversation.

The Senator from Connecticut may proceed.

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a letter addressed to me by the Small Business Administrator, Wendell B. Barnes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none and it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I should like to invite attention to the fact that 53.9 percent of the loans which have been made by the Small Business Administration have been under $25,000, and another 35.4 percent have been under $100,000. Only 5.7 percent of the loans have been between $100,000 and $150,000, and only 4.3 percent of the loans have been between $150,000 and $250,000.

It is perfectly clear that there is really no need for increasing the size of the loans. For that reason I offer the amendment to hold the limit at $250,000.

EXHIBIT 1

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D. C., June 13, 1958.

Hon. PRESCOTT BUSH,
United States Senate,
Washington, D. C.

DEAR SENATOR BUSH: In connection with the question of the proper maximum limit for the size of our loans, I am furnishing you data on the number of our business loans in each size group through March 31, 1958. These are the cumulative figures for the life of this Agency.

Business loans approved by size of total loan

SIZE AND NUMBER OF LOANS

$5,000 and under	617
$5,001 to $10,000	1,287
$10,001 to $25,000	3,232
$25,001 to $50,000	1,913
$50,001 to $100,000	1,473
$100,001 to $150,000	545
$150,001 to $250,000	407
$250,001 and over	68
Total	9,542

PERCENT OF TOTAL LOANS

$5,000 and under	6.5
$5,001 to $10,000	13.5
$10,001 to $25,000	33.9
$25,001 to $50,000	20.0
$50,001 to $100,000	15.4
$100,001 to $150,000	5.7
$150,001 to $250,000	4.3
$250,001 and over	.7
Total	100.0

If I can be of any further assistance in this matter, please let me know.

Sincerely yours,

WENDELL B. BARNES,
Administrator.

P. S.—It occurred to me that the average size of SBA loans may be of interest to you.

Average size of loan, July 1, 1957–May 31, 1958: Number of loans, 3,479; total, $48,878; SBA share, $41,496.

Cumulative from October 1, 1953–May 31, 1958: Number of loans, 10,575; total, $46,793; SBA share, $39,181.

Mr. SPARKMAN. Mr. President, I should like to speak in opposition to the proposal of the Senator from Connecticut and in favor of retaining the figure which the committee has written into the bill.

I will admit the correctness of the figures the Senator from Connecticut has submitted. It is true that only a relatively small number of applications would ever be for an amount in excess of $250,000. However, there are those who need more than $250,000. When a small company needs a larger amount, it should have an opportunity to get it.

Mr. President, in 1953 when we passed the original bill we set the approved limit at $150,000. In 1955 we increased the limit to $250,000. When the proposal was made to increase the limit from $150,000 to $250,000 exactly the same

argument was presented, namely, that most of the loans were in the lower figures. Of course the loans for the most part are in smaller amounts. That will always be the case. Nevertheless, in the 3 years after we increased the limit from $150,000 to $250,000 there were 475 loans which exceeded $150,000 and came between the $150,000 and the $250,000 limit. Those loans were among the total of some 8,000 loans approved in that period of time. Therefore, it is evident that the Small Business Administration has found qualified small businesses which require more than $150,000.

Even more significant, Mr. President, is the fact that the Small Business Administration has made 68 loans in excess of $250,000 in the past 2 years and 8 months, since the change was made. Of course, the Small Business Administration was limited to $250,000, but they were able to find banks to take the excess over $250,000. Again it has been shown there is a field of need for loans in excess of $250,000.

Mr. President, during May of 1958, a recent month, a record number of loans were approved by the SBA, the total being 606. Of these 33 were for more than $150,000 and 9 were for more than $250,000. The Small Business Administration of course was limited to $250,000 in all cases.

Some of the businesses which required more than $250,000 were: a meat processor and wholesaler, a motel and restaurant, a manufacturer of gas and electric stoves, a commercial fisherman, a manufacturer of cotton gins, a truck rental company, an asphalt paving firm, a lumber mill, and a crude oil refinery.

Mr. President, I can give a few examples of cases to demonstrate wherein small businesses are in need of loans in excess of $250,000.

For instance, we have had a good many inquiries from those in small business engaged in canning. I invite particular attention of Senators to a canner with a seasonal pack of the value of approximately $2 million. The canners point out that they must finance the entire pack until they can deliver it to their customers. Both the chain stores and the Federal Government are very strict about this matter.

There is a small Virginia canner who has won military orders for $800,000 worth of canned goods, but he will not receive any money from the Government for at least 4 months, and the last $200,000 will not be paid until 15 or 16 months after the canner has purchased the crop and paid for putting it in cans. That is a typical case of a small business which needs more than $250,000.

Mr. President, I submit, even though the total number of applicants requiring more than $250,000 will be small it will be as important for that small number to be able to get the amount required as it will be for the great mass of small-business men to get the much smaller amounts. Therefore, I submit we ought to raise the figure, and I hope the committee position will be sustained.

Mr. BUSH. Mr. President, I shall not debate the point further except to say that the same argument the Senator makes could be made in favor of a $400,000 or a $500,000 limitation. There always will be applicants, no matter how high the limit may be. One cannot take issue with the Senator when he says there is a need. There will always be a need for loans of any size. I think the present loan limit is appropriate. Nothing has happened since the figure was raised from $150,000 to $250,000 to justify another increase of $100,000, so I hope that my amendment will prevail.

With respect to the size of the loans, Mr. President, I wish to say that in the letter which I asked to have printed in the RECORD, I noted with interest that from October 1, 1953, until May 31, 1958, it was stated there were 10,575 loans made, and the average size of the loan was $46,793.

From July 1, 1957, to May 31, 1958, a period of 11 months, there were 3,479 loans, of an average size of $48,878. So it is obvious that the increase in the average size of the loans in the current fiscal year is very little different from the cumulative record of 5 years which I have just read.

Mr. THYE. Mr. President, I rise to oppose the pending amendment. I commend the committee for having written the figure of $350,000 into the bill for this reason: I submitted evidence for the RECORD this afternoon from my State showing that there had been loans in excess of $250,000. Sometimes the local bank assumes the difference. In one case the Bank of Willmar picked up an additional $30,000 of a loan because there was insufficient authorization under the act. Therefore, I commend the committee for having written the increase into the bill.

I have heard from a great number of businessmen and banks that it would be desirable to have the larger sum in the lending authority. In many instances it will not be used, but there will come a time when the administrator will be justified in going above the present limit of $250,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BUSH]. [Putting the question.]

The amendment was rejected.

Mr. MORSE. Mr. President, I should like to have the attention of the Senator from Pennsylvania for a moment.

I observe that the pending bill, as reported by the Senate Committee on Banking and Currency, contains the following provision on page 37, in section 4:

SEC. 4. The Secretary of the Treasury is hereby authorized to further extend the maturity of or renew any loan transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957, for additional periods not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan.

I ask the Senator from Pennsylvania if this is not in essence the legislative proposal which I introduced in the Senate on August 7, 1957, as Senate bill 2729, except that the committee amendment provides a limit of 10 instead of 15 years for permissive extension of RFC loans.

Mr. CLARK. The Senator is correct.

Mr. MORSE. I thank the Senator from Pennsylvania.

I wish to express my appreciation to the Committee on Banking and Currency and the Senator from Pennsylvania for including this provision. It will be of great help to small-business firms in Oregon and elsewhere in the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I made to the Senate Committee on Banking and Currency in support of my bill, Senate bill 2729.

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

STATEMENT OF SENATOR WAYNE MORSE BEFORE THE SMALL BUSINESS SUBCOMMITTEE OF THE SENATE BANKING AND CURRENCY COMMITTEE ON S. 2729

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to present my views on the bill, S. 2729, which is now pending before your subcommittee. This bill would authorize the Secretary of the Treasury to further extend the maturity of or renew certain loans made by the Reconstruction Finance Corporation for periods up to 15 years, if the extension or renewal would aid in the orderly liquidation of the loan.

The loans to which S. 2729 relate are those which were made by the Reconstruction Finance Corporation under section 4 (a) of the Reconstruction Finance Corporation Act of 1947, as amended, and which were transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957. The final maturities of such loans are now limited by section 4 (b) (2) of the Reconstruction Finance Corporation Act of 1947, as amended, which provides in part as follows:

"No loan, including renewals or extensions thereof, may be made under sections 4 (a) (1), (2), and (4) for a period or periods exceeding 10 years * * * *Provided further*, That any loan made under section 4 (a) (1) for the purpose of constructing industrial facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction."

In view of the foregoing provisions, the Secretary of the Treasury today lacks authority to extend or renew any of the loans referred to beyond the 10 years specified in the statute. However, if S. 2729 were enacted as I propose, the Secretary of the Treasury could extend or renew any of the loans for additional periods not to exceed 15 years, provided, of course, the extension or renewal would aid in the orderly liquidation of the loan.

The reasons for the enactment of the proposed legislation may be briefly stated as follows:

1. It is unrealistic to require every business enterprise which obtained a loan from the Reconstruction Finance Corporation to repay its indebtedness within 10 years. We all know there are many sound businesses which require a longer period for loan repayment, and to exact payments of such borrowers on a 10-year basis can only assure the immediate depletion of their working capital. With working capital depleted, these businesses are unable to repair and maintain their plants or to undertake capital improvements necessary to maintain a competitive position. Finally, such businesses are without the means to purchase inventories and supplies and to meet payrolls when they come due.

2. As working capital is depleted and liquidation becomes imminent, borrowers are unable to interest any new investment

in their businesses or secure private refinancing.

3. Perhaps the most compelling reason for the passage of S. 2729 lies in the fact that the Secretary of the Treasury has taken the position that there is no alternative but to institute foreclosure proceedings or other such means of loan collection if a loan is not fully repaid within the period now prescribed by statute (or reasonably soon thereafter) even though the loan could be repaid from earnings if additional time were afforded.

As final maturity dates approach, the situations referred to above become increasingly evident and more demanding of corrective action. Action should therefore be taken now to authorize the Secretary of the Treasury to further extend or renew any such loan if the extension or renewal would aid in the orderly liquidation of the loan.

In order that the subcommittee may have the benefit of a specific illustration of the type of case for which the relief proposed by S. 2729 is required, I would like to quote from a letter I received recently from an Oregon firm engaged in the business of producing hardboard and softboard. This firm, the Oregon Fibre Products, Inc., of Pilot Rock, wrote to me under date of April 7, 1958, and I quote from a portion of its letter:

"Oregon Fibre Products, Inc., borrowed over $3 million from the RFC and still owes $2,750,000 which is being repaid at the rate of $45,000 per month with certain interim adjustments.

"The Treasury has indicated its agreement to authority to extend loans up to 10 years, but this period is not enough to aid Oregon Fibre Products, Inc., as our best judgment is the loan should be extended for 15 years, giving a total of 20 years from the present time and this would place monthly payments at about $18,500 per month.

"Accordingly we request that you secure the passage of S. 2729 with authority to extend loans for 15 years. If any change is to be made in the bill, the time for extension should be increased to 20 years. The reasons for the passage of the present bill, in addition to what we have stated above are as follows:

"(1) The bill is permissive not mandatory. If passed, Treasury can refuse to extend loans if it so desires or it can extend them for 1 year, 2 years, etc., up to 15. If Treasury believes extensions should not exceed 10 years, it has authority under the bill to limit extensions to 10 years.

"(2) Every effort has been made to accede to the Government's wishes and refinance the Oregon Fibre Products loan privately, but with the high interest rates and tightness of money, it has been impossible to do this thus far. It is our firm conviction that if Treasury were to extend the present loan for an additional 15 years, thus giving a maturity of 20 years, it would allow the loan to be refinanced privately much more quickly than it will be possible to accomplish on the present terms.

"(3) With the reduced monthly payments, the company can accumulate a reasonable cash reserve and strengthen its financial position which in a reasonably short time will greatly assist in refinancing the loan privately.

"(4) Oregon Fibre Products, Inc., will continue to make every effort to have the loan refinanced privately and this will aid in the Treasury's liquidation program.

"(5) This bill S. 2729 will not only give Treasury authority to reset the Oregon Fibre Products loan on a reasonable basis, but it will also allow the resetting of all other loans. Hence, Treasury can decide the granting of extensions and the extent of them on grounds of the best interest of the company involved as well as Treasury's best interests.

"(6) An extension of loans on a reasonable basis will allow the building up of the business on a sounder basis and thus assure a greater stability in employment.

"I might add that this company not only has a substantial payroll in a community that is dependent to a considerable extent upon its continued operation, but also has a considerable number of stockholders and debenture holders who are scattered throughout the State of Oregon and principally in the Pendleton and Portland areas. Hence, it will be appreciated if you will do what you can to have the bill considered and passed with authority for 15 years, or 20 years, if possible."

The foregoing letter will, I am sure, demonstrate to the members of the subcommittee that legislation of the type proposed by S. 2729 is urgently required. I shall appreciate the subcommittee's thorough and sympathetic consideration of this bill.

Mr. MORSE. I want the members of the Committee on Banking and Currency to know that I appreciate very much the courtesy they extended me in this connection. I believe that the committee's modification of my bill, reducing the period from 15 years to 10 years, does not in any way jeopardize the objectives of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. PAYNE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I had prepared in support of the pending measure.

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

STATEMENT BY SENATOR PAYNE ON THE SMALL BUSINESS ACT OF 1958

The American people from the earliest days of their identity as a Nation have based their economic institutions on the principle of free enterprise. Every American is familiar with the meaning of this philosophy. In essence it denotes the freedom of private business to organize and operate for profit in a competitive system. There is little doubt in my mind that this economic principle which has guided the industrial and commercial development of our Nation is the most important single factor explaining the phenomenal growth of the United States from an undeveloped coastal colony to the sprawling industrial giant which it is now. Free enterprise has permitted the full utilization of our native talent, and it has also directed our industrial and commercial expansion into efficient channels making effective use of our vast natural resources. In addition, free enterprise has been an indispensable adjunct to the development of American Democracy. It has given to the economic sector of our national life the basic foundation for industrial and commercial freedom and for the independence of all segments of our economy from controls and regulations whether sponsored by private groups in the form of cartels and monopolies or by public groups in the form of dictatorial political powers. Free enterprise is today inseparable from the American way of life, and, like all other cherished American institutions, we must vigilantly guard it against the pressures and trends which would seek to submerge it as a living principle of the American way.

This need to preserve free enterprise has led the American people time and again to develop legislation protecting all segments of the Nation's economy against unfair methods of competition and other abuses detrimental to a free economy. Today we in this great Chamber are considering more legislation of this very nature. This time it is aimed at preserving what is probably the most important single part of the American economy—small business. Small business has always been and must continue to be the very heart and soul of the Nation's economy, because it is here where we find the deepest roots of the free-enterprise system. It is here where the give and take of competition is most intense. It is here where individual or family private ownership is most prevalent. Small business forms the very foundation of the American economy. Lose it and we cannot but help lose one of our most precious and cherished democratic institutions.

Yet today there is great reason to believe that we cannot take the existence of small business for granted. Small business is in serious danger, and unless efforts are promptly made to permit it to continue its vital role in our economy, there is the possibility that small business will leave the American scene. Inevitable with the rapid growth of our Nation has been the development of huge industrial empires. So-called "big business" has been necessary to develop a big Nation in a big way. No one will deny this. Yet, despite efforts of the Federal Government and of the leaders of big business itself to delineate the powers and effects of big business, there is little doubt that certain inherent characteristics have given our industrial giants advantages over small business enterprises which could well prove fatal unless similar advantages are extended to small business. The legislation before us today is intended to accomplish this. It represents nothing drastically new. It represents, however, the extension and improvement of past legislation assisting small business which Congress has seen fit to enact and the President to sign.

The competition which small-business men face from big business exists in practically every phase of business activity. The small-business man operates at a disadvantage at practically every turn. He borrows at a higher rate of interest. He pays more when buying at less than carload lots. He must charge more when shipping at less than carload lots, and his per units costs are higher since his overhead takes a greater percentage. In distribution and sales he can seldom operate as effectively as large corporations with nationwide chains of outlets and multimillion dollar advertising campaigns. In other words, at practically every turn the small-business man is at a disadvantage. For this reason, the rate of failure among small businesses has been exceedingly high and increasing year by year. In 1957, for example, the rate of business failure in this country was 52 per 10,000 enterprises—the highest for any year since 1941. Of the total number of failures in 1957, 73 percent was among retailers with liabilities under $25,000—in other words among small businesses. And this occurred during a comparatively prosperous year. 1958 with its economic slump will undoubtedly record a much higher rate of failures. And, of course, the rate of failure is not the only evidence of the problems faced by small business. Close-outs and mergers are additional evidence and these have also been increasing year by year. It can be said with certain accuracy that small business in America today stands at a crossroad. The next decade will determine its destiny. We must, in behalf of the better interests of the Nation, do all within reason to permit small business to have available the resources to balance the great advantages enjoyed by big business. We must assist

small business in every legitimate way in order that it might survive these transitional times and continue to contribute to the American way of life.

The health of our Nation's small businesses is a matter of general concern and responsibility. Since it affects all Americans it is not a problem to be left solely with the small-business community itself. It is both too far reaching for this and too great a burden. The needs of small business are such that they must obtain Federal assistance in order to be met.

What are these needs? Although they might be stated in many ways they can usually be grouped under two headings: first, professional information and advice; and secondly, financial assistance. Under previous administrations the first need was almost entirely overlooked while the second was met through the all-inclusive operations of the Reconstruction Finance Corporation. Under RFC, however, the requirements of small business could not receive the special attention which is so necessary to solve the problems faced by small-business men. RFC made loans to all types of businesses as well as to various public bodies and even to foreign governments. It was used as a vehicle for a wide variety of new Federal programs of financial assistance and, consequently, assistance to small business was merely part of a much larger program. Under such circumstances small business could never receive the separate treatment which it badly needed. Likewise, the informational programs sponsored by the Department of Commerce were essentially oriented toward larger business enterprises. Small-business men, therefore, found the Department lacking in its ability to assist them with adequate informational resources. As a result of all this, small-business men through their associations began voicing the need for a coordinated program for small business, one which would give them assistance geared especially to their type of enterprise.

As we all know, during the later years of the Truman administration a study of the RFC was undertaken by a committee headed by my good friend and distinguished colleague from Arkansas, Senator WILLIAM J. FULBRIGHT. The extensive study of this depression-born agency resulted in a call for its liquidation since it was shown that it had outlived its usefulness and was no longer needed. This was the situation when I entered the Senate early in January 1953. It was my privilege at that time to be made chairman of the Banking and Currency Committee's Subcommittee on the Reconstruction Finance Corporation, and as such I was able to make further studies of the RFC. The conclusions reached at that time showed that, while the agency had efficiently and effectively fulfilled its original purpose, only a few of its activities continued to be of any real value. Among these, however, was the loan program for small business which was playing an increasingly important role in the maintenance of a free and healthy economy. Following this conclusion, the administration in May 1953, recommended early termination of the RFC and the creation of a new small-business agency to take over the small-business loan functions of the RFC. In addition, this new agency would assume the former responsibilities of the Small Defense Plant Administration in regard to military procurement contracts and it would also take on the responsibilities of the Department of Commerce in the area of management and technical advice. This new organization, in other words, was to be completely oriented toward the small-business man and his problems. These proposals, in my estimation, have been among the most enlightened and constructive achievements of the Eisenhower administration.

Taking these recommendations as the basis for new legislation, the Banking and Currency Committee, under the able chairmanship of my good friend and distinguished colleague, Senator HOMER CAPEHART, drafted a small-business bill which has since proven to be a milestone in small-business legislation. It was my privilege to assist in steering this bill through the Senate to final passage and to thereby play a part in the creation of the first Federal agency specifically designed to sustain the health of small business in the United States. The bill was signed by the President on July 30, 1953, and later that summer the Small Business Administration commenced operations.

In the more than 4 years since it was established, the Small Business Administration has done an outstanding job of providing competent and necessary services to the small-business men of America. SBA's activities can be divided into three general areas: financial assistance, Government procurement assistance, and management assistance. Under financial assistance a loan program comprised of two separate funds has been inaugurated. One fund provides for disaster loans at not more than 3 percent interest for periods up to 20 years to small businesses in areas affected by floods, droughts, and other natural catastrophes. Small businesses operating in such areas many times need credit to carry them through the critical period following disaster. Often the credit resources of the area are spread so thin that the small businesses cannot obtain the loans which they need to carry on. It is to fill this need that the disaster loan fund was created, and the value of this program is best attested by the more than 6,750 disaster loans totaling more than $66 million which have been approved to date. In my State of Maine alone, some 81 disaster loans have been made totaling $97,000.

The second fund is for business loans. Business loans are made to small concerns unable to obtain full financial assistance elsewhere but which offer reasonable assurance of repayment. Banks and other private credit sources often refuse to make loans when there is the least amount of risk involved. SBA, on the other hand, will accept certain risks on the sound assumption that the benefits accruing to the economy and the Nation as a result of such assistance more than justify the hazard involved. Furthermore, comparatively few cases of default on such loans have been recorded. Every company, both large and small, endures periods of financial stress which can be met and overcome. SBA business loans at such times serve a most valuable function to the small businesses directly involved and to the entire national economy.

Since the beginning of SBA, over 9,969 loans have been approved across the Nation valued at more than $466,173,000. Maine alone has received 75 loans valued at $3,029,000. Without this assistance, many small businesses in the Pine Tree State would be in dire difficulties as a result of the current temporary economic slump; a slump which for Maine has been of several years' duration. In the past year loan activity in Maine has been increasing much faster than the national average. SBA, therefore, is being of great assistance at a difficult time. Furthermore, a field office has recently been opened in Maine and it is likely that this will allow more and more Maine small-business men who need assistance to take advantage of SBA's programs. In view of the considerable distance many parts of Maine are from the SBA regional office in Boston, the establishment of a field office for Maine had my complete support. I am firmly convinced that this office will provide Maine businessmen with much better contact with SBA and will allow them to be better informed concerning the organization's activities.

The procurement assistance efforts of the Small Business Administration have as their primary goal the channeling of the greatest possible share of Federal contracts to small-business concerns. SBA personnel are constantly reviewing contracts to discover products both of a prime contract and subcontract nature which are suited to production by smaller concerns. As these determinations are made such products are set aside on a nationwide basis for exclusive award to small businesses. In the past year, the value of such set-asides amounted to over $800 million and involved more than 8,000 different contracts.

The production and management assistance of SBA is made available to small-business men through a counseling service, publications, and even college courses. SBA's 15 regional offices have specialists in every phase of business activity, and these men stand ready to answer requests for aid. Beyond the regional offices are 27 field offices which act as information centers and clearinghouses for requests.

This, then, in very brief terms is what the Small Business Administration is doing in its vital role of assisting our Nation's most important economic sector. This role must be continued and enhanced. It is my firm conviction that the legislation before us today will have this effect.

Probably the most significant feature of this omnibus small business bill is its provision to extend the Small Business Administration for 3 years. As I have tried to show, SBA has been by far the most effective and efficient vehicle by which the Federal Government has been able to contribute a measure of assistance to our small business community. Year after year, however, SBA's very existence has been uncertain because of the lack of permanency. Each year its fate has been in the hands of Congress. It has, therefore, been difficult for SBA to undertake the type of studies and planning which are necessary to meet fully the long-range needs of small business. The problems of small business are often such as to call for continued studies and plans scheduled for several years' duration. Such undertakings, however, are extremely difficult for a government agency whose existence is made uncertain from one year to the next.

Last year I introduced legislation to make the SBA a permanent agency. This provision had the strong support of the administration. It was decided in committee, however, that a 3-year extension should be recommended. Although I would prefer establishing SBA on a permanent basis, I will accept a 3-year extension as being far preferable to a 1-year extension but urge my colleagues on the committee and here in the Senate Chamber to give serious thought to giving SBA the permanent status it so highly deserves.

Another provision of the omnibus small business bill which I feel is important is one which would permit local and State tax liens against small businesses which have collapsed to be collected prior to any obligation these businesses might owe the Small Business Administration. Present law gives the SBA priority over such tax liens. This is unfair to local and State governments and is not in accordance with the accepted practices of other Federal agencies. This provision was embodied in a bill I introduced earlier this year for myself and Senator MARGARET CHASE SMITH.

The omnibus small business bill includes many other provisions which are designed to improve the organization and the activities of the Small Business Administration and to offer more effective assistance to the Nation's small business enterprises. It is vital, therefore, that this bill be passed by the Senate and the House and enacted into law. By so doing, it is my belief that we will be contributing a great deal to the elimination of certain inequities in our present economy which endanger small business, and the little fellow who is so necessary for the

continuation of our system of free enterprise will be able to look to the future with confidence.

Mr. HUMPHREY. Mr. President, rather than take the time of the Senate, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement which I have prepared in support of the bill and the committee amendments.

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

STATEMENT BY SENATOR HUMPHREY

I strongly support the objectives of the pending bill to amend H. R. 7963, in particular the provisions which increase the authority to make business loans from the revolving fund of the Small Business Administration by $295 million, and the increase in the maximum amount of individual loans to $350,000. These are realistic and needed improvements in the legislation.

The committee amendment, section 9 of the bill, is a significant step forward, for it permits active participation by the Small Business Administration in the efforts of small-business concerns to obtain Government research and development contracts, to share in the benefits accruing from research and development performed by larger business under Government contract, and to band together for research and development work without violating antitrust laws and other Federal trade laws. This bill proposes a 3-year continuation of the Small Business Administration. Frankly, I favor the placing of this agency on a permanent basis, as I have for years. Therefore, I shall support the amendment to make the Small Business Administration a permanent Federal agency. It is quite obvious to me, after many years of study and intimate familiarity with the very serious problems of small-business men in America, that without the special assistance made possible by this agency, the growing power of monopoly, public indifference, and the natural inertia of Government procurement officials who prefer to work with the great corporations, would make it difficult for American small business to survive at all.

We have by no means provided all the help that small business needs to survive, but we would be taking a strong step forward by making the Small Business Administration a stable, permanent agency.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 7963) was passed.

Mr. CLARK. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. CLARK, Mr. CAPEHART, Mr. BRICKER, and Mr. BENNETT conferees on the part of the Senate.

PROGRESS ON ST. LAWRENCE SEAWAY

Mr. WILEY. Mr. President, tomorrow, I, along with a number of others, will have the pleasure of attending the formal opening of the Eisenhower and Snell Locks, and related United States-Canadian facilities, of the United States St. Lawrence Seaway.

This event marks one more significant step toward completion of the seaway project.

As we know, the final date for completion is scheduled for April 1959.

At 8 a. m. this morning, a scheduled blast of 30 tons of explosives blew up a 600-foot rock-and-earth cofferdam in the north channel of the St. Lawrence Seaway, near Massena, N. Y., and Cornwall, Ontario.

The result of today's blast flooded 38,000 acres of land to form a lake of 25 miles long and 40 to 80 feet deep. The lake has a dual purpose: (1) to provide a huge water reservoir for power; (2) to form a portion of the deep-water highway for ships of the world.

I am sure that our colleagues who, like myself, have supported this splendid project, find deep pleasure at this milestone of progress.

Again I want to stress, however, that we, in Wisconsin, as well as in other States bordering the Great Lakes west of Lake Erie, will not consider the project really completed until the work on the Great Lakes connecting channels is finished.

Until the channels between Lake Erie and Lake Huron are also deepened, we, in the States beyond this point, will be denied the benefits of deep-sea traffic through the seaway.

That is why I am again urging our colleagues on the Public Works Committee to approve a $30 million appropriation for construction work on the channels for 1959. Meanwhile, of course, I am pleased that progress on the seaway itself is surging ahead.

The Sunday edition of the Milwaukee Journal carried an excellent article giving a detailed picture of the opening of the new section of the seaway.

In addition, today's Baltimore Sun carried an editorial on this development. It was a pleasure to note that this fine newspaper—published in the eastern area from which has come much opposition to the development of the seaway—characterizes the dual seaway-power project as a step in progress that had to come.

I request unanimous consent to have these articles printed at this point in the RECORD.

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

[From the Milwaukee Journal of June 15, 1958]

HUGE BLAST TO "PULL" MAJOR SEAWAY PLUG—TONS OF EXPLOSIVES WILL OPEN CHANNEL ALONG ST. LAWRENCE WATERWAY

At 8 a. m. on July 1 a surge of electricity will zing along a wire in the International Rapids section of the St. Lawrence River and Seaway.

Thirty tons of explosives will geyser hundreds of tons of earth, rock and boulders. A 20 foot wall of water will roar into its old channel. The last major plug in the mighty river will have been pulled. The next to last phase in the gigantic seaway and power project will start.

That phase is the flooding of 38,000 acres of scenic New York and Ontario farm and vacation land to form a 25 mile long, 40 to 80 foot deep lake.

DOUBLE PURPOSE

The lake has a double purpose: To form a huge water reservoir for power; to form a deep water highway for ships of the world. The lake will take shape and fill up in 4 days.

To build the massive dam, canal and lock structures in the dry, the course of the St. Lawrence had been diverted first this way, then that.

The last big diversion structure is a 600 foot long rock and earth cofferdam in the north channel between Barnhart and Sheek Islands near Massena, N. Y., and Cornwall, Ont. That is the one which will be blasted skyward July 1.

LIKE TENNIS BALLS

What the explosives don't accomplish, the rush of the river—240,000 cubic feet a second—will. Such a flow handles boulders as if they were tennis balls.

The water won't rush far, about 2 miles. It will stop at the second largest hydroelectric plant in the world, built by the dovetailed efforts of the New York State Power Authority and Ontario Hydro at the foot of Barnhart Island.

Then it will start backing up, for 25 miles to old Iroquois, Ontario. It will roll over rich farm acres, over sheared off villages, part of a golf course, highways, railroad rights-of-way, the locks and canals of the old 14-foot seaway on the Canadian side. Islands will disappear or be reduced to specks. New islands will be created. The vicious but beautiful Long Sault Rapids will disappear.

RECREATIONAL AREA

At the powerhouse the water will form a power "head" of 81 feet. The new lake, as yet unnamed, will be nearly 4½ miles wide near the powerhouse, tapering to a quarter mile at the upstream end. It is destined to become a major North American recreational area.

Within 3 days, the pool will have risen high enough to test the 8 turbines and generators so far installed, 4 each by Ontario Hydro and the New York Power Authority. When all installations are completed next year, there will be 32 generators, each with about 57,000-kilowatt capacity, for a total of 1,880,000.

New locks in the International Rapids section are virtually ready to accept big ocean ships drawing up to 27 feet, compared with 14 feet in the old seaway.

LOCK LONG READY

The Canadian lock at Iroquois has been ready since last fall.

The two United States locks near Massena—the Eisenhower and the Bertrand H. Snell (formerly the Grasse River)—now are undergoing testing in the dry. Wet testing will start soon.

All the locks are 800 feet long, 80 feet wide and 30 feet deep. Four other Canadian locks, upstream from Montreal, will be ready next spring. Not until then will major ocean ships be able to use the full length of the new seaway.

TOKEN SAILINGS

The new United States locks will first be used by ships on July 2, the day after the start of flooding. But these will be only token sailings, part of lock opening ceremonies.

All commercial shipping into and out of the Great Lakes will be stopped above and below the 25-mile International Rapids section during the pool raising. When the traffic is resumed, it will move along the new seaway route—through the Eisenhower and Snell locks and the 10-mile-long Wiley-Dondero channel—on the United States side of the international border.

[From the Baltimore Sun of July 1, 1958]

THE ST. LAWRENCE

Today's lively doings on the International Rapids section of the St. Lawrence River will

not bring the St. Lawrence Seaway project to completion. That is something for next spring, when the 1959 shipping season opens. But today's events are an imposing prelude underscoring the magnitude of the American-Canadian seaway and power undertaking.

The dynamiting of a temporary dam will permit the St. Lawrence to return to two of its old courses through the Barnhart Island area. These courses have been altered. Across one is the new power dam that is eclipsed in production in this country only by the Grand Coulee Dam in the State of Washington. Along the other course (the actual route of the seaway) the Eisenhower and Snell locks have been built.

With the cofferdam eliminated, water will begin backing up behind the power dam and the two locks—and the face bestowed by nature on the International Rapids will be drastically changed for all time. What is far more important, the most difficult stretch of the deep-draft ship channel between the Great Lakes and the Atlantic Ocean will come into being, and a huge addition to power supply for the adjoining areas of the United States and Canada will be made.

We along the Atlantic coast who look on the seaway as the spawner of new competitors for international commerce have tended to overlook the hydroelectric power side of the undertaking. Actually it was the quest for power, rather than the seaway, which drew such strong Canadian demands for the St. Lawrence development.

There is no way of knowing for sure the extent to which Atlantic coast ports will be hurt by the ship channel to the Great Lakes. But the dual seaway-power project had to come. It is a monumental job that could not have been done without the neighborly relations between the United States and Canada.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6006) to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. GREGORY, Mr. FORAND, Mr. REED, and Mr. SIMPSON of Pennsylvania were appointed managers on the part of the House at the conference.

DEVELOPMENT OF MINERAL RESOURCES OF THE UNITED STATES

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 3817) to provide a program for the development of the mineral resources of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes.

CONSTRUCTION OF SUPERLINER PASSENGER VESSELS—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a 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. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, 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.

WARREN G. MAGNUSON,
JOHN O. PASTORE,
JOHN M. BUTLER,
NORRIS COTTON,
Managers on the Part of the Senate.

HERBERT C. BONNER,
FRANK W. BOYKIN,
EDWARD A. GARMATZ,
THOR C. TOLLEFSON,
JOHN J. ALLEN, Jr.,
of California,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WILLIAMS. Mr. President, I notice in the conference report that the conferees have rejected my amendment, which had been adopted in the Senate. This amendment was adopted without objection. The purpose of the amendment was to prohibit the maritime industry from giving free transportation or reduced passenger rates to any employee of the United States Government or members of their families. It established the same rules in the shipping industry which have been applied previously by Congress to the railroad industry and to the aviation industry.

I wonder whether the Senator from Washington would explain to the Senate why the amendment was rejected. Unless there is a good explanation, I shall oppose the adoption of the conference report and then make the motion that the bill be sent back for another conference with instructions that the conferees insist upon this amendment.

Mr. MAGNUSON. Mr. President, this matter has been before the conferees for almost 2 weeks. We have had several conferences on it with the House. The House conferees have been adamant in their opposition to the amendment, and only this afternoon the conferees filed their report in the House. In their statement they list eight long reasons why the amendment is not germane to the bill. Among the objections to the amendment it is stated that the amendment has no appropriate place in the bill and that no hearings were held by either House on the matter. Then they go on to point to other reasons why they refused to accept the amendment.

It is true that there is a good reason why the amendment should not be attached to the bill. The chairman of the House conferees and all the House Members this morning, at about 11 o'clock, informed the chairman of the Senate conferees that on the subject matter proposed by the distinguished Senator from Delaware they would be glad to set a hearing date at any time, and I have so advised the Senator from Delaware. All that is before the Senate is the question whether we will accept the conference report.

Mr. LAUSCHE. Mr. President, in committee I voted against the recommendation that subsidies in connection with the building of these two ships should be raised from the existing maximum of 50 percent to 55 percent. I did not feel such an increase was justified. I felt it was a further incursion upon the Federal Treasury. I voted against the bill when it was under consideration by the Senate. I wish the RECORD to show that I am not in favor of it today.

Furthermore, Mr. President, I did not join in the conference report striking from the bill the amendment offered by the Senator from Delaware, prohibiting the gratuitous use of ships by public employees.

Mr. WILLIAMS. Mr. President, in view of the fact that the conferees will insist on the acceptance of the conference report and are not willing to take it back to conference, I shall ask for a record vote, following which I shall explain my position. I therefore ask for the yeas and nays, Mr. President.

The yeas and nays were not ordered.

Mr. WILLIAMS. Mr. President, I shall withhold the suggestion of the absence of a quorum until Senators have finished making insertions in the RECORD because I have no intention to prevent them from doing so. Even though many Senators are not on the floor, the yeas and nays can be ordered by unanimous consent. I therefore ask unanimous consent that the yeas and nays be ordered on the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

Mr. BUTLER. Mr. President, reserving the right to object, I should like to ask the Senator from Washington [Mr. MAGNUSON], the chairman of the committee, if he has any objection.

Mr. MAGNUSON. I do not see any reason for the yeas and nays. The amendment offered by the Senator from Delaware is not before the Senate. The Senate will merely vote to adopt or reject the conference report. If the Senate favors the report, they will vote to adopt it; if they reject it, the request of the Senator from Delaware will have no standing anyway.

Mr. WILLIAMS. A request for the yeas and nays is perfectly proper.

Mr. MAGNUSON. I did not say it was not proper.

Mr. WILLIAMS. Is there objection to it?

Mr. MAGNUSON. I reserve the right to object. I did not say it was not proper. It is always proper. No Senator has objected. If the Senator from Delaware will quiet down for a minute everything will be all right.

Mr. President, I have a privileged matter I should like to take up by unanimous consent.

Mr. WILLIAMS. Mr. President, I have a request pending.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware that the yeas and nays be ordered on the question of the adoption of the conference report?

Mr. MAGNUSON. I have no objection to the yeas and nays.

The PRESIDING OFFICER. The Chair hears no objection.

The yeas and nays were ordered.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. SPARKMAN. Mr. President, shortly the Senate will have before it for consideration the bill to extend the Reciprocal Trade Agreements Act. I have always supported the Reciprocal Trade Agreements Act, and I propose to support it this year. However, I call attention to a letter written by President Eisenhower to Republican leader in the House of Representatives, Hon. JOSEPH MARTIN, on February 17, 1955, and published in the CONGRESSIONAL RECORD of February 18, 1955, volume 101, part 2, page 1781. I shall read an excerpt from the letter:

> I wish also to comment on the administration of this legislation if it is enacted into law. Obviously, it would ill serve our Nation's interest to undermine American industry or to take steps which would lower the high wages received by our working men and women. Repeatedly I have emphasized that our own country's economic strength is a pillar of freedom everywhere in the world. This program, therefore, must be, and will be, administered to the benefit of the Nation's economic strength and not to its detriment. No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve. This plain truth has dictated the retention of existing peril-point and escape clause safeguards in the legislation.

I call this statement to the attention of the Senate now because of the distressing condition which today confronts the textile industry of the United States. I think the condition of the textile industry is almost entirely due to the failure of the administration to administer the act in the manner in which the President in this letter said it would be administered.

I think most of the troubles which our local industries experience can be handled administratively, and they ought to be handled administratively, under the Reciprocal Trade Agreements Act.

I earnestly hope the administration will not forget the promise which was made in the President's letter of February 17, 1955. Nevertheless, nothing has been done about the situation since that time.

It is quite significant that at this time, in connection with the consideration of the Reciprocal Trade Agreements Act, the President has not taken the trouble even to write such a letter or even to give that degree of assurance to Congress as to how the administration will handle the act.

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

Mr. SPARKMAN. I yield.

Mr. WATKINS. Has the textile industry ever applied to the Tariff Commission for relief under the act?

Mr. SPARKMAN. Yes; it has applied there; it has applied to the White House; it has applied everywhere. The Senator may remember that about 3 years ago the situation was so desperate that an amendment was offered in the Senate by the distinguished Senator from Rhode Island [Mr. GREEN]. It was supported by the chairman of the Committee on Foreign Relations, the late Senator George. It was supported also by a number of other Senators. As I recall, the amendment was rejected by the Senate by a single vote.

The amendment would have set quotas on cotton textile importations from Japan. But the amendment was lost because the administration gave us assurance, which was just as positive as it could be, that the act would be administered in such a way as to make it unnecessary to set quotas. That is the only reason the amendment was rejected.

So I should say the textile industry has done everything it could to get relief from the administration, but has failed utterly to do so.

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

Mr. SPARKMAN. I yield.

Mr. WATKINS. I am not clear about this. Did the Tariff Commission make a recommendation in the case of the textile industry?

Mr. SPARKMAN. I cannot give the details. I do not know offhand.

Mr. WATKINS. Did the Commission hold hearings?

Mr. SPARKMAN. I do not know offhand.

Mr. WATKINS. The President could not have taken action unless the Tariff Commission made a recommendation.

Mr. SPARKMAN. Oh, no. I could go into great detail, but it was not my purpose to open up an argument on this subject now. I simply wanted to place in the RECORD the excerpt from the President's letter. But the Senator from Utah will remember that the conference at Geneva, operating under GATT, lowered the tariffs on textile goods, and the textile industry was then left more or less helpless, so far as the tariff situation was concerned.

Mr. WATKINS. As I understand the Reciprocal Trade Act, a definite procedure must be followed before the President can be called upon to act or before he can act. That is the reason I asked the question whether the textile industry had followed the required procedure.

Mr. SPARKMAN. It is my understanding that the textile industry has done everything it could do under the act. The textile industry is one of the industries in the country today which is hard hit, and that is simply because of the inaction on the part of the administration.

I want the Senator from Utah to understand that I support the Reciprocal Trade Agreements Act. I am not speaking against the act. I am speaking for the need of the administration to administer the act, as it is capable of doing, in such a way as to give to the local industries the protection which the President promised in his letter to Republican Leader MARTIN, on February 17, 1955.

TODAY IS JULY 1

Mr. KEFAUVER. Mr. President, today is July 1. Today, the provisions of the third year of the contract between the United Steelworkers and the steel companies go into effect. Thus far, the major steel companies have not put into effect any price advance, for which they are certainly to be commended. Each day that they do not increase the price saves the direct buyers of steel in the neighborhood of $1 million; and because a rise in the price of steel tends to be pyramided, the saving, by the time it reaches the ultimate consumer, is several times this figure. Of course, the price may be advanced at any time, but each day that it remains stable represents a contribution to the economy.

It is the position of the United Steelworkers, of course, that the wage increase merely reflects the gain in labor productivity, and therefore should not occasion any increase in price or require any absorption of the profits made by the companies. In a speech delivered on June 27, David J. McDonald, president of the United Steelworkers of America, stated:

> When workers receive a 4-percent increase in hourly wage rates for producing 4 percent more steel each hour, there is no increase at all in the employer's labor cost. Any price increase under such circumstances is solely to increase profit margins and total profits.

The latest figures from the Bureau of Labor Statistics show that average hourly earnings in the steel industry are $2.77. This excludes certain fringe benefits, such as pensions, paid vacations, and so forth, which, if included, would raise the total hourly rate to about $3. If we multiply $3 by the union's estimate of a long-term productivity increase of 4 percent a year, the result is 12 cents an hour. This is approximately the same as the union's estimate, as the total cost of the increase in wages and fringe benefits this year—excluding a cost-of-living adjustment, of 11.9 cents an hour.

Needless to say, the steel companies do not accept the union's figures. In hearings last year before our subcommittee, the United States Steel Corp. put into the record a statement concerning productivity trends within the corporation. According to this statement, the productivity of United States Steel has not risen at an annual rate of 4 percent a year, but instead at the considerably lower rate of 2.9 percent. However, this was for the period 1950–

1956. United States Steel itself has conceded that because of the steel strike, 1956 is not a representative year for this type of estimate. The United States Steel Corp. figures show that between 1950 and 1955, productivity rose at an average annual rate of 3.5 percent. Multiplying this estimate by the average hourly earnings figure of $3 yields 10.5 cents as the amount by which wages could be increased without exceeding the gain in productivity. This, it will be noted, is only fractionally below the union's estimate of the cost of the current wage increase.

Again it should be emphasized that these figures exclude the 4-cents-an-hour cost-of-living adjustment. But here the rationale is, not increased productivity, but the need to compensate for the increase in living costs and prevent a deterioration in the purchasing power of the steelworker's dollar. Were the cost of living not to rise, the need for this increase would cease to exist, and under the terms of the contract there would be no increase.

On their part, according to the press, the companies put the cost of the wage increase in the neighborhood of 20 to 24 cents an hour. This is about the same as the estimates presented by the companies last year, when the wage increase was of about the same magnitude as the one of today. It is not necessary to accept the union's figures in order to conclude that any estimate of 20 to 24 cents an hour appears excessive. Between 1956 and 1957 United States Steel Corp. profits, after taxes, per ton of steel shipped rose from $14.56 to $17.91—the highest level in history. The heart of United States Steel's position before the subcommittee last year was that the price increase of $6 a ton was necessary in order to cover higher costs. But if this were true—if the increase in price were no more than the increase in costs—profits per ton could not have risen as they did. Of course, any increases or decreases in the costs of production, such as reduced scrap prices, should be taken into consideration.

Mr. President, in presenting these figures, I am not trying to arrive at a precise determination of the effect of the increase in wages on unit costs and prices. To do this would require access to the companies' cost figures, which they refuse to grant to the subcommittee. What I have tried to do is to narrow the range within which there is still room for honest and sober differences of opinion.

Mr. President, my effort today, as it has been every day since June 13, is to bring to the attention of the Congress, the public, and the administration certain salient facts concerning a price increase in steel which, until a short time ago, it was fully anticipated would be made effective today, but which, it is now reported in the trade press, will be put off for several weeks, and perhaps until September.

It has been my hope that, armed with these facts, as well as with others which it is in a position to obtain, the administration would act on my suggestion and would call a conference of labor and management to consider a voluntary long-range price-wage program which would give effect to the interests of labor, management, and the public. Both labor and management have left the door open for such an effort. Indeed, Mr. McDonald himself has urged the creation, from industry and labor, of a top-level committee to consider, among other problems, the important issue of inflation.

In the greater interest of economic recovery and larger employment in the steel industry, the United Steelworkers might be willing to make some concessions. They might be willing to waive or defer some benefits, if requested by the President. I would hope that, in the interest of holding the price line, they would see the long-range advantage of doing so. Who can know what they will be willing to do unless an effort is made by the President in this matter?

But thus far the administration has not taken effective action. It is possible, of course, that the efforts which I have urged upon the administration might prove to be unsuccessful. But this is something which cannot be known unless the suggested course is tried. I shall continue to urge this course of action, in the hope that the administration will change its mind and will decide to act affirmatively in the public interest.

CONSTRUCTION OF SUPERLINER PASSENGER VESSELS—CONFERENCE REPORT

The Senate resumed the consideration of 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. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the report.

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. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Is the roll being called to ascertain the presence of a quorum, or in connection with a yea-and-nay vote?

The PRESIDING OFFICER. The Senate is in the process of a yea-and-nay vote.

Mr. WILLIAMS. Has the vote begun?

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS. How many Senators have voted?

The PRESIDING OFFICER. Debate is not in order at this time, so the Parliamentarian informs the Chair.

The clerk will proceed with the calling of the yeas and nays.

Mr. WILLIAMS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. Can the yeas and nays be suspended by unanimous consent?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that such would not be in order.

The clerk will resume the calling of the yeas and nays.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Texas [Mr. JOHNSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I further announce, if present and voting, the Senator from Delaware [Mr. FREAR] would vote "nay."

Mr. KNOWLAND. I announce that the Senator from West Virginia [Mr. HOBLITZELL] is absent because of illness.

The Senator from New York [Mr. JAVITS], the Senator from Indiana [Mr. JENNER], and the Senator from New York [Mr. IVES] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN], the Senator from New Jersey [Mr. SMITH], and the Senator from North Dakota [Mr. YOUNG], are detained on official business.

Also absent on official business are the Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], and the Senator from Wisconsin [Mr. WILEY].

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. JAVITS], and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from New York would vote "nay."

The Senator from Nevada [Mr. MALONE] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from North Dakota would vote "nay."

The result was announced—yeas 51, nays 20, as follows:

YEAS—51

Allott	Church	Holland
Anderson	Clark	Humphrey
Beall	Cotton	Jackson
Bible	Curtis	Johnston, S. C.
Bridges	Ellender	Jordan
Bush	Ervin	Kefauver
Butler	Green	Kennedy
Carroll	Hayden	Kerr
Case, N. J.	Hickenlooper	Knowland

Kuchel	Morse	Saltonstall
Long	Morton	Smith, Maine
Magnuson	Neuberger	Sparkman
Mansfield	Pastore	Stennis
Martin, Iowa	Payne	Symington
McClellan	Proxmire	Talmadge
McNamara	Purtell	Thurmond
Monroney	Robertson	Yarborough

NAYS—20

Aiken	Douglas	Potter
Barrett	Dworshak	Revercomb
Bennett	Goldwater	Schoeppel
Bricker	Langer	Thye
Capehart	Lausche	Watkins
Case, S. Dak.	Martin, Pa.	Williams
Cooper	Mundt	

NOT VOTING—25

Byrd	Hennings	Murray
Carlson	Hill	O'Mahoney
Chavez	Hoblitzell	Russell
Dirksen	Hruska	Smathers
Eastland	Ives	Smith, N. J.
Flanders	Javits	Wiley
Frear	Jenner	Young
Fulbright	Johnson, Tex.	
Gore	Malone	

So the report was agreed to.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, first I move to reconsider the vote by which the conference report was agreed to, and I hope the Chair will put the question, after which I want to speak a moment on it.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington to reconsider the vote by which the conference report was agreed to.

Mr. MAGNUSON. Mr. President, in the first place, inasmuch as so many Senators are present in the Chamber, I think we ought to understand what the vote was all about. The Senate and the House passed the bill by an overwhelming majority. The Senate accepted, through the chairman of the committee and the distinguished Senator from Maryland, an amendment submitted by the Senator from Delaware. We had several conferences with the House on the Senator's amendment, and the House conferees were adamant in refusing to accept the amendment, for many, many reasons which I set forth in the RECORD as they were listed in a statement which was filed in the House as late as this afternoon. One of the main objections was that the amendment was not germane to the proposed legislation and did not belong in it.

With respect to the proposal of the Senator from Delaware, I and the Senate committee members, as well as the chairman of the House Committee on Merchant Marine and Fisheries, have assured the Senator from Delaware that we will have a hearing on his proposal at any time he wishes. I have personally assured the Senator of that, and just now asked him what day he wanted to start the hearing.

All the Senate voted on was to accept or reject the conference report. If the Senate rejected the conference report, that still would have had nothing to do with the amendment of the Senator from Delaware, since the amendment was not in the report.

We will go ahead to do anything the Senator from Delaware wishes. I have let the report lie on the table for 10 long days, hoping we might get the House to agree with some version or some form of the amendment, but the House would not do so.

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

Mr. MAGNUSON. Not at the moment. I want to finish this statement.

We had to vote the conference report up or down. We just did that.

I am not my brother's keeper, nor am I the keeper of the Senator from Delaware.

Whatever we had to say on the conference report we put in the RECORD. We gave all the facts and figures, and the seven different major reasons why the House objected to the amendment. Then we were through. The Chair rightly said, "The clerk will call the roll."

I even agreed by unanimous consent to a yea-and-nay vote for the benefit of the Senator from Delaware. Where the Senator was I do not know, but the call of the roll started. I suppose the Senator wants to say something about the amendment, which is not in the conference report.

I have moved to reconsider the vote by which the conference report was agreed to so as to give the Senator from Delaware a chance to say what he wishes to say. The Senate can vote on the motion to reconsider when the Senator gets through. The vote will have no effect on the amendment.

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

Mr. MAGNUSON. I yield to the Senator from California.

Mr. KNOWLAND. I should like to suggest to the Senator that I think the understanding we had agreed to with respect to the situation was that the Senator from Delaware would give a statement which he wanted to make prior to the vote on the conference report.

Mr. MAGNUSON. Yes.

Mr. KNOWLAND. Because of an inadvertence, or for some other reason, the call of the roll started before the Senator from Delaware had a chance to make his statement. I respectfully suggest—and I thought this was the understanding we had—that the vote be reconsidered, preferably by unanimous consent, so that the report will be in the status in which it was before the call of the roll. I happen to be one who supports the position of the Senator from Washington.

Mr. MAGNUSON. I want to be fair with the Senator from Delaware.

Mr. KNOWLAND. I think in fairness to the Senator from Delaware, we should reconsider the vote, so that the report will be in the position it was prior to the yea-and-nay vote. When the Senator from Delaware has completed his statement we will, of course, then have a yea-and-nay vote again.

Mr. MAGNUSON. I am making the motion so as to be fair to the Senator from Delaware.

Mr. KNOWLAND. I understand.

Mr. MAGNUSON. I have been fair to the Senator from Delaware. I have tried to work out everything I could with him. I do not know where he was. This is an important matter to him.

Mr. President, I ask unanimous consent that the vote by which the conference report was agreed to be reconsidered, so that the Senator from Delaware can speak upon the matter.

Mr. BUTLER. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BUTLER. Mr. President, then the question will be whether the conference report shall be agreed to.

Mr. KNOWLAND rose.

Mr. BUTLER. Mr. President, may I yield to the Senator from California, without losing my right to the floor, for the purpose of having the question put?

Mr. KNOWLAND. Mr. President, the Senator from Washington made a unanimous-consent request.

Mr. MAGNUSON. Yes.

Mr. KNOWLAND. That the vote be reconsidered.

Mr. MAGNUSON. Yes. I ask unanimous consent that the vote by which the conference report was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. We are now back to where we started, and the conference report is before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. The order for a yea-and-nay vote does not continue to stand, does it? We have already voted by the yeas and nays, and a great many Senators want to get away. We are perfectly willing to hear the Senator from Delaware, but we do not want to be held here for a yea-and-nay vote.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the order for the yeas and nays will hold over.

Mr. HOLLAND. Mr. President, I think that is an imposition on Senators.

Mr. ROBERTSON. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia will state his point of order.

Mr. ROBERTSON. I object to the yea-and-nay vote being taken again. We had a yea-and-nay vote. The vote was 51 yeas and 21 nays. The Senator from Washington made a motion to reconsider, but it was not immediately moved to lay that motion on the table, in order that the Senator from Delaware might discuss an amendment which is no longer germane to what we were voting on.

Now I understand that unanimous consent was asked and granted to reconsider the vote whereby the conference report was agreed to. We will all be here until the Senator from Delaware finishes. If the Senator wants to speak for 2 or 3 hours he has a right to do so. We shall have to wait for the Senator to discuss a proposition he could have discussed if he

had stayed on the floor, when he did not stay on the floor.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

Mr. ROBERTSON. I object.

The PRESIDING OFFICER. The Senator from California will state his parliamentary inquiry.

Mr. KNOWLAND. The vote by which the conference report had previously been agreed to has been reconsidered; is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. KNOWLAND. The question now pending before the Senate is, Shall the conference report be agreed to?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. On that question the yeas and nays have been ordered?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware.

Mr. WILLIAMS. I should like to straighten out the RECORD. I have been here all afternoon, for 6 hours, waiting for the conference report to come up and was only out the Senate Chamber less than 2 minutes to answer the telephone.

A quorum call had been withheld upon the request of other Members who wished to make statements. My rights to speak on this proposal were not protected.

The only reason the conference report has not been considered before in the last 2 weeks is that the Senator from Washington has not wanted to call it up. The Senator from Washington has been trying to work out an agreement on the amendment. It is not true that I was delaying the matter. I was in the Senate when the conference report was brought up about 20 minutes ago. At that time the Senator from Alabama [Mr. SPARKMAN] was speaking in connection with the reciprocal trade agreements and their effect on the textile industry.

I was called to the telephone, and I was out of the Chamber for less than 2 minutes. At that time I understood that not only the Senator from Washington [Mr. MAGNUSON] but also the Senator from Maryland [Mr. BUTLER] desired to make statements in connection with the report, and both Senators had asked to speak prior to the time I would speak.

The Senator from Maryland [Mr. BUTLER] is now waiting to make the speech which he intended to make before the report was agreed to.

After I went to the telephone all Senators stopped speaking, and the Senate proceeded to a vote. I say I am entitled to the right to speak, and I respectfully suggest to all the Members of the Senate that we shall get along a lot better if the Members will follow the orderly procedures of the Senate and protect the rights of a Member, instead of trying to ram this legislation through. I think I know the rules of the Senate about as well as any other Senator, and I know when a Member is entitled to speak. It is customary to have the absence of a quorum called before a vote. I know we will get away much quicker tonight if we discuss this matter as gentlemen.

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

Mr. WILLIAMS. The Senator from Maryland has the floor, and he wants to speak first. He wants to make the speech he intended to make before the conference report was voted on. Then I shall speak following the Senator from Maryland, as had been originally agreed upon.

Mr. MAGNUSON. Mr. President, will the Senator yield to me?

Mr. BUTLER. I yield.

Mr. MAGNUSON. We had no idea that the rollcall had started, but Senators had stopped speaking. That is all there was to it.

Mr. BUTLER. When the rollcall started I was at the desk of the Senator from Washington talking with him about the bill. I did not know that the Senator whose name is first upon the list had responded, and when I heard one bell I was surprised. The Chair had put the question.

Mr. MAGNUSON. We are endeavoring to be fair——

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

Mr. BUTLER. I yield.

Mr. MANSFIELD. I wish to corroborate what the Senator from Maryland has said, because he turned to me and asked, "Has anyone voted yet?" I replied, "Yes; Senator ALLOTT."

Mr. BUTLER. That is true. I did not know that the rollcall had even started.

Mr. President, I shall be very brief. The question before us is whether to accept or reject the conference report. The Senator from Delaware [Mr. WILLIAMS] has offered an amendment which seems to affect very much, in his mind, the decision upon that question. For several reasons I feel that the conference report should be agreed to. I shall state them briefly.

In the first place, the Williams amendment is not germane to the bill, the sole purpose of which is the construction and sale of two superliners, which, according to the testimony of the Department of Defense, are very necessary to the defense of the Nation.

Second, no hearings have been held on the Williams amendment. Therefore, I respectfully submit that, irrespective of how meritorious the purpose of the amendment may be, legislation of such a character, affecting, as it does, the rate structure of a large industry, should not be enacted except after the fullest hearings.

Mr. President, I am satisfied that the meaning and effect of this amendment are not fully appreciated by its sponsor or by those of us who are most closely associated with the shipping industry.

I know that it is not the intention of the Senator from Delaware to preclude an American ship operator from giving a reduced rate to Government employees if such rate is uniformly applied and available to the public generally.

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

Mr. BUTLER. Let me complete my brief statement, and then I shall be glad to yield.

Yet, if this amendment were adopted, the result might be what I have described.

Furthermore, the rates and charges of the shipping companies involved, the companies which would be most affected by the Williams amendment, are set by international agreement. They are set by a conference of shipowners operating in this case in the Atlantic and Pacific areas.

Whether the amendment of the Senator from Delaware would affect such international agreements, I do not know. I do not know whether the Senator from Delaware knows, but frankly, I do not know. I have discussed the subject with some representatives of shipping interests, and they do not know the effect this amendment might have on such agreements.

Moreover, the Military Sea Transport Service, which carries thousands of American troops and their dependents, has agreements which would be completely vitiated if the amendment of the Senator from Delaware were adopted.

I ask, in all fairness, Is it not better procedure, rather than to legislate here and now on the floor of the Senate on such an important subject, to have the Senator's bill, which is in the committee, considered by the committee and made the subject of hearings? The House committee has stated that the Senator from Delaware could have the fullest hearings he wanted. He could name the witnesses and the committee would summon them and interrogate them. Is not that a much better way to proceed than to try to legislate on such an important question on the floor of the Senate?

I wish to make one additional point. If the Senator's amendment were made a part of this bill, a shipowner could merrily go ahead and violate it, because it is not tied in with any penalty under any law about which I know anything. All it provides is that certain things must not be done; but there is no penalty or sanction if they are done.

The bill which the Senator from Delaware has before the Committee on Interstate and Foreign Commerce does provide penalties. I think that is something which likewise should be carefully investigated. I believe that those who would have to pay the penalties should understand the meaning and effect of the proposed legislation, and should have the opportunity to be heard before such penalties are imposed. For that reason, among others, I shall vote for the adoption of the conference report.

Let me say also to the Senator from Delaware that if he desires hearings to begin in the Senate, the Senator from Washington will hold them; or if he does not, I will. I hope we can do so together. We will give him the fullest hearing and consideration. We will debate the merits of his proposal on the floor of the Senate, and let the Senate vote it up or down.

Before I take my seat, I wish to make one further statement. I am not unsympathetic with the objective which the Senator from Delaware is seeking

in this particular. I think this is the wrong place to bring it up. I think it should be the subject of hearings.

Mr. WILLIAMS. Mr. President, in reply to the Senator from Maryland as to the advisability of holding back the amendment and having hearings, let me say that I raised this same question before the Committee on Interstate and Foreign Commerce at the time I was a member of the committee, in 1952. It has been discussed throughout the 6-year period following. I have before me a copy of a bill which I introduced in 1955; namely, Senate bill 25. It was introduced on January 6, 1955. It was referred to the Senate Committee on Interstate and Foreign Commerce. No action was taken.

At this session of Congress I introduced the same proposal on January 7, 1957. Again, the proposal was referred to the Interstate and Foreign Commerce Committee. Again no action was taken.

This same proposal passed the United States Senate once in late 1956 without objection. Again, it met the same fate. It was stricken out on the basis of recommendations by the chairman of the committee, who is in the Chamber at present, for the same reason that hearings had not been held. He said, "I want to hold hearings. Let it go over until next year." That was in 1956.

In January, 1957, as stated before I introduced the same bill but no action. Now we are again told that it is desired to have hearings.

We have been talking about this subject long enough. Let us act. We all know the issue involved.

As to the argument that this amendment is not germane, we are voting on a bill providing subsidies for the American merchant marine. What we are trying to do is to stop the same merchant marine, which is being subsidized by the United States Government, from giving free transportation, or transportation at reduced rates, to any public official. What is wrong with that proposal?

The enactment of the bill before us would mean approximately $10 million additional subsidy to 2 or 3 shipping companies, over and above what they would get if the existing law were to prevail.

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

Mr. WILLIAMS. I shall yield when I conclude my statement.

The bill which I propose to amend would mean approximately $10 million extra to the shipping companies. Certainly, there is merit in the argument that the same shipping companies, which could benefit to the extent of an additional $10 million by the enactment of this bill, should be prohibited from giving, and the Government employee from accepting, free or reduced-rate transportation.

My amendment merely prohibits these same companies from offering free transportation or reduced-rate transportation, to any official or employee of the United States Government.

As to whether or not this amendment is germane, that point is not valid, and it was not raised until tonight. The amendment was offered to the bill when it was before Congress, and it was offered with the full consent and approval of the chairman of the committee. I notified him a week before the bill was voted upon, telling him that I wished to offer this amendment to the bill. He said that that is perfectly satisfactory, provided the amendment is modified so as to eliminate the objections of some of the agencies, which had raised certain valid points. He stated that, with the modification he would support and accept the amendment. He did accept the amendment. He spoke in favor of it on the floor. He made no objection to it on the ground that it was not germane. So certainly he cannot bring up that point now.

As to the argument that this amendment would affect the rates set by the International Conference of Ship Owners, there is no agency downtown which contends that it would affect such rates. It would prohibit them only from giving reduced rates or free transportation to employees of the United States Government. Why should we not prohibit this?

One method of granting this reduced rate transportation to Federal employees is for the employee to buy at regular rates second- or third-class passage for himself or members of his family, and then when the trip is made be transferred to conveniently vacant first-class facilities at no extra cost. This amendment does not affect any universal rate or excursion rates, except that they could not provide special excursion rates for public employees without extending the same rates to the average citizen.

The amendment merely provides that the shipping companies would have to sell transportation to employees of the United States Government on the same basis—no higher and no cheaper—than they sell transportation to the average citizen. If they offer an excursion rate, all citizens are entitled to pay the same excursion rate. That is the same rule that is set by the Interstate Commerce Commission for the railroads of the country. It is the same rule which is applied in the aviation industry. It is the same rule which is applicable today to the merchant marine so far as its operations in the continental United States are concerned.

If I buy a ticket on a train to Chicago and I pay for a first class trip, I go first class. If I buy a ticket in the coach, I ride in the coach. If I change from a coach seat to a compartment, I must pay the difference between the two rates. That is the law today. Those are the regulations in effect on the railroads and on airplanes. I see no reason why that law and rule should not be extended to our merchant marine.

The steamship lines are subsidized by the American people. There is no reason why public officials and employees of the executive and legislative branches of the Government should be put into a position where a question could be raised that they may be influenced improperly as a result of these free trips or subsidized vacations.

No one here is defending this principle, nor has anyone spoken against the amendment. All we hear is, "not now, let's wait for more hearings." We have been hearing this for the past 6 years, now is the time to vote.

I should like to read this amendment which was offered by me and which was adopted by the Senate. This is the modified amendment which took care of the objections of the agencies. I have yet to hear of one agency, since the amendment was agreed to, which has said that it would not be workable. This amendment does not in any way affect the right of the United States Government to contract for the transportation of troops, for example, or for the movement of servicemen across the seas. It does not affect the right of the United States Government to pay for transportation of a public official. It only affects the right of Government officials or Government employees from obtaining special rates or free transportation for their own use or for the use of members of their families.

I should like to read the text of the amendment:

> No common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions; except—

Then the amendment makes the usual exceptions, such as, to permit the picking up of persons in case of shipwreck, and so forth. Naturally, if there is a shipwreck the shipping companies do not charge for the transportation.

It is a perfectly fair amendment. If I wish to travel to Europe, I should expect to pay the same rate that any other person pays. Why should I not be required to pay the same rate? I am asked to vote on a bill today which means about $10 million to 2 shipping companies. We have voted already this year on appropriations for around $300 million of the taxpayers' money to pay operational subsidies for this industry. Congress authorizes payments to this group of companies close to $1 million a day in subsidy. Certainly any public official, whether he be downtown or in Congress, should not be getting half-fare transportation or free transportation from this same group.

I am not getting into any personalities in my remarks. However, I will flatly state that reduced-rate transportation is being offered, and even free transportation has been offered to Members of Congress. I know. Such transportation was offered to me and to every member of the committee when I was a member of the Merchant Marine Subcommittee in 1951 and 1952. At that time we were acting on what was known as the long-range shipping bill, and a representative of the industry, which was then supporting the bill, wrote a letter to the chairman of the committee offering a free trip to any interested member of the committee.

I rejected and denounced the proposal as being both improper and unethical. Upon being advised that there was no

law against either the offering or the acceptance of such free trips I immediately began working for the enactment of a law. I am still working on the correction. At that time we were considering the following proposal:

Up to July 17, 1952, construction-differential subsidies could be granted only on vessels which were to be used on essential trade routes in the foreign commerce of the United States. The so-called long-range shipping bill, 66th Statutes at Large, page 760, enacted on that date, provides that construction-differential subsidies may now be granted on vessels constructed for use in the foreign commerce of the United States without regard to whether or not they are to be used on essential trade routes.

We were then considering extending the subsidy principle of the shipping industry, and it should be noted that the law was later enacted. As previously stated, one of the representatives of the shipping industry came before the subcommittee of which I was a member, and later addressed a letter to the chairman of the subcommittee, Mr. Johnson of Colorado, in which he offered any member of the committee free trips to Europe, South America, or anywhere else in the world. The free trips were offered to every member of the committee and to the families of the members. I followed through on the invitation to see just how far they would go. They agreed to give my whole family a free trip. They said, "Yes, you can bring your daughter along, too. It will all be free. You can go to Europe or South America or anywhere else in the world. It will all be free." Of course, they justified this offer on the basis that they only wanted to let me get better acquainted with the needs of the industry. I told them that not only did I think it improper should I accept such special consideration but also that I thought it was highly unethical for a representative of an industry which was asking Congress for a subsidy to come before Members of Congress and offer them free transportation.

I said then, and I say now—this practice should be stopped. I do not charge that Members of Congress and other public officials who have accepted free or reduced-rate transportation have been influenced in any way. However, I am reminded that there has been a great deal of recent criticism, particularly of one public official for accepting subsidized hotel facilities to the extent of around $2,000.

What is the difference whether it be subsidized hotel facilities or free transportation? What is the difference between subsidized hotel rooms and a free trip or subsidized trip around the world? I say there is no difference. I believe the adoption of my amendment is long overdue.

As I have said, for 6 years I have been trying to get action from the committee. The chairman of the committee told me 2 years ago, when a similar amendment had been approved by the Senate, that he was going to ask for reconsideration of the bill in order to strike my amendment from the bill. But he said, "We are going to give you hearings on the bill. Introduce it as a separate bill."

My bill was introduced on the first day that Congress convened the next year, in 1957. That is the last I heard of the bill.

Let's stop kidding ourselves. If we are for the amendment let's support it.

It is true, as the chairman has said, that I have not been after him every day about it. What am I expected to do? He knows the purpose of introducing a bill? He knows that I have been anxious to have the bill acted on. This is a very simple amendment.

All that this amendment does is to prohibit the American shipping industry from granting free passage or reduced transportation rates to employees of the United States Government or to their immediate families.

This is similar to the restriction which is in effect concerning the American railroad and aviation industries. Both of these other methods of transportation are prohibited by law from granting special concession to employees of the United States Government.

Neither under this proposal nor under the laws as they affect the railroad and aviation industries are these industries restricted from granting excursion rates or other general reduced rates when such rates are available to everybody. It merely provides that employees of the United States Government and their families will pay regular transportation rates the same as is charged to all other American citizens.

I emphasize that the amendment would not in any way restrict the right of these same shipping companies to grant special rates to the United States Government itself for transportation of employees, either civilian or military, when such employees are traveling at Government expense. For instance, the Government in the movement of troops or in the movement of military and civilian personnel and their families is sometimes given specially contracted rates—this is paid for by the United States Government.

This amendment is intended to affect only employees of the United States Government and their families when traveling abroad and paying their own expenses.

We must not overlook the fact that the American shipping industry is operating on a preferential subsidized formula. The construction of American ships in the American shipyards is subsidized in that the United States Government pays the estimated difference between the cost of the construction of these American ships with American materials and American labor and the cost of constructing the same ship in a foreign yard. After this ship has been constructed at this subsidized formula it is placed in operation, and again, in most instances, the operational phase of the shipping industry is subsidized in that the differential in the cost of employing American labor and foreign labor is paid for by the American taxpayers.

The subsidy, in effect, guarantees the company against any loss and also provides a reasonable margin of profit. In effect, as we guarantee the shipping companies against any loss and also guarantee a reasonable margin of profit, it can be said that the American taxpayers are indirectly paying for these free trips or reduced fares. To the extent that the shipping company offers someone a free trip, to that extent the American taxpayers will make up the difference in increased subsidy when Congress votes the appropriation. That cannot be justified.

The officials of the executive branch of the Government make recommendations and mathematical computations of the sudsidy formulas. We in the legislative branch must pass the appropriations for the payments.

I do not imply that any official of the Government, either in the executive branch or in the legislative branch, has been influenced in his decisions on the liberality of the formula or the authorized payments by these subsidized trips, but we cannot disassociate ourselves from the fact that officials in both branches of the Government are in a position where by our decisions we can govern these payments. Certainly we do not want to leave ourselves in the position where anyone could question our motives.

As a matter of principle, the time is long overdue when we should correct this loophole in the last transportation facility which is not covered by a comparable law.

As I mentioned before, much has been said concerning the danger of public officials accepting subsidized hotel facilities. But actually what is the difference between public officials accepting subsidized hotel accommodations, paid for by some American taxpayers, and public officials receiving subsidized stateroom facilities to the extent of $2,000 or $3,000. Do not overlook the fact that some of the officials receiving subsidized traveling facilities will be voting upon or making determinations as to the amount of subsidies which the same shipping companies are to receive.

I repeat: I am completely willing, for the sake of argument, to accept the premise that there has been no abuse; but by accepting that argument, let us then correct the situation before there is an abuse.

My proposal to correct the situation was adopted as an amendment to H. R. 11451, with the approval of the chairman of the committee and all of those who were on the floor and in charge of the bill at the time.

Why the sudden change in sentiment?

The offering of this amendment was agreed upon a week before the bill was taken up. I received their consent and approval to offer the amendment on the basis that it was the appropriate bill to which it should be attached.

So in asking that the conference report be rejected, I am not asking that the Senate vote upon the merits or demerits of the question of whether these ships mentioned in the bill should be constructed. That is not the question before

us now. If the conference report shall be rejected—and under the parliamentary situation the only question permitted is whether the report shall be accepted or rejected—I shall immediately follow with a motion that new conferees be appointed with instructions to go back to the House and insist upon the Senate amendment which would prevent the abuse about which I have spoken; namely, to prevent the shipping industry from giving any employee of the United States of America free transportation or reduced-rate transportation. I will follow the rejection of the conference report with that motion.

I now ask that the conference report be rejected.

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

Mr. WILLIAMS. I yield.

Mr. BUTLER. I may say in reply to the Senator from Delaware that the amendment is not artfully drawn. The amendment does not resemble the provisions of the Interstate Commerce Act regulating railroads. If what the Senator from Delaware seeks to have done is to be done, the place to do it is in a legislative committee, after hearings. I have said that I am not unsympathetic to what the Senator from Delaware is trying to do. But if Congress is to legislate, let us be certain that we legislate properly. We should not legislate on the floor of the Senate on a matter as important as this. We have a committee to consider the language of the bill which will accomplish the purpose which the Senator from Delaware would like to accomplish. I have told him that I will help him to do it. But he insists that it be done his way on this bill.

Mr. WILLIAMS. Mr. President, I shall not delay the Senate, but in reply to the Senator from Maryland, my amendment was not intended to be a work of art. It merely stops free or subsidized transportation. The amendment was submitted to the chairman of the committee and to the Senator from Maryland, and both of them approved the language of the amendment as it passed the Senate.

If there is any question, we all know that the conferees in the conference could have changed the language or made modifications if that needed to be done. I do not think it needs modification. One of the agencies in the executive branch did make some recommendations. But their recommendations were merely to eliminate the executive branch. I would not agree to that.

I say that this practice must be stopped by Congress; and if we stop it for one branch of Government, we must stop it for all branches of Government.

My amendment is not directed against Congress, the executive branch, or any other branch or agency of Government. It is merely intended to stop the abuse by any employee of the Government. I think the abuse should be stopped. It should have been stopped long ago.

I am not an attorney, but I will say that the amendment was prepared with the best advice I could possibly get. I have yet to find anyone who points out any particular in which the amendment is not correct. The only objection I hear is—Let us wait.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks an article entitled "New Passenger Ships Accent Luxury Sailing—And Uncle Sam Helps," published in the Wall Street Journal of June 26, 1958.

The article points out the extent to which the American merchant marine is a subsidized operation.

It further emphasizes the need for a law to correct the practice of this subsidized industry giving free trips or reduced-fare trips to Federal employees.

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

NEW PASSENGER SHIPS ACCENT LUXURY SAILING—AND UNCLE SAM HELPS—"WINGS" ON "SANTA ROSA" MAY EASE QUEASINESS; MOOREMAC OFFERS SUN IN THE STACK—MORE CAVIAR, NO CAFETERIA?

(By Dave Jones)

NEW YORK.—At high noon today, the gleaming white liner steamship *Santa Rosa* will back out of her Hudson River berth and steam south on her maiden voyage to the Caribbean. Aboard will be some 300 sun-and-fun seekers who've paid up to $1,345 apiece to spend 14 days lolling in green deck chairs and relaxing on the pumpkin-colored seats of the ship's Club Tropicana.

At the same time, many miles distant, shipyard workers will be busily hammering away on three more sleek new passenger liners for Latin American cruising. These, too, are scheduled to begin carrying travelers south this year and will help make 1958 one of the greatest years for new United States liner capacity in more than a decade.

This bustle in the passenger ship building and sailing trade is churning up a lot of new interest in the business. For folks who hanker to sail abroad, it promises greater luxury—and in some instances perhaps eventual cheaper ocean travel. But for many American taxpayers these tidings may not be quite so gay. Underwriting a large chunk of the expense—and apparently on the verge of paying even more—is that benevolent old gentleman, Uncle Sam.

A $10.3 MILLION RIDE

Today, the Government pays 40 percent or more of the tab for building a new ship. In the case of the *Santa Rosa*, newest pride of Grace Lines, Inc., Uncle Sam's cost came to about $10.3 million. In addition, the Government also lays out various operating subsidies; these vary, running anywhere from 50 percent to 75 percent of operating costs. On United States liners, operating costs might run to between $5,000 and $10,000 a day. The avowed aim of this Federal largess is to keep the United States passenger fleet in ruddy health for purposes of national defense.

The *Santa Rosa* and three other liners slated to slice the waves this year are the first of a fleet of some 300 vessels due to be built over the next 15 or so years under the Government's ship-replacement program. The cost of these ships is expected to total about $3 billion, around half of which will be paid by the Government. Most of the vessels will be freighters; contracts for 15 already have been signed.

This Federal program, enacted in 1936, provides that a ship must be replaced after 20 years of service if it is to be eligible for subsidies. Previous shipbuilding has not come under the program because shipping companies were able to obtain cheaper reconditioned craft from the Government following World War II.

SAILING THROUGH CONGRESS

Even now legislation to construct two more superliners is sailing through Congress. A bill, passed by comfortable margins in both the House and Senate and now in conference to iron out minor differences, provides for building a $130 million liner for United States Lines Co., and a $76 million ship for American President Lines, Ltd. The shipping companies would pay $47 million and $34 million, respectively, for the ships; the balance—a total of $125 million—would be paid by the Government as a subsidy and as an allotment for defense features.

Defense features generally include provisions for additional power and speed for possible use in event of a national emergency. On the *Santa Rosa*, this expense to the Government came to about $300,000, but on a superliner the outlay will be far heftier, possibly as much as $25 million. These ships, of course, will be much larger and therefore more useful if a sudden need arose to transport large contingents of troops.

CREATURE COMFORTS

Features of military usefulness are not likely to be noticed by the Caribbean-bound travelers aboard the *Santa Rosa*, a beauty of a ship designed for creature comfort. She boasts the largest outdoor swimming pool afloat (34 feet by 22.5 feet), air conditioning and more public space (lounges, bars, dining area, recreation space) per passenger than any ship afloat.

Contributing to the comfort of the *Santa Rosa's* passengers is a seasickness preventive. Underwater, the ship has wings which are supposed to reduce the ship's roll and thus make it easier on folks with uneasy stomachs. These wings cost something like $420,000, of which the Government chipped in about $175,000.

The luxurious *Santa Rosa* is actually the first brandnew United States liner to ply the seas in 6 years. The last one was the United States Lines Co. superliner, steamship *United States*, which added 53,330 gross tons to American passenger hauling capacity back to 1952. Tonnage of new liners this year will total 84,500, largest amount put into service in any one peacetime year since 1932, with the single exception of 1952.

In addition to the *Santa Rosa*, 3 other new passenger ships are due to go into service this year: Grace Line's steamship *Santa Paula*, sister ship to the *Santa Rosa;* and Moore-McCormack Lines' steamship *Brazil* and steamship *Argentina*. American Banner Lines, Inc., put an 18,100-ton converted freighter, the steamship *Atlantic*, on the transatlantic run earlier this month.

IT'S BEEN BARREN

"Certainly this is a passenger ship year, and it's pretty remarkable when you consider how barren it's been most of the time since World War II," says a spokesman for the American Merchant Marine Institute, an association of east and gulf coast operators.

"I'm not sure there is any one reason for all this interest in passenger ships," adds one shipping executive. "But pretty definitely the best reason is that practically all our passenger ships are worn out, or are about to be." The 4 brandnew liners going into service this year, he notes, will replace vessels between 26 and 30 years old.

Even while the liner-building spree goes on, many steamship operators concede that carrying people isn't the most profitable of businesses—despite hefty United States subsidies. An executive of American Export Lines, Inc., says, for example, four of his firm's ships, which carry passengers and freight to Mediterranean ports have been sailing in the red for years. United States Lines posted a net loss of over $1.1 million from operation of its steamship *America* liner between 1953 and 1957. And Moore-McCormack Line officials admit the company in recent years has been losing money on the

old steamship *Brazil* and steamship *Argentina*.

Why then do ship lines plow ahead on such unprofitable waters? Adm. Robert C. Lee, tanned and balding vice chairman of Moore-McCormack, offers a fairly typical retort: "I think passenger operations are essential in some shipping situations. It has a prestige value that you can't put a dollar mark on."

FLYING COMPETITION

Although the airlines have skimmed off a good portion of foreign travel traffic, ship travel has continued to edge upward since 1951. The Department of Justice, which keeps track of such things, reports 1,262,687 passengers traveled to or from the United States by sea in the year ended June 30, 1957. That's an increase from 1,241,689 passengers in 1956 and 946,495 in 1951. Most of the sea travelers last year sailed between United States and European ports.

Steamship lines say the recession doesn't seem to be checking this upturn. United States Lines, for instance, reports passenger revenues in the first half of this year will top the like period last year. "I fully expect that 1958 will be better than 1957, which was our best year," confidently states one passenger man.

Steamship companies, meanwhile, are steaming ahead with their liner building. Work on Grace Line's steamships *Santa Paula*, the *Santa Rosa's* sister ship, is expected to be completed this fall by Newport News Shipbuilding & Drydock Co. These two 15,000-ton liners will haul about 300 passengers each at a cruising speed of 20 knots compared with the 225-passenger capacity and 19-knot speed of the 9,200-ton ships they'll replace.

In addition, Grace Line officials disclose they're thinking of replacing six 52-passenger combination ships and 7 freighters with 3 freighters, 3 refrigerator ships with a 50-passenger capacity each, and two 200-passenger ships. This would increase the line's service to the west coast of South America to about 150 berths a week from the present 60.

MOOREMAC'S ENTRIES

The two other passenger liners due to enter service this year are being built for Moore-McCormack by Ingalls Shipbuilding Corp. in Pascagoula, Miss. The first of these two $26 million vessels, the steamship *Brasil*, is expected to make her maiden voyage September 12. Her sister ship, the steamship *Argentina*, is scheduled to begin sailing in December.

The Mooremac ships each will have a capacity of 550 passengers. And Mooremac folks are eager to point out, both ships will have two outdoor swimming pools (one reserved for youngsters) as well as expansive smokestack sun decks. The smokestack no longer is needed to belch smoke, but Mooremac people think a ship wouldn't look enough like a ship without a stack so they will build dummy ones. At the top of its bogus stack, Mooremac is building a deck topped by glass and partitioning it so that passengers may, if they wish, sun in the raw.

American Export Lines is making preliminary studies of a third passenger ship to enter Mediterranean service with its steamship *Independence* and steamship *Constitution*. Such a liner would have a passenger capacity of around 1,600—near the 2,000-passenger capacity of the *United States*, biggest United States liner—and would go as swiftly as 25 knots, says Paul C. Smith, vice president and treasurer. Company officials indicate they will seek to build the ship if the superliner bill before Congress is approved.

This company already has asked for bids, which will be opened next Monday, for enlarging capacity of the *Independence* and *Constitution*. It is expected to cost the line about $6 million to add 114 first-class berths to each of the ships, raising capacity of each to 1,100.

SPEED ON SUPERLINERS

Construction of the two superliners for United States Lines and American President Lines probably will begin this year if Congress gives prompt approval to an appropriation bill, the companies say. New York Shipbuilding Corp. was low bidder for the United States Lines ship. Bids for the American President Lines vessel will be opened July 23. The 2 craft would require over 3 years to build.

While major American steamship companies continue to emphasize luxury travel, the new Mooremac and Grace Line ships are entirely first class—foreign lines are turning more and more to cheaper tourist fares. This has gotten some American shipping men to wondering about the advisability of building additional first-class craft, particularly for the key North Atlantic service.

"We may very well have saturated first-class markets, but there may well be more of a market for tourist-class ships," says one United States shipping man. "Some people think it is blind and impractical to be building luxury liners at this time when most countries seem to have turned their backs on them."

One of those bucking the United States shipping trend is Arnold Bernstein, president of American Banner Lines. His steamship *Atlantic* is the only predominantly tourist-class United States-flag ship serving the North Atlantic, and two other vessels he is planning will be tourist class, too, he says.

The cost of sailing to Europe also is being assaulted by H. B. Cantor, a New York hotel operator who wants Federal help to build what would be the world's two largest liners. The House Merchant Marine and Fisheries Committee is scheduled to begin hearings Tuesday on a bill providing for the construction of these floating hotels at a cost of $135 million each, and the resale of the ships to the Cantor interests for about $70 million each.

Claiming United States passenger ships cater to the caviar and pheasant trade, Mr. Cantor says he wants to build two floating cafeteria ships for the masses.

The two 90,000-ton liners each would be able to carry 6,000 passengers from Boston to Europe for fares ranging from $50 to $125, claims Mr. Cantor. The 34-knot vessels would make the crossing in 4 days, a half-day faster than the steamship *United States*. And, insists Mr. Cantor, they would be larger than the biggest liner now afloat, the Cunard Line's 83,673-ton H. M. S. *Queen Elizabeth*, which can carry 2,233 passengers.

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

Mr. WILLIAMS. I yield.

Mr. LAUSCHE. Does the Senator's amendment provide that only when there is a reduced rate not granted to the general public the prohibition which he has in mind will apply?

Mr. WILLIAMS. That is correct. If a reduced rate is granted to the general public—for instance, if a shipping company says, "We will give a reduced transportation rate—a third off or a half off—on a certain ship or excursion," then any Government employee can buy the transportation, the same as anybody else can. That is true under the Interstate Commerce Act. If the Pennsylvania Railroad runs an excursion to New York City, regardless of what the rate is, anyone can buy such a ticket.

My amendment merely provides that public officials will be treated on the same basis as is the ordinary American citizen; that is all.

Mr. LAUSCHE. Does that mean that public officials from top to bottom——

Mr. WILLIAMS. It definitely means public officials from top to bottom.

Mr. LAUSCHE. Does it mean that they shall not be given any preferential treatment over the ordinary American citizen with respect to the charges which are paid for transportation?

Mr. WILLIAMS. That is correct, and that is all that is involved in the amendment.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the Post Office Department on this subject, and also a summary of the objections of the House to the Williams amendment.

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

POST OFFICE DEPARTMENT,
Washington, D. C., June 13, 1958.

Hon. JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: In response to your request concerning the amendment by Senator WILLIAMS to H. R. 11451 which was adopted by the Senate on June 9, 1958 (pp. 10491–10493 of the CONGRESSIONAL RECORD of June 9, 1958), you are advised as follows:

The amendment is designed to limit the free transportation of persons by steamships. However, the amendment also would have the effect of nullifying the provisions of subsection (b) of section 405 of the Merchant Marine Act, 1946 (46 U. S. C. 1145 (b)), which provides:

"Every steamship company carrying the mails shall carry on any ship it operates and without extra charge therefor the persons in charge of the mails and when on duty and traveling to and from duty, and all duly accredited agents and officers of the Post Office Department and post office inspectors while traveling on official business, upon the exhibition of their credentials."

Historically the laws have provided that transportation companies carrying mails shall, as a part of their compensation, carry without extra charge the persons in charge of the mails and all duly accredited agents and officials of the Post Office Department while they are traveling on official business. This Department strongly objects to any legislation, and especially the amendment proposed by Senator WILLIAMS, which might forbid recognition by transportation companies carrying the mails of the travel commissions issued by the Postmaster General.

If the amendment to H. R. 11451 offered by Senator WILLIAMS and adopted by the Senate on June 9, 1958, is not eliminated by the conferees, it is strongly urged that the amendment be further amended by striking out the period at the end of the first sentence and by inserting in lieu thereof a comma and the words "and except that this restriction shall not apply to persons referred to in section 405 (b) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1145 (B)), relating to steamship companies carrying mails of the United States."

Due to the fact that the conferees are meeting this afternoon, this letter has not been cleared through the Bureau of the Budget.

Sincerely yours,

LEO G. KNOLL,
Acting General Counsel.

PRACTICAL OBJECTIONS TO THE WILLIAMS AMENDMENT

(a) MSTS negotiates reduced-rate transportation for military and civilian personnel and their dependents. (The Department

of Defense estimates additional cost to their office will be $1,234,000.)

(b) Postal employees travel on some ships in order to expedite the mails.

(c) Immigration officials travel on ships to expedite examination of incoming passengers.

(d) Maritime Administration officials travel on ships in order to check on operations of prototype, experimental or subsidized vessels.

(e) Coast Guard officials must on occasion travel on ships in order to enforce their regulations.

(f) Panama Canal employees have been allowed to travel at reduced rates—this amendment would override their authority to so travel.

(g) A related problem relates to emergency evacuation of United States nationals from threatened areas, where the Congress would hardly wish to require Government employees and officials to pay full tariff rates in circumstances when private persons did not.

(h) The amendment can only be made applicable to American water carriers who for the most part are in competition with foreign steamship lines in international trade. To apply this restriction to persons traveling on American-flag ships, without being able to control passengers in the same category traveling on foreign-flag ships, could well be detrimental not only to the American merchant marine, but to American foreign policy as well. Foreign steamship lines (many of which are nationally owned or controlled) would be in a favored position by being able to grant free or reduced rates on foreign vessels to United States Government officials or employees who are denied such privileges under any circumstances on American-flag ships.

(i) It is a common practice of passenger carriers by water, once a voyage has commenced, to move passengers to equal or better quarters which chance to be empty; this often permits easier and more economical discharge of stewards' duties. No reason appears why reassignments for the convenience of the vessel should be denied in the case of Government officials and employees.

(j) The amendment would be administratively difficult to handle, and is not clear as to its meaning in all respects. For instance, what constitutes "reduced-rate transportation"? The second sentence of the amendment provides for Board action to prescribe terms and conditions for interchange of passes, etc., for transportation of directors, officers, and employees with other common carriers. The amendment leaves no flexibility by way of Board regulation or otherwise with regard to the first sentence.

The PRESIDING OFFICER. The yeas and nays have been ordered. Has the Senator from Delaware concluded his remarks?

Mr. WILLIAMS. Yes.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. What is the form in which the question will be put?

The PRESIDING OFFICER. The question is, Shall the conference report be agreed to? On this question the yeas and nays have been ordered. Does any other Senator wish to be heard?

Mr. WILLIAMS. Mr. President, as I understand, those who wish to send the conference report back to the committee of conference for action on my amendment will vote "nay" on the question of agreeing to the conference report.

The PRESIDING OFFICER. Those who wish to reject the conference report will vote "nay."

Mr. LAUSCHE. Mr. President, will the chairman of the committee state how much will be entailed in new costs, costs which were not discussed at all in the committee in the hearing on the bill, if the ship to be built for service in the Pacific is now to be changed in accordance with the discussions which are supposedly being had between the Navy and the Pacific transport company.

Mr. MAGNUSON. I do not know of any added cost figures. I know that the Senator from Ohio is correct in his understanding that the Navy has suggested a higher speed for that ship. But there has been no formal understanding or conclusion reached as to what the higher speed will be. Whatever higher speed is agreed upon, the cost for such changes will be paid by the Department of Defense, according to their wishes in the matter. But I do not have any figures on that matter. The size of the subsidy has nothing to do with that. The Defense Department will have to pay for any changes out of their own funds.

Mr. LAUSCHE. Since the committee acted on the bill, and since the Senate passed the bill, I think there has been a new development, in that it has been suggested that other modern devices by way of increasing the speed be included in the ship. The cost of such changes, as I understand, will be borne, in part, by the Navy and by the Pacific shipping company.

Mr. MAGNUSON. No. That cost will be purely a Defense Department cost.

Mr. LAUSCHE. That is all the better.

Mr. MAGNUSON. Yes. But there is no formality about it; I do not even know about it. I have just heard that some persons in the Navy were thinking in terms of perhaps increasing the speed of the vessel. But I do not know what conversations have been held; I have no facts or figures at all about that.

Mr. LAUSCHE. In the conference committee it was proposed that the conferees send a letter approving this change. I did not subscribe to it because I felt that the matter should have been discussed in committee. Was any letter sent by the conference committee?

Mr. MAGNUSON. Not to my knowledge.

Mr. LAUSCHE. It was discussed at the initial meeting.

Mr. MAGNUSON. To my knowledge, no such letter was sent.

Mr. LAUSCHE. Mr. President, I think that is all I wish to ask.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The question is on agreeing to the conference report.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that on this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Massachusetts would vote "yea."

Mr. KNOWLAND. I announce that the Senator from West Virginia [Mr. HOBLITZELL] is absent because of illness.

The Senator from New York [Mr. JAVITS], the Senator from Indiana [Mr. JENNER], and the Senator from New York [Mr. IVES] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN], the Senator from New Jersey [Mr. SMITH], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

Also absent on official business are the Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Wisconsin [Mr. WILEY], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from West Virginia [Mr. REVERCOMB].

If present and voting, the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. JAVITS], and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from New York would vote "nay."

The Senator from Nevada [Mr. MALONE] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Nevada would vote "yea" and the Senator from North Dakota would vote "nay."

The result was announced—yeas 41, nays 18, as follows:

YEAS—41

Anderson	Hickenlooper	Monroney
Beall	Holland	Morse
Bible	Humphrey	Morton
Butler	Jackson	Neuberger
Capehart	Johnston, S. C.	Pastore
Carroll	Jordan	Payne
Case, N. J.	Kerr	Purtell
Church	Knowland	Saltonstall
Clark	Kuchel	Smith, Maine
Cotton	Long	Sparkman
Curtis	Magnuson	Stennis
Ellender	Mansfield	Symington
Ervin	Martin, Iowa	Thurmond
Hayden	McNamara	

NAYS—18

Aiken	Case, S. Dak.	Potter
Allott	Douglas	Proxmire
Barrett	Dworshak	Schoeppel
Bennett	Langer	Thye
Bricker	Lausche	Watkins
Bush	Mundt	Williams

NOT VOTING—37

Bridges	Hennings	Murray
Byrd	Hill	O'Mahoney
Carlson	Hoblitzell	Revercomb
Chavez	Hruska	Robertson
Cooper	Ives	Russell
Dirksen	Javits	Smathers
Eastland	Jenner	Smith, N. J.
Flanders	Johnson, Tex.	Talmadge
Frear	Kefauver	Wiley
Fulbright	Kennedy	Yarborough
Goldwater	Malone	Young
Gore	Martin, Pa.	
Green	McClellan	

So the report was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the report was agreed to.

The PRESIDING OFFICER. Under rule XIII, the Senate upon reconsideration having affirmed its first decision, no further motion to reconsider is in order.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. Do I correctly understand that no further motion to reconsider is in order at any time?

The PRESIDING OFFICER. No further motion to reconsider is in order at any time, under rule XIII, the Senate having upon reconsideration affirmed its first decision.

DEVELOPMENT OF MINERAL RESOURCES OF THE UNITED STATES

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 3817) to provide a program for the development of the mineral resources of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, and after consultation with the Senate minority leader, I wish to announce that the Senate will meet tomorrow at 12 o'clock and on Thursday at 12 o'clock.

It is the hope of the leadership that there will be no yea-and-nay votes on Wednesday or Thursday, and, if possible, no quorum calls. Later, in the course of the session, I shall state to the Senate what the program will be, but it is not going to be too heavy.

AMENDMENTS OF UNITED STATES GRAIN STANDARDS ACT, 1916

Mr. HUMPHREY. Mr. President, at the desk are amendments of the House of Representatives to Senate bill 2007. I request that the House amendments be laid before the Senate.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2007) to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed and to deposit such collections to the credit of the appropriation available for administration of the act, and for other purposes, which were, on page 2, line 19, strike out all after "him" down to and including "inspection" in line 23; on page 3, line 1, strike out all after "receipts." down to and including "Act." in line 5, and insert "The Secretary of Agriculture is authorized to pay employees assigned to perform appeal inspections for all overtime, night, or holiday work at such rates as he may determine and to accept from persons, Government agencies and departments, and Government corporations for whom such work is performed reimbursement for any sums paid for such work.", and to amend the title so as to read: "An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed, and for other purposes."

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendments of the House of Representatives. The amendments in no way change the substance of the bill. They are technical in nature. The bill refers to a matter which the Department of Agriculture had endorsed. The bill was designed to allay certain fears of the grain trade as to charges which might be imposed by the Secretary of Agriculture under the Grain Standards Act.

I move that the Senate concur in the amendments of the House, on the basis of the explanation I have made.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota that the Senate concur in the amendments of the House to Senate bill 2007.

The motion was agreed to.

TRIBUTE TO ERNEST GRUENING AND E. L. BARTLETT

Mr. CHURCH. Mr. President, the Senate's passage of the Alaskan statehood bill marks the climax of a long struggle to give the people of Alaska all their rights as United States citizens, including the most precious—the right of self-government. Of the many who have devoted themselves to the cause of Alaskan statehood, I should like to speak particularly of two Alaskans whose labors have been signally instrumental in achieving statehood for Alaska. I speak of Ernest Gruening and E. L. Bartlett.

Governor Gruening began his fight for the Alaskan people after he had encompassed and excelled in a number of careers. Educated as a physician, he became a successful newspaperman and author, serving as managing editor of the Boston Traveler, the Boston Journal, the New York Herald, and the Nation; as general manager of La Prensa; as founder of the Portland (Maine) Evening News; and as author of Mexico and Its Heritage and The Public Pays. In 1934 he was appointed by Franklin D. Roosevelt as Director of the Division of Territories and Island Possessions, and in 1939 as Governor of Alaska.

During his 14-year gubernatorial term, Governor Gruening worked for Alaskan statehood. He also worked for and achieved many internal improvements for Alaska. In 1945 he was instrumental in the Alaskan Legislature's passage of a civil rights bill insuring equal treatment for all Alaskans. The Governor also succeeded in the difficult task of passing a tax bill through the legislature, thus making possible many projects for the public welfare.

Is Alaska, Governor Gruening induced the legislature to authorize a statehood referendum. In this referendum, the Alaskan people, by a 3 to 2 vote, disproved the charges that Alaskans did not want statehood. Not only has Ernest Gruening marshaled the forces for statehood in Alaska, but he also, for many years, has campaigned on this issue vigorously in the United States. He has testified at many Congressional hearings and addressed numerous civic organizations all over the country. As a result, many important national organizations endorsed statehood for Alaska.

In 1956, Governor Gruening was elected Senator from Alaska, under the Tennessee plan, and has since worked vigorously both in the Halls of Congress, and out, for statehood. This victory for Alaska and America today is, in large measure, the result of nearly two decades of struggle and service by that noted American—Gov. Ernest Gruening.

Governor Gruening is an Alaskan by choice and devotion; the native voice of Alaska is heard through Delegate E. L. (BOB) BARTLETT, son of Klondike pioneers, and a resident of Alaska since his first year. Delegate BARTLETT has served Alaska as associate editor of the Fairbanks News-Miner, as Assistant Alaskan Director for the Federal Housing Administration, as secretary to Delegate Anthony J. Dimond, as secretary of Alaska, and as Delegate to Congress for the last 13 years.

In Congress, Delegate BARTLETT was instrumental in obtaining the Public Works Act of 1949, and the Alaskan Housing Authority, much needed by the Alaskan people. In the 80th Congress, Delegate BARTLETT although he did not have regular Congressional status, was the most successful legislator, having 13 of his own bills passed. In 1950 and again last month, Delegate BARTLETT was extremely influential in House passage of the Alaskan statehood bill.

Both these men have given much of their lives to what at times must have seemed an impossible goal. Now their goal has been realized; the people of Alaska can now govern themselves and have their say in our national Government. The admission of Alaska as the 49th star in our American constellation is a living monument to the selfless and devoted public service of these two men.

The first officials of a new State, its governors and Congressmen, its administrators and legislators, always make a profound and lasting imprint on the character of a State's government. It is to be hoped that Alaska will choose

men with as distinguished and dedicated a record as that achieved by these two Alaskans. I am sure they will; the Alaskan people in their struggle for statehood have gained a rare appreciation and understanding of the obligations of a democratic citizenry.

Seldom can political effort boast of a triumph as pronounced as that achieved yesterday in the cause of Alaskan statehood. Governor Gruening and Delegate BARTLETT will live in the history of Alaska and of all America as two men most responsible for adding the "Great Land" as a sister among sovereign States. Governor Gruening and Delegate BARTLETT have served America's destiny in bringing the Star of the North into our Union, and I know that both will continue to render great service to Alaska and the United States in future years. The devotion and loyalty they have displayed in past decades permit no other course.

Mr. President, I ask unanimous consent that the biographical sketch of Governor Gruening from this morning's New York Times be printed in the RECORD following my remarks.

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

NEW DEAL "SENATOR"—ERNEST GRUENING

ANCHORAGE, ALASKA, June 30—Where Ernest Gruening is, there is controversy. He has thrived on it most of his 71 years. Political party lines in Alaska are meaningless when the subject of this New Deal Democrat with a sleepy look, sly smile, ready wit and pungent speech comes up. There are Republicans extant who are his close friends. There are Democrats who swear that there was not a Democratic Party in Alaska the 13 years Dr. Gruening was Governor—that it was a Gruening privy council with a lot of conservative Democrats shut out.

But statehood for Alaska has been one of his major objectives since President Franklin D. Roosevelt made him Director of the Interior Department's Division of Territories and Island Possessions in 1934. Few persons have worked so hard as he to give Alaskans "first-class citizenship." Few have trod on so many prominent toes in doing so. The needling of important people and industries he developed into a fine art.

The latest edition of Who's Who in America says of Dr. Gruening:

"Elected United States Senator from Alaska, 1956."

This, according to his political backers, reflected his confidence that Alaska was about to become the 49th State and his confidence of being elected a full-fledged Senator at the first State election. He has been serving since January 1957, as what he calls a phantom Senator in Alaska's three-man phantom Congressional delegation, lobbying for statehood.

DOCTOR TO A DEGREE

The "doctor" before his name stands for doctor of medicine, although he also has an honorary degree of doctor of laws from the University of Alberta.

A political and journalistic career was furthest from the Gruening plans when he left his native New York for Hotchkiss School and then Harvard. He was close to his medical degree—the fond wish of his father, Dr. Emil Gruening—when a summer vacation newspaper job in Boston ended thoughts of setting bones and performing appendectomies. He took the degree but left the stethoscope.

By the time he was made Governor of Alaska in 1939 he had edited The Nation and several newspapers, had been Emergency Relief Administrator for Puerto Rico and had advised the United States delegation to the 1933 Pan American conference.

His reputation as a liberal preceded him to Juneau, the capital. He brought to the politically immature Territory a keen knowledge of the art of politics. An observer of his early days here says he was the first Governor who had things "organized on a grass roots political following basis."

LAID OUT THE LAW

Members of the 1941 legislature, the first he addressed, still remember "the longest message in history."

Before the 1943 session Governor Gruening received complaints that Eskimos and whites were being segregated in a Nome movie theatre. At his behest the legislature passed a nondiscrimination bill ending segregation in schools and public places.

Dr. Gruening and his wife, the former Dorothy Elizabeth Smith, still make their home in a picturesque cabin—decorated with some of Mrs. Gruening's paintings—at Eagle River Landing, in the forest 30 miles outside Juneau. They swim in frigid water as early as April. Dr. Gruening continued his pro-statehood fight by publishing in 1954 The State of Alaska, one of several books he has written.

The "Senator" has built up a remarkable collection of colored slides of Alaska which, a friend declares, "he shows at the drop of a hat."

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

Mr. CHURCH. I am happy to yield to my colleague, the junior Senator from Oregon.

Mr. NEUBERGER. Mr. President, I desire to concur in every single word said by the distinguished junior Senator from Idaho. Few Senators are so qualified to enumerate service in the statehood cause as the Senator from Idaho, who himself has been a leader in the cause ever since he came to the Senate.

In addition, the Senator from Idaho was vitally interested in statehood long prior to his election to this body.

I want to say I do not think I ever could have any greater honor than that of having presided over the Senate during the eventful and historic call of the roll last night, when Alaska became a State.

Neither the Senator from Idaho nor myself are people, however, who deserve primary credit for the addition to our flag of the 49th star. Three men will forever be associated in the history of Alaska with attainment of statehood for Alaska. One is the late Delegate from the Territory of Alaska, Anthony J. Dimond.

Anthony J. Dimond was nearly the man who first raised his voice in the Halls of Congress effectively, fervently and earnestly for statehood. Judge Dimond later served Alaska as a Federal judge, and died several years ago at Anchorage. He was Delegate BARTLETT'S predecessor.

Delegate BARTLETT brought the statehood cause to fruition. He carried it into every single small hamlet in Alaska. Along with Gov. Ernest Gruening, it was Delegate BARTLETT who persuaded the people of Alaska to vote favorably in a referendum some 10 or 12 years ago for statehood, during the time when statehood was unpopular in many parts of Alaska. That was in an era when the lobbyists came from the Northwest and Eastern States to try to persuade Alaskans to vote against statehood. It was during a period when Alaskans were told statehood would be against their best interests and when many newspapers in Alaska were crusading not for statehood, as they did yesterday, but against statehood.

Gov. Ernest H. Gruening came to Alaska in 1939, but with widespread experience previously in the North. He served Alaska as governor from 1939 until 1953, longer than anybody else in the history of that great Territory, for it was then of course a Territory. Governor Gruening became the intellectual leader of the statehood movement. He supplied the information, the historic background, and the economic and social facts on which to premise statehood. His book, "The State of Alaska," became both the Encyclopaedia Britannica and the Koran of the statehood movement.

I can remember many discussions on the floor of the Senate during the past two or three years, before statehood was attained, when a Senator such as the distinguished senior Senator from Washington [Mr. MAGNUSON] or the distinguished senior Senator from Oregon [Mr. MORSE] would be speaking, while on the desk of the Senator there was Ernest Gruening's book "The State of Alaska," to furnish him with information and material as he carried the word to our colleagues and to the country as to the urgent need for statehood for Alaska.

I have joined the Senator from Idaho in making these comparatively brief remarks tonight because I know, from studying the history of my own State, that we pay great honor and homage to those who fought for statehood for Oregon when statehood was not a popular cause.

There are people today in Alaska who have jumped on the statehood bandwagon. That is fine. They are welcome. I know Delegate BARTLETT and ex-Governor Gruening are delighted to have them join the procession. But some of these are people who once opposed statehood, when Ernest Gruening and BOB BARTLETT were going into the remote communities like Kotzebue, Point Barrow, Nome, Forty Mile, Circle, and all the other outposts in Alaska to carry the word for statehood, often against heavy odds.

Mr. President, it has been a great privilege to associate myself with what the Senator from Idaho [Mr. CHURCH] has said, because the Senator from Idaho is a student of the statehood movement and a leader of the statehood movement.

It is my hope that the people of Alaska will appreciate the services of the late Delegate Dimond, of Delegate Bartlett, and of ex-Governor Gruening in the great and historic cause of statehood.

I served in Alaska and in the neighboring Yukon territory for some 2 years during World War II. I know from my experience as a member of our Armed Forces that we learned of statehood and

learned of the justification for statehood from Anthony Dimond, from Bob Bartlett, and from Ernest Gruening. I envy them their position in the chronicles of Alaska, for their legacy will be a bright one.

Mr. CHURCH. Mr. President, I very much appreciate the remarks of the junior Senator from Oregon. I know of no Member of the Senate who is more intimately acquainted with Alaska or who has followed the course of its progress toward statehood with greater interest, greater awareness, or greater understanding. I think the tribute the Senator from Oregon has paid to both Delegate BARTLETT and ex-Governor Gruening is well deserved by both of those gentlemen and certainly constitutes an important contribution to my remarks.

Mr. President, Delegate BARTLETT and Governor Gruening have worked for statehood for a generation. But I cannot close these remarks without a special word of tribute to two other Alaskans. They have not shared the national limelight so long as Governor Gruening and Delegate BARTLETT, but they have made a substantial contribution to this Alaskan statehood victory. I speak of William A. Egan and Ralph J. Rivers, Senator-elect and Representative-elect from Alaska under the Tennessee plan.

Senator-elect Egan has served Alaska as mayor of Valdez, Speaker of the Territorial House of Representatives, as Territorial Senator, and as chairman of the constitutional convention of Alaska. Representative-elect Rivers has served Alaska as attorney general, as mayor of Fairbanks, as a member of the Territorial senate, and as second vice president of the constitutional convention.

From the time of their election under the Tennessee plan, both men have worked diligently for the passage of the Alaskan statehood bill. Last night's vote marks the fruition of magnificent service to the people of Alaska, and the rest of America joins me in commending them for a job well done.

Mr. NEUBERGER. Mr. President, will the Senator yield to me for a moment?

Mr. CHURCH. I yield.

Mr. NEUBERGER. I think the RECORD should show that the acting majority leader during the successful statehood crusade in the United States Senate has been the distinguished and able junior Senator from Montana [Mr. MANSFIELD]. At the same time, the Chairman of the full Committee on Interior and Insular Affairs, which brought forth the statehood bill, was the distinguished senior Senator from Montana [Mr. MURRAY]. I think it is significant that Montana thus has contributed two such stalwart and valuable leaders to the statehood cause, to share in the credit for the victory which occurred last night.

Mr. CHURCH. Mr. President, I certainly wish to associate myself with those remarks, and to pay my own personal tribute to the leadership of the junior Senator from Montana through the 8 days of debate on the Alaska statehood bill. He held the helm firmly. He showed great patience and understanding. I am personally very much indebted to him for the service he rendered. That statement also applies to the distinguished senior Senator from Montana, the Chairman of the Committee on Interior and Insular Affairs, who for many years has championed this cause. Without his help, the passage of the Alaska statehood bill would not have been possible.

STATEHOOD FOR HAWAII

Mr. WATKINS. Mr. President, last night during the final debate that preceded the vote favoring the admission of Alaska as our 49th State I stated that I hoped the time would speedily come when the Territory of Hawaii would also be brought into the Union as a State.

I sincerely believe that we can take that action yet this session. There is every reason why we should.

In the action on Alaska, Democrats and Republicans in both Houses have well demonstrated the fine bipartisan spirit and cooperation we need for favorable result.

We can add Hawaii as our 50th State yet this session, if we merely will to do it.

Personally, I hope that leaders in both Houses will see that we do have this opportunity. I see no reason why we should not have two proud new stars in our flag this next year—Alaska and Hawaii.

The Senate minority leader, the distinguished Senator from California [Mr. KNOWLAND], well knows from many years of experience as a resident of the Pacific coast the close and meaningful ties that we in the West particularly have with Hawaii. Last night he very ably called our attention to the need for consideration. He pointed out that both major political parties in their platforms have pledged their efforts for immediate statehood for the two Territories, one of which happily now has literally gained the starry realm. And Senators who have cast their vote for Alaska this week I am sure will want to do nothing less for Hawaii within the next few weeks.

As the Senator from California, our able minority leader, said: "We are doing half the job tonight."

I greatly hope that the majority leadership will bring speedily before us a bill providing statehood for Hawaii. Such a bill has long been on the Senate calendar. The House was first to pass the bill for Alaskan statehood. Let us return the compliment—present the House with a Senate-approved bill for Hawaiian statehood. I am sure that it would meet a favorable reception.

At a later and more favorable time I hope to express in full my reasons for desiring to see Hawaii as a State in the Union.

For now, I ask that such a bill be brought to the floor. Time is passing swiftly and we have much ahead. Yet such an action as this need not take too much time and I, for one, am perfectly willing to extend our time in session here if by so doing we can assure that Hawaii, too, will be a State.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, I wish to say that the following bills may be taken up tomorrow or Thursday:

Calendar 1743, Senate bill 3916, a bill to amend the Shipping Act, 1916.

Calendar 1771, Senate bill 2474, a bill directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va.

Calendar No. 1800, House bill 12457, a bill to further amend Public Law 85-162 and Public Law 84-141, 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.

Calendar 1654, House bill 8439, a bill to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act.

Also certain private bills which have either been objected to upon the call of the calendar, or were not considered proper calendar business:

Calendar 780, House bill 6282, a bill for the relief of the former shareholders and debenture-note holders of the Goshen Veneer Co., an Indiana corporation.

Calendar 1184, House bill 1804, a bill for the relief of Robert B. Cooper.

Calendar 1557, House bill 7718, a bill for the relief of Roy Hendricks, of Mountain View, Alaska.

Calendar 1624, Senate bill 2629, a bill for the relief of John J. Spriggs.

Calendar 1636, Senate bill 489, a bill for the relief of Mary K. Ryan.

Calendar 1745, Senate bill 3894, a bill for the relief of Joseph H. Lym, doing business as the Lym Engineering Co.

Calendar 1811, Senate bill 3314, a bill for the relief of the city of Fort Myers, Fla., Lee County, Fla., and the Intercounty Telephone & Telegraph Co., Fort Myers, Fla.

It is the hope of the leadership that there will be no yea-and-nay votes on any pieces of legislation on either Wednesday or Thursday. It is the further hope that there will be no quorum calls on those 2 days.

ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. MANSFIELD. I move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 35 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 2, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 1, 1958:

OFFICE OF DEFENSE AND CIVILIAN MOBILIZATION

Leo A. Hoegh, of Iowa, to be Director of the Office of Defense and Civilian Mobilization.

The following-named persons to the positions indicated:

John S. Patterson, of Maryland, to be Deputy Director of the Office of Defense and Civilian Mobilization.

Lewis E. Berry, Jr., of Michigan, to be an Assistant Director of the Office of Defense and Civilian Mobilization.

MISSISSIPPI RIVER COMMISSION

Brig. Gen. William W. Lapsley, United States Army (lieutenant colonel, Corps of Engineers), to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved June 28, 1879 (21 Stat. 37) (33 U. S. C. 642), vice Brig. Gen. Lyle E. Seeman, reassigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1958:

UNITED STATES MARSHALS

Charles Swann Prescott, of Alabama, to be United States marshal for the middle district of Alabama, for a term of 4 years.

Joseph F. Job, of New Jersey, to be United States marshal for the district of New Jersey, for a term of 4 years.

WITHDRAWALS

Executive nominations withdrawn from the Senate July 1, 1958:

POSTMASTERS

IDAHO

Ernest L. Petterson to be postmaster at Irwin, in the State of Idaho.

SOUTH CAROLINA

Margaret H. Rountree to be postmaster at Elko, in the State of South Carolina.

WEST VIRGINIA

Macie K. Phares to be postmaster at Circleville, in the State of West Virginia.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 1, 1958

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

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 84: 11: *The Lord God is a sun and shield; no good thing will He withhold from them that walk uprightly.*

Most gracious God, in this moment of prayer, may we surrender ourselves to the guidance of Thy divine spirit that our lives may be touched to nobler and finer issues.

Our needs are many but Thy grace is sufficient and Thy mercies outnumber all our necessities. Search us this day and cleanse us of all that is untrue and unholy.

Help us to understand more clearly that only when we bring our wills into accord with Thy will can we find freedom and courage, peace and power.

Grant that in these strange and troublous days the heart of humanity may be illumined with the spirit of love and inspired to read the meaning of life in terms of fellowship and service.

Hear us in Christ's 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 without amendment a bill of the House of the following title:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit while the House is in session during general debate today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not 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. 113]

Abbitt	Engle	Powell
Andersen, Minn.	Farbstein	Radwan
	Fascell	Rains
Anfuso	Fulton	Rhodes, Ariz.
Barden	Garmatz	Rivers
Barrett	Gavin	Robeson, Va.
Bass, N. H.	Gregory	Shuford
Bass, Tenn.	Gwinn	Sieminski
Bentley	Halleck	Steed
Brooks, La.	Harrison, Nebr.	Talle
Brownson	Healey	Taylor
Buckley	Kearney	Thomson, Wyo.
Burdick	Kearns	Thornberry
Christopher	Mack, Ill.	Trimble
Clark	Mason	Vursell
Colmer	May	Williams, N. Y.
Cooley	Miller, N. Y.	Wilson, Calif.
Dies	Montoya	Wolverton
Diggs	Morris	Zelenko
Eberharter	Pilcher	
Edmondson	Poage	

The SPEAKER. On this rollcall 360 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY APPROPRIATION BILL, 1959

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 4½ hours, one-half of that time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I wonder if the gentleman would not amend his request to make it 5 hours, so that some of the Members who are not on the committee may have some opportunity to discuss the bill.

Mr. PASSMAN. Mr. Speaker, the gentleman from Louisiana is very agreeable to anything, hoping that he may get a little support on the committee's position; accordingly, I amend my request to make it 5 hours of general debate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 13192, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require.

Mr. PASSMAN. Mr. Chairman, the bill before the Committee is a request for an appropriation for the mutual security program for fiscal 1959. The bill is the culmination of many long, hard days, nights, weeks, and months of hearings and careful consideration by members of the Foreign Operations Subcommittee on Appropriations.

This is the people's business we are attending to today, and if the membership will remain on the floor the committee shall provide much information that will certainly be of interest.

In discussing the bill, I shall be factual and use only the record and memory to fortify the committee's position. Reams and reams of the information on which they attempted to justify excessive amounts are marked secret and classified and, to some extent at least, this is the work of the fixers which makes it difficult to answer many questions. Nevertheless, I will perform my prescribed duties to the fullest extent of my ability.

I have had to live for many recent days and nights with a heavy heart—a heart that could have been light rather than heavy had I received assurance of the support of the leadership on either side of the aisle and a word from top echelon officials who are demanding an excessive amount of funds for the foreign-aid program that they would relent their pressure tactics and accept an amount based on need and justification, as your committee has done, rather than placing a blanket approval upon the requests of thousands of bureaucrats who stand to gain, at least in prestige, if they can keep the program excessive and uncontrollable.

Even though the committee has been confronted with unprecedented pressure from without and within, our recom-

mendations, reached after tedious study, have withstood the acid test.

We trust that the membership of this great body will consider the committee's recommendations upon the basis of merit, upon the basis of fact, upon the basis of admissions, and upon the basis of need. If such an approach is taken, then you will approve the recommendations of your committee.

I should like at this time to thank the hard-working members of the Foreign Operations Subcommittee for the cooperation and understanding they extended to me during the longest period of hearings of record by this subcommittee.

I should like to pay particular tribute to a former chairman of this subcommittee, a man of unimpeachable integrity, who is uncompromising with right. This great American has guided me through many dark valleys of uncertainties and offered me much sound advice. At the time I was placed under him 10 years ago on another subcommittee of which he is chairman, he suggested that if I wanted the esteem and respect of the Members of Congress I should never bow to political expediency at the expense of sacrificing principle. I have followed his advice and accepted his help with no regrets. I refer to my beloved and honored colleague, J. VAUGHAN GARY, of Virginia.

During my brief tenure as chairman of the Foreign Operations Subcommittee on Appropriations, three valued members of that committee have been called to the great beyond. We are now losing another great American and great legislator, but thank our Heavenly Father it is not through death, but through his desire to retire. I number him among my friends; and the Appropriations Committee, the House of Representatives, and all America will have lost a dedicated public servant when our esteemed colleague, DICK WIGGLESWORTH, retires.

Mr. Chairman, I will support with all the vigor that I can muster the bill before the committee. If the bill is considered upon the basis of facts, rather than generalities, when the debate is finished, the committee will be sustained in its recommendations.

I supported the great Foreign Affairs Committee last week when the motion was made to recommit the foreign-aid authorization bill.

I shall support our President and recommend sufficient funds to carry out our commitments abundantly.

My position in many instances has been misunderstood and, for that honest misunderstanding, harsh criticism has been my reward for endeavoring to discharge my constitutional responsibility.

The complexity of the foreign-aid program makes it very difficult for the most astute and dedicated members of the subcommittee to understand it, much less those who have not familiarized themselves with the details of the program and the hearings.

Without any unfavorable reflection on any member of this great body, or without intent of offense, I should like to quote from a verse that has made a deep impression upon my heart and mind:

It is time for public officials to stand today humbly before God and pray that He will give us men in public office who will do right. There can be no compromise with the need for strong minds, sincere hearts, true faith, and ready hands. Now as never before we need men whom the lust of office cannot kill, men whom the spoils of office cannot buy, men who can face a demagog and scorn his treacherous flattery without flinching, men who will do the right thing in public action and private thinking.

I am not unmindful of my responsibility to defend the actions of the subcommittee and the full committee; and in this position maybe I am more cognizant of the designs on the trestleboard of those who would like to override the committee without justifiable reasons.

These known actions bring to my mind a poem which has meant so very much to me through a good part of my life. May I quote it in the hopes of making a point:

ARE YOU A BUILDER OR A WRECKER?

I watched them tear the building down,
a gang of men in a busy town;
With a ho-heave-ho, and a lusty yell,
they swung a beam and a sidewall fell.
I asked the foreman, "Are these men skilled,
and the men you would hire if you had to build?"
He gave a laugh and said, "No, indeed;
just common labor is all you need.
I could easily wreck in a day or two
what builders have taken a year to do."
I thought to myself as I went away,
which of these roles have I tried to play:
Am I a builder who works with care,
measuring life by the rule and square,
Am I shaping my deeds to a well-made plan,
patiently doing the best I can?
Or am I a wrecker who walks the town,
content with the labor of tearing down?

On the basis of the thought of this poem, I plead with you against yielding to the pressure of those who refuse to understand that your committee has acted upon the basis of facts, and not fiction.

As we drive down Pennsylvania Avenue, we see two statues in front of the National Archives Building. The inscription on one of them reads: "What is past is prologue." The inscription on the second statue reads: "Study the past."

In reporting the committee's recommendations for your consideration, I shall ask that you take into account that the committee has studied the past. I shall preface my report on the amount recommended in this bill by mentioning some dollar figures of significance:

First. Our great generosity has prompted this Nation to give other nations of the world since July 1, 1940, a total of $135 billion, but let us deal specifically with the postwar period. From July 1, 1945, through June 30, 1958, we have given or appropriated for expenditure for foreign aid the staggering total of $82 billion plus. This is fantastic, but true.

To single out but one nation, our aid to France since the end of World War II has amounted to about $9½ billion.

Second. For the RECORD and from the RECORD, our contributions to 7 Communist countries since July 1, 1945, have amounted to $2¼ billion.

Another interesting résumé:

Third. Our public debt stands today at $275 billion. The combined public debt of all other nations of the world amounts to only $236 billion. In other words, our public debt exceeds that of all other nations of the world by $39 billion. Fantastic? Yes. But this is for the RECORD and from the RECORD.

Another significant set of figures that I should like to mention:

Fourth. During the last full 5 calendar years under President Truman, January 1, 1948, through December 31, 1952, revenues paid into the Treasury amounted to $247 billion. Out of this amount President Truman reduced the public debt during that same period by $3½ billion.

During the first 5 calendar years under President Eisenhower's administration, January 1, 1953, through December 31, 1957, the total revenues paid into the Treasury amounted to more than $365 billion. President Eisenhower collected during his first 5 years as President $118 billion more than President Truman collected during his last 5 years.

But instead of reducing the public debt out of this fantastic amount of revenues, as did the former President, his administration increased the public debt from approximately $266 billion to $275 billion.

For fear of misunderstanding, it should be noted that the great revenues accruing to the Eisenhower administration during the period referred to was brought about to a large extent by continuing a tax increase placed upon the people to pay for the Korean war. Nevertheless, and sad as it may sound, it is now being admitted that the Eisenhower administration anticipates for the fiscal year of which this is the first day a Federal deficit of between $10 and $12 billion.

In all probability, the deficit will exceed that amount unless the Members of the Congress recognize their responsibilities and call a halt to so much unjustifiable dissipation of this country's great wealth. For example, may I remind, Mr. Chairman, that the amount of money in the bill before you must be borrowed because it will certainly not be appropriated out of surpluses.

Present deficit financing and excessive taxation was brought about because the administration, with the aid of the Congress, has attempted to be everything to everybody, everywhere.

In my candid opinion, time is running out, the time is overdue for all of us to face up to our responsibilities and start running the people's business on a businesslike basis and operating our Government on the basis of reasonable requests, rather than seeking to spend the maximum and support the requests of bureaucrats for strange programs they can justify only with halftruths, fancy phrases and scare phrases.

The time has come for all of us to give more fully of ourselves to bring some sense into the fiscal policies of our Government. The spending policy that we are following, if continued, will some day force this Government to either repudiate its public debt or shirk its

duty and pass the burden along to unborn generations.

Mr. Chairman, the bill under consideration calls for an appropriation of new funds for the foreign-aid program in the amount of $3,078,092,500. Add to this the unexpended balance on hand to the credit of the mutual security program in the amount of $5,199,992,000. The total available is $8,278,084,500.

I shall now discuss another matter, not in a critical manner, but to establish for the record the total cost of the foreign-aid program. The annual expenditure through the mutual security program from the Defense Department appropriations, as stated by Secretary Shuff, amounts to $3 billion. This represents funds for overseas air bases, facilities, operations and maintenance. Under Public Law 480, there is an additional $1 billion for expenditure in foreign nations. So, the actual foreign aid program is not only what is in the bill now before us, but includes amounts from two other bills; and the aggregate annual outlay is approximately $8 billion.

Applying this percentagewise to the budget requests approved, we discover that approximately 12 percent of our annual total appropriations are going for foreign aid during fiscal 1959.

It should be stated for the record also that in excess of $1 billion has been given for foreign aid out of the military in a way that it is never considered as an appropriation. This is known as surplus, or excess material, but it is certainly a part of foreign aid and the cost is borne by the taxpayers.

I invite your careful analysis of available statistics which will reveal that the cost of the foreign aid program in the postwar period has reduced the living standard or decreased the savings of the American laboringman by 16 percent. This was brought about to a large extent by rising costs of living from the inflationary program, the lessening of the purchasing power of the dollar, by excessive spending, and the great amount of additional taxes required from the laboringman to carry on such a worldwide program.

The record is abundantly clear that much of the foreign-aid money has been wasted, and that a close supervision would in all probability save the taxpayers many billions of dollars and bring into being a more satisfactory program.

So, on this basis, Mr. Chairman, we should consider an appropriation to fulfill the needs, and not to fulfill the maximum requests of dreamers.

It is my duty to inform you that the foreign-aid program clears the Bureau of the Budget intact. The Bureau permits the request to reach the Congress in the same amount as it is presented. This fact, within itself, indicates that the request comes to the Congress inflated.

Is such a situation true with respect to other Federal agencies? On the whole, the answer is "No."

Should it not also be detailed for the RECORD the great extent to which so many segments of our economy benefit from the foreign-aid program? To enumerate but a few of them:

First. Printing and publishing industry—books, newspapers, magazines, and periodicals.

Second. Motion picture industry—I am sure Mr. Eric Johnston would have an answer for this one.

Third. The great shipping industry, because the law provides that 50 percent of the shipments must move in American bottoms.

Fourth. Manufacturing interests—tens of billions of dollars is a terrific windfall for those who have something to sell.

Fifth. Export and import firms—see page 504 of the hearings.

Sixth. Substantial profits for large commercial banking institutions—see page 503 of the hearings.

Seventh. Colleges and universities. Tens of millions of dollars annually.

Eighth. The clergy has an interest because there is an appeal in the bill that attracts their support—see page 1303 of the hearings.

Ninth. Military—because it gives them an opportunity to shift to the foreign-aid program equipment and material which they may wish to get rid of. This covers overbuying because they are reimbursed.

I should like to state for the record that out of the unexpended funds on June 30, 1958, $211,641,000 remained on hand unobligated.

Let me state in a positive and emphatic way that the military assistance part of this program has no contact with the suppliers. The Defense Establishment does its purchasing, and some of the things this committee has caught them pulling would curl your hair.

I should like to impress upon you that under the military assistance portion of this program, the agency has a right under the Mutual Security Act to place the appropriation in a reservation category. Therefore, when it is claimed that all the funds are obligated, they are not really obligated; they are placed in that strange, untraceable reservation category.

Mr. Chairman, I almost shudder when I realize the foreign-aid program has grown to the extent that the total number of personnel employed in its operation on a worldwide basis now exceeds 40,000. Fantastic? Yes. Unbelievable? Yes. But it is true.

I should like to repeat that I shall defend and support an appropriation adequate to more than discharge our commitments and to meet the needs of the program. But may I repeat that unless the Members of Congress elect here and now to study the past and let that be their guide for the future, then we have permitted something to come into being that may never be brought under control and could very easily wreck the economy of this country.

Make no mistake about it, we are, past or present, in 70 of the other 86 nations of the world with so many different types of aid programs that even the members of the committee and ICA witnesses are without adequate information as to what is being done with our money.

Mr. Chairman, from on-the-spot observations, I myself have found that some of the nations receiving our aid have their warehouses bulging with excess equipment. Some of the MAAG chiefs in these nations, in spite of the fear of a reprimand from above, indicate that we are delivering more material to many nations than they can possibly absorb.

So as to fortify the committee in its position on the military assistance program, I invite your attention to page 776 of the hearings. Also, may I quote verbatim a question I asked Mr. Shuff, the Deputy Assistant Secretary of Defense:

How much of the equipment is available and serviceable now if it should be needed for defense against Communist aggression?

Reply by Mr. Shuff:

I do not know that anybody could answer that question. I would guess that a substantial part of it would be available and ready. I would not know how to begin to estimate that or to get a factual answer to your question.

Continuing, I asked this question:

Mr. Shuff, if we are continuing to appropriate money for military equipment, I should think that we need some system whereby we can check and know what part is being deleted from prior inventories as nonserviceable and what portion we are replacing. Maybe we are providing equipment they do not need.

I pursued the examination on subsequent days, and finally when the Deputy Assistant Secretary understood that our subcommittee was determined to know the facts he wired the MAAG chiefs in several of the recipient nations. Believe it or not, the MAAG chiefs admitted, in their replies, that of the tens of billions of dollars worth of equipment given to foreign nations all over the world, 92 percent of it was available and ready for use. I quote the Secretary's letter dated June 27, 1958:

DEAR MR. CHAIRMAN: You may recall that I reported to you that I had requested the Military Assistance Advisory Groups in the Near East to assist me in arriving at an estimate of the percentage of equipment delivered since the beginning of the military assistance program in Near East countries that is currently available and serviceable for combat.

I now have the information from the Military Assistance Advisory Groups and have arrived at an estimate of 92 percent. This figure was derived as a weighted average on information from Iraq, Greece, Turkey, and Pakistan. Within each country, the estimates were developed from separate data for ships, aircraft, tanks and combat vehicles, motor transport vehicles, weapons and electronics and other equipment.

CHARLES H. SHUFF,
Deputy Assistant Secretary.

Mr. Chairman, the record is unmistakable that we are continuing, year after year, to ship equipment to nations which already have an excess of the same equipment.

This committee established for the first time this year the hard way that the basis for determining the need for military equipment has been guesswork. Their estimates have been so confused that they support only one conclusion—no one really knows how much military

equipment is available. By the same token, it is just as much a guess as to how much is needed.

For a fantastic story that should redden the faces of the Members, please turn to pages 800 and 801 of the hearings and read for yourselves a real "jeep story," dealing with the pipeline in the military.

The Members should know that the committee has forced these people to admit that in some instances there is sufficient equipment in the pipeline to sustain certain phases of the program for many years. See page 1146 of the hearings.

You will also find a good story on page 1144 of the hearings, with relation to this phase of the program.

Defense support is an innocent sounding caption. The people downtown are past masters at coining phrases and names to attach to these programs which certainly mislead me, and doubtless also the American public.

So that the record will be abundantly clear, let me state that defense support is 100 percent economic aid; and a great part of it is spent for programs in foreign countries in a manner that would be laughable if we attempted to spend money for the same types of programs in this country without first establishing a benefits-to-cost ratio.

Let us not be misled, the defense support part of this program in all probability has been responsible for more bribery, overpricing, conniving and profit-taking on the part of officials and friends of officials in foreign nations than any program ever conceived by the mind of man. But even in the face of this fact, we are recommending that you appropriate an additional $700 million to be added to the $910,628,000 now on hand undisbursed.

I shall not violate the trust of my office; but I do respectfully urge each Member of this Congress to get copies of the General Accounting Office reports covering the findings in Laos, Cambodia, Vietnam, Thailand, Korea, and many others, if you are interested.

But, to cite an example from the record, listen to this:

There is one nation whose currency we are supporting at the rate of one American dollar to thirty-five of theirs. However, in the market places of Hong Kong, Bangkok, and other places, the rate is 100 to 1. So the manipulators of these transactions have 286 percent profit on the exchange before starting the more profitable skulduggery.

On one invoice that the ICA paid in the amount of $207,000, it was later discovered by the GAO that the estimated value was $33,000. There are millions of dollars involved in overpricing, and time will not permit the disclosure of more instances. However, for detailed information, I refer you to page 509 through page 540 of the hearings.

Many of the statistics indicated in this résumé of the program are for the purpose only of familiarizing the Members with what the Appropriations Committee contends in the careful examination we give the requests.

We hope these citations are the exception, and not the rule; but they certainly indicate what can happen when such an agency has excessive uncontrolled funds to disburse freely and loosely.

The Development Loan Fund came into being last year. It was only a baby then, but it is about to grow into a roaring giant.

This is a program that is sometimes mislabeled loans. But to a large extent what we get in return for our money, to call them loans would be just about as misrepresenting as to call a skunk a mink, or a jackrabbit a vicuna.

Last year, the President asked for an authorization of $2 billion, and $500 million in cash. The Congress just did not buy that package. The Congress did however, authorize $925 million for the development loan program, and the Congress appropriated $300 million.

This year the President is requesting that the Congress appropriate in a lump sum the additional $625 million of the authorization that he did not get last year. In my opinion, this is the most exaggerated request ever to be referred to an Appropriations Committee, and I believe that I can establish the accuracy of this statement:

Out of the $300 million the Congress appropriated for the Development Loan Fund last year, not one dollar has been disbursed for a loan. The Department did, however, reduce the $300 million appropriation to $295,118,000.

The committee as of this time does not actually know for what purpose the Department spent the $4,982,000, but we must assume that it was for administrative and organizational purposes.

They say that they have obligated $125 million of the amount; they further indicate for the record that they had on hand unobligated on June 30, $175 million, of the original $300 million. But I say to you, Mr. Chairman, with the printed record to back up the Committee, that on June 20 the Department had actually signed only one loan agreement in the amount of $500 million.

All of the other high-faluting phrases they used to justify their request for additional funds are available from their own worksheet which is captioned "Status of Loan Funds as of June 20, 1958," and shows:

Loan agreements signed, $5 million.

Letters of Advice issued, $114,400,000.

This totals $119,400,000, and with the amounts spent for "you name it" mentioned earlier, represents what they term obligations in the amount of $125 million.

There are other captions which are most intriguing, such as "Letters of Advice Pending," "Loans Earmarked," and so forth.

Before the day ends you will hear it stated that the ICA has requests from 42 nations for these soft currency so-called loans, aggregating $2,200,000,000. I dare say that in another year the number of nations requesting a slice of this money-pie could very easily number 84 and the aggregate could be four, five, or maybe six billion dollars.

Mr. Chairman, we do have dreamers who are looking for places to spend the Development Loan Fund. I should like to quote as one example, from a letter addressed to the American Cotton Manufacturers Institute, signed by Mr. Nathaniel Rafler, of the International Cooperation Administration in the Department of State. I quote as follows:

> Confirming my comments of this morning, I wish to reiterate that ICA is prepared to render many forms of assistance to any one or more of your members who may be interested in establishing textile plants in Indonesia. If any of them are interested in such an investment, we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.
>
> ICA would be prepared to make loans from its New Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training here in America for Indonesians in technical and managerial skills.
>
> We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Mr. Chairman, will the textile industry in America be able to compete with textile products manufactured with American dollars by American manufacturers in countries where for centuries industry has employed coolie labor, and in many of these countries 15 cents per day is considered fair wages?

What about other industries which might be transplanted from other Congressional Districts to some of these nations that use coolie labor?

We had better think through the implications involved in such a policy.

Mr. Chairman, will the Members of this House not agree that the $300 million given to this agency last year, plus the $300 million now recommended, for a total of $600 million less the disbursed amount, is sufficient for this new worldwide experiment?

Should the Congress abdicate and turn completely loose the supervision of such a fantastic sum until this roaring giant can be observed for at least another year or two?

Time is running out, and we have a lot of unidentifiable items that we will not be able to mention, but to cover a few more:

There is the development assistance program for which the Congress has not made an appropriation since 1957. Yet there is in excess of $168 million carried unexpended and as an obligation.

There is another item listed as "Prior year programs," amount: $746,000 There is no explanation at all as to what this represents.

Another item in the category of unexpended funds is listed as "Undistributed programs," amount: $17,693,000.

We hope some day to be able to put our finger on what these miscellaneous undistributed programs represent, and to learn whether or not they are actually obligations.

I do not wish to be critical, but to be factual on a few others:

We have a sizable sum carried as an obligation for the Hungarian refugee program, the Polish refugee program, the Egyptian refugee program.

I think we should also state that under technical assistance there is an obligation in excess of $13 million being carried over for expenditure in Egypt at some future date.

Mr. Chairman, under the President's special assistance fund, your committee is recommending $185 million, the amount the House authorized.

Likewise, your committee is recommending $100 million for the President's contingency fund. That is the same amount that the House Foreign Affairs Committee originally authorized. There is no program and no indication of a program for this large sum of money. It is just a question of the Congress following in blind faith and issuing a blank check.

I hope that the action of the committee in reducing this recommendation below the conference figure will refresh the memory of the Members of this House that several years ago the President asked for what became known as the President's Asian fund. The President requested $200 million, but the Congress, in its wisdom, allowed only $100 million.

Oh, how I was orally spanked for the part I played in making this reduction.

But what happened?

The $100 million remained available for almost 3 years, and after 3 long years, the spenders managed to disburse less than $12 million, leaving untouched $88 million.

A few weeks ago the amount mentioned was unobligated, but time was running out, the 3-year limitation was expiring. Therefore, before you could say scat, we learned that they had obligated most of the fund. For what? Your guess is as good as mine.

I called the Department and assured them I believed the committee would recommend that the Congress continue available the entire amount of the President's Asian fund, in the hopes that if they had indulged in the practice of making questionable obligations, such action would be undone.

There are 14 other items in which the committee did not recommend any reductions below the authorizing legislation.

I insert here detailed statistical information relative to the program:

Program by name and amount

	Amount	Total available for expenditure
1. Military assistance:		
Unexpended June 30, 1958	$3,359,502,000	
New funds	1,515,000,000	$4,874,502,000
2. Defense support:		
Unexpended June 30, 1958	910,688,000	
New funds	700,000,000	1,610,688,000
3. Development Loan Fund:		
Unexpended June 30, 1958	295,118,000	
New funds	300,000,000	595,118,000
4. Development assistance:		
Unexpended June 30, 1958	168,211,000	
New funds		168,211,000
5. Special assistance:		
Unexpended June 30, 1958	126,288,000	
New funds	185,000,000	311,288,000
6. President's Asian fund:		
Unexpended June 30, 1958	88,677,000	
New funds		88,677,000

Program by name and amount—Continued

	Amount	Total available for expenditure
7. President's contingency funds: [1] New funds	$100,000,000	$100,000,000
8. Technical cooperation bilateral:		
Unexpended June 30, 1958	165,899,000	
New funds	150,000,000	315,899,000
9. Technical cooperation, U. N.:		
Unexpended June 30, 1958	9,500,000	
New funds	20,000,000	29,500,000
10. Technical cooperation, Organization of American States:		
Unexpended June 30, 1958	998,000	
New funds	1,500,000	2,498,000
11. Joint control:		
Unexpended June 30, 1958	6,770,000	
New funds		6,770,000
12. Atoms for peace:		
Unexpended June 30, 1958	6,100,000	
New funds	5,500,000	11,600,000
13. North Atlantic Treaty Organization:		
Unexpended June 30, 1958	1,000,000	
New funds		1,000,000
14. Intergovernmental Committee for European Migration:		
Unexpended June 30, 1958	5,500,000	
New funds	12,500,000	18,000,000
15. U. N. Refugee Fund:		
New funds	1,200,000	1,200,000
16. Escapee program:		
Unexpended June 30, 1958	1,800,000	
New funds	8,600,000	10,400,000
17. U.N. Children's Fund:		
Unexpended June 30, 1958	6,775,000	
New funds	11,000,000	17,775,000
18. U. N. Relief and Works Agency:		
Unexpended June 30, 1958	6,428,000	
New funds	25,000,000	31,428,000
19. Ocean freight:		
Unexpended June 30, 1958	100,000	
New funds	2,100,000	2,200,000
20. Control Act:		
Unexpended June 30, 1958	160,000	
New funds	1,000,000	1,160,000
21. Administrative expenses, ICA:		
Unexpended June 30, 1958	5,511,000	
New funds	33,000,000	38,511,000
22. Administrative expenses, State:		
Unexpended June 30, 1958	3,105,000	
New funds	6,692,500	9,797,500
23. Hungarian refugee:		
Unexpended June 30, 1958	6,500,000	
New funds		6,500,000
24. Egyptian refugee:		
Unexpended June 30, 1958	200,000	
New funds		200,000
25. Special program, Polish refugee:		
Unexpended June 30, 1958	5,600,000	
New funds		5,600,000
26. Special program (classified):		
Unexpended June 30, 1958	1,123,000	
New funds		1,123,000
27. Undistributed programs (unexplained):		
Unexpended June 30, 1958	17,693,000	
New funds		17,693,000
28. Miscellaneous prior year programs (unexplained):		
Unexpended June 30, 1958	746,000	
New funds		746,000
Total		8,278,084,500

[1] New program.

Mr. Chairman, I was asked to explain the reason for the unprecedented pressure to obtain the entire Budget request for the foreign-aid program without sufficient justification. I endeavored to reply humorously, but nevertheless, factually.

I stated that some among the leadership in the Congress want the full authorization request because the President wants it; Ike wants it because John Foster wants it; John Foster wants it because Eric Johnston wants it; Eric Johnston wants it because Dillon wants it; Dillon wants it because Smith wants it; Smith wants it because Murphy wants it; and Murphy wants it because, as Contoller of the ICA, his prestige is enhanced because he can disburse these funds to 40,000 ICA employees scattered throughout almost the entire world.

The committee is recommending an amount abundantly adequate to accomplish the objectives of the program, even the questionable objectives, and even accepting some rather weak justifications.

The committee is fully fortified in its position by clear-cut admissions by past and present administrators.

May I quote from page 189 of the hearings for fiscal year 1958. I asked Mr. Hollister, the then Administrator of the ICA, if he would agree that we had actually appropriated too much money for his program for the previous year.

Mr. Hollister replied, and I quote him verbatim:

More than they were able to obligate.

Continuing, I asked:

Is the record clear that we did not damage the program by reducing the appropriation last year?

Mr. HOLLISTER. The record speaks for itself.

Mr. PASSMAN. I shall accept that as an affirmative answer.

Quoting from the hearings of this year, I asked Mr. Dillon:

Are all phases of the program sufficiently financed, and are commitments being met to a reasonable measure?

Mr. Dillon replied:

They are sufficiently financed; yes, Mr. Chairman.

Question asked Mr. Sprague:

Would the data not indicate that the program has been operating on a satisfactory basis and that our commitments are being lived up to in a reasonable manner?

Mr. SPRAGUE. I feel that your statement is substantially correct.

I then asked Mr. Sprague another question, and he replied:

The reductions that the Congress has effectuated in the program have assisted the executive branch in administering the program in a more efficient manner, there is no question about it.

Mr. Chairman, it has been my privilege and high honor to help present this bill for your consideration for 4 years. This committee has not misled you. The record of the past 3 years will sustain the committee's position and will sustain with credit every Member who supports the committee's findings and recommendations.

The committee desires your vote and support based upon its past record of performance. I plead with you to support the committee's position; you will be on solid ground.

The committee has tried to do a creditable job for you.

I am sure I speak for a majority of the members of our subcommittee and the full Committee on Appropriations when I repeat that our recommendations are based upon fact, and not fiction. Our case has been laid on solid rock.

One final statement, and I make this without fear of successful contradiction:

There is no record of substantiated evidence in the hearings where the Kremlin has given as much as one inflated ruble to any nation. Their assistance has been in hard-boiled business loans, and most of them on short terms and well secured; but the propaganda machines continually grind out information to the contrary. This has caused us to enter into a lot of strange agreements in a lot of strange places.

The Russians are strong on promises and short on deliveries.

It has been stated that Russia's Lenin once said, in effect, "Give the United States sufficient time, and it will spend itself into bankruptcy."

We can attribute the idea to Lenin, but if we are not careful, we may attribute the fulfillment of the prediction to Krushchev.

Now, Mr. Chairman, may I continue with my discussion, with further facts for the record and from the record:

A complete study of the hearings of the Subcommittee on Foreign Operations Appropriations would, I am confident, convince even the most skeptical Member of the House of the factual basis for the remarks which I have made today. It is my sincere hope that each Member will read the record of those hearings, from cover to cover.

For the present, however, may I quote some excerpts at random:

From page 13:

Mr. PASSMAN. Are all phases of the Mutual Security program sufficiently financed, and are commitments being met to a reasonable measure at this time?

Mr. DILLON. They are sufficiently financed; yes, Mr. Chairman.

From pages 14 and 15:

Mr. PASSMAN. You do know, of course, that each category * * * year after year has had an unobligated balance which would have lapsed had the Congress not reappropriated it. You are familiar with that fact, are you not?

Mr. DILLON. Yes, sir. * * *

Mr. PASSMAN. We have had statements equally as strong in the past * * * that certain things would happen to the program if they did not get the entire budget. We discounted the pleadings to some extent, and made substantial reductions, only to find out a year later that we had even then given too much money and they could not spend it. You are familiar with that condition, are you not?

Mr. DILLON. Yes, sir.

Quoting now from pages 16 and 17:

Mr. PASSMAN. Of course, we both work at a disadvantage in endeavoring to establish the needs of a program of this kind. You stated a moment ago that you have some ten thousand plus employees, and many of them are assigned to the nations where we have this program. It is correct that you rely a great deal upon the information provided by them to be able to firm up the program here in Washington?

Mr. DILLON. That is correct.

And from page 19:

Mr. PASSMAN. Therefore, these so-called loans are of such nature that you must go to this type of fund because there is no private banking facility which you know of, or the Export-Import or World Bank, which would handle the projects that will finally be financed by the development loan program?

Mr. DILLON. That is correct.

From page 45:

Mr. PASSMAN. As we are discussing development loans, I might indicate for the record that on January 31 funds available for obligation totaled $300 million; obligations were none * * *. I think it is also true of the statement for April 15, 1958, that loan agreements signed totaled none. It is correct that no loan agreements have been signed?

Mr. DILLON. Yes.

Now, from page 43:

Mr. PASSMAN. Do you have any other reports, such as from the Corps of Army Engineers, who have nothing personally to gain or lose as a result of these projects? Have you any information of this type * * * ?

Mr. DILLON. None as yet.

Again, from page 45:

Mr. PASSMAN. Is it not true that in many instances the Soviets are making a tremendous profit on their loans? * * *

Mr. DILLON. It is different in different places.

Mr. PASSMAN. You have heard the story. It is subject to discount?

Mr. DILLON. In the case of Burma I think it is correct.

Now, quoting from page 46 of the hearings this question was presented:

I would like to know how many nations of the world are receiving aid of one kind or another under this program.

Mr. DILLON. Military aid only, 11 countries; economic and military aid combined, 30 countries; economic aid only, 22 countries * * *. In addition there are 10 territories which are receiving economic aid only. * * *

Mr. PASSMAN. I have a list showing 70 of the other 86 nations. * * * Is it true that last year * * * the gentleman stated that, past and present, 67 of the other 86 nations had received aid or would receive aid under the foreign-aid program?

Mr. MURPHY. Yes, sir.

Mr. PASSMAN. Which would make a total, past and present, of 70 of the other 86 nations participating in the foreign-aid program as we know it?

Mr. MURPHY. Yes, sir.

From an exchange with ICA Director Smith— pages 63 and 64:

Mr. SMITH. A 17 percent reduction (for the bilateral technical cooperation program).

Mr. TABER. But that was a larger amount than was expended in the previous year?

Mr. SMITH. Yes, sir.

Mr. PASSMAN. And you also have a longer pipeline than you have ever had on that item?

Mr. MURPHY. Yes, we do.

Still more—from pages 71, 72, 73, and 74:

Mr. PASSMAN. I think there must be some honest misunderstanding about some of the items you mention. I refer particularly to the United States technical cooperation program. In fiscal 1957, the request was for $136,620,000, which amount the committee allowed. However, you were able to obligate only $124,567,000 of the total, so when the presentation was made * * * last year there was an unobligated balance of $12,053,000. * * *

Mr. SMITH. Those figures are correct. * * *

Mr. PASSMAN. So we allowed more funds for fiscal 1958 than the program had been able to obligate in fiscal 1957. * * * We wish to know the projects that were dropped, * * * which projects were postponed, which ones were underfunded. * * * We should like, also, to know the number of technicians that were dropped. Are you ready to discuss these matters?

Mr. SMITH. No.

Further, during the same discussion:

Mr. PASSMAN. What is the total of these obligations through March?

Mr. MURPHY. Sixty-three million seven hundred and sixty-nine thousand dollars.

Mr. PASSMAN. Just a little more than 50 percent of the $125 million had been obligated at the end of 9 months of operation?

Mr. MURPHY. That is correct.

Mr. PASSMAN. What was the total of unexpended funds in the account?

Mr. MURPHY. Ninety-seven million four hundred and seventy-nine thousand dollars was unexpended on February 28.

At another point during the exchange:

Mr. PASSMAN. We had better clarify this situation even if it calls for a brief recess.

I wish to inform the Members that the committee was recessed in order to provide Mr. Smith and his assistants opportunity to document Mr. Smith's statement that the amount of the fiscal 1958 appropriation for technical cooperation had resulted in termination of projects, postponement of others, underfunding and understaffing, the dropping of participants and technicians. They were unable to do so to any substantial degree in an appearance before the committee following the recess.

I refer the Members to pages 75 through 151 of the hearings for these details.

From pages 151 and 152:

Mr. PASSMAN. Would you state your understanding of the economy of Lebanon as compared to the general standard of that section of the world?

Mr. SMITH. It is economically quite sound. It is enjoying a reasonable level of prosperity. * * * The per capita share of the gross national product is substantially higher than any of the other countries in that area.

And this one is from page 193:

Mr. SMITH. Some days it seems as though these hearings are pretty long and arduous and don't produce results, but I would like to say, as far as ICA is concerned, that the questions you have asked us about our original presentation have led us to review and reanalyze a lot of our thinking. I think this hearing has been a very useful thing for us.

This is an excerpt from page 203:

Mr. PASSMAN. * * * When we speak of the military-assistance program under the mutual-security appropriation, that is one thing; but we have also a very large military program that is paid for out of the Defense Department appropriation for airbases, maintenance, personnel, and equipment?

Mr. SPRAGUE. Yes, sir.

Mr. PASSMAN. How does that amount compare to the amount of the appropriation being requested here?

Mr. SHAW. If you are talking in terms of how much the United States spends abroad, from military-functions appropriations, it is, roughly, $3 billion a year.

Mr. PASSMAN. The amount which is spent from the direct military appropriation abroad

is almost double the amount being requested in this program?

Mr. SHAW. That is correct, sir. That includes all expenditures of United States military forces.

Mr. PASSMAN. And equipment and bases?

Mr. SHAW. Yes; the equipment purchased abroad, but not American equipment taken abroad.

Mr. PASSMAN. * * * We spend, overseas, about $3 billion out of the regular military appropriation, as compared to $1.8 billion spent, for the military program, from this appropriation?

Mr. SHAW. Yes, sir.

Reading now from pages 217 and 218 of the hearings:

Mr. PASSMAN. If you are going to obligate according to the chart here, would you actually need 18 months in which to obligate the money? * * * You are traveling in that direction, to get the period of time back to 12 months? * * *

Mr. SHUFF. I would think that we are trying to do what you are suggesting here.

Mr. PASSMAN. To work back to a 12-month limitation on obligations?

Mr. SHUFF. I think we might want to arrive at that. * * *

Mr. PASSMAN. You have had that law (for 18 months' availability) for only 1 year?

Mr. SHUFF. That is right.

Mr. PASSMAN. You are already going in the other direction, bringing the time back to 12 months? * * * I liked your statement that the trend was going back to 12 months. I will not press that point for further comment, but I want the record to indicate that we may eventually get back to a 12-month type of operation.

Please listen carefully to this, from pages 251 and 252:

Mr. PASSMAN. Mr. Secretary, there has been a tremendous amount of publicity given to the foreign aid program, * * * indicating that great damage had been done to this program in the past. However, using the figures that you have given to us in your forthright report this morning, and the reduced amount of (military assistance) new obligational authority for fiscal 1959, would the data not indicate that the program has been operating on a satisfactory basis and that our commitments are being lived up to in a reasonable manner?

Mr. SPRAGUE. I feel that your statement is substantially correct.

At another point during the same discussion:

Mr. PASSMAN. I wish to indicate for the record that the Legislative and Appropriations Committees (and the Congress) during the past 3 fiscal years have reduced the amount of the executive department request by $2,215,821,750. To be told by many witnesses appearing before this committee that our commitments are being lived up to in a reasonable manner certainly causes the committee to feel that it has been justified in helping streamline the program by making the reductions in the past. I think the record certainly backs up the committee in its position.

Mr. SPRAGUE. I am sure.

Mr. PASSMAN. I think you are very fair in stating that substantially my statements are correct in that respect.

Mr. SPRAGUE. The reductions that the Congress has effectuated in the program have assisted the executive branch in administering the program in a more efficient manner; there is no question about that.

Another interesting excerpt, from pages 267 and 268:

Mr. PASSMAN. We know that in many cases the personnel connected with the ICA the military and other branches have traveled about over the country making speeches selling foreign aid. Are the travel and per diem at the expense of the Department, or does the individual pay his own expenses?

Mr. SHUFF. The Department pays the expenses.

I refer the members to pages 271, 272, 273, and 274 of hearings for the listing of speeches made during 1957 by officials of the State Department, the ICA and the Department of Defense.

From page 296 of the hearings:

Mr. PASSMAN. It has been suggested before this committee, unfortunately off the record, that one of the main features of the Development Loan Fund was that it would provide an opportunity for the recipient nations to save face and protect their pride * * * that the * * * Fund serves to make it easier for the other nations to accept the grants if we put the aid on the basis of a loan. * * * I believe, Mr. Secretary, you have previously expressed the conviction that the development assistance, whether offered by grant or loan, would be of no great value if handled on such a basis that the same problem in a given country recurs year after year. Is that still your opinion?

Secretary DULLES. Yes.

From page 302:

Mr. PASSMAN. Am I correct in stating that the President's Special Fund for Asia requested $200 million; Congress appropriated $100 million; and after 2 years, in that particular fund, you had only obligated about $6,300,000? * * * It is one of the special funds and it was reduced by $100 million and we were criticized for doing so. Now it appears that unless it has been obligated this year about 95 percent of it is going to lapse.

Secretary DULLES. It has not been obligated.

Now, from page 319:

Mr. PASSMAN. Did I hear you correctly, Mr. Secretary, that our aid to France during the past 10 years in all categories exceeded $8 billion?

Mr. DILLON. $8.4 billion, Marshall plan and military.

Mr. PASSMAN. That does not include any loans?

Mr. DILLON. That doesn't count loans.

From page 326:

Mr. PASSMAN. Which would bring the total (of proposals) to the $3 billion?

Mr. McINTOSH. Approximately.

Mr. PASSMAN. That is an indication that within 3 or 4 years the total could amount to $15 billion or $20 billion or more. There would be no limit when people find out what a bonanza this is. This is developing so fast it is frightening. * * * Thus far we have approved only $126 million in loans and you are already talking about applications of $3 billion. * * * I hope we do not create a Frankenstein that will devour us.

From page 347:

Mr. PASSMAN. The Congress, after hearing the testimony, appropriated only $300 million, and the fund actually has been able to obligate only approximately $125 million of that amount?

Mr. DILLON. That is roughly correct.

This excerpt is from page 353:

Mr. PASSMAN. Mr. Secretary, under the development-loan-fund program, is it true that if you make a loan to, we shall say, Country B, and you accept repayment in local currencies of Country B, you cannot spend those local currencies in any other nation? * * *

Mr. DILLON. As a practical matter, the local currencies of these underdeveloped countries at the present time are not of much use to spend outside of their own borders. * * *

Mr. PASSMAN. You couldn't take the currency, if you made a loan to Country B, and spend it in some other country without Country B's permission in the contract?

Mr. DILLON. That is correct, sir.

From page 354:

Mr. PASSMAN. The fact remains that if the chips were to be down * * * and we had local currency in repayment of these loans, if they were still considered underdeveloped, you wouldn't expect them to permit us to bring rubber or tin (or other commodities) out of that country and make payment in their currency?

Mr. DILLON. No, sir.

From page 355:

Mr. PASSMAN. Could you state, for the record, the amount of soft currencies now on hand or to the credit of the United States in these foreign countries under loans that we make through the soft-currency programs?

Mr. MURPHY. The unexpended balance of all currencies administered by the agencies of the Mutual Security program * * * as of June 30, 1958, is projected at $1,880,000,000 equivalent.

Reading now from page 373:

Mr. PASSMAN. Are many of the projects undertaken under Defense Support allocations not the same types of programs the development loans would finance, such as highways, bridges, and the like?

Mr. DILLON. There has been a very close connection there, very similar.

This is from page 418 of the hearings:

Mr. PASSMAN. I was recently informed that upon examination by a committee, the Hoover Commission discovered more than 2,000 different projects and programs undertaken, with many of them dropped because they were poorly founded in the first place.

Would you say that statement is substantially correct?

Mr. MURPHY. The number 2,000 is not out of line.

From pages 503 and 504:

Mr. PASSMAN. They (the military services) are reimbursed for transfers out of their stocks into this program * * * there is an exchange.

Mr. SHAW. That is correct.

Continuing with more excerpts. This one from page 503:

Mr. PASSMAN. Fifty percent of the shipments must move in American bottoms?

Mr. MURPHY. That is correct.

From page 504:

Mr. PASSMAN. Somewhere down the line there is a profit * * * for that type of broker?

Mr. MURPHY. Yes, sir. People make a profit * * * all along the line.

From page 503 again:

Mr. PASSMAN. But there is quite a profit * * * for commercial banks for handling these transactions?

Mr. MURPHY. Undoubtedly, sir.

Another from page 504:

Mr. PASSMAN. Billions of dollars go into industry out of this appropriation?

Mr. MURPHY. Yes, sir.

From page 505:

Mr. PASSMAN. Could you state for the record the amount in the bill which actually goes for the purchase of newspapers, magazines, periodicals and films to be used? * * *

(This information was inserted in the record:)

"It is estimated that the cost of newspapers, magazines, periodicals, and technical

books may approximate $900,000 for fiscal year 1958. It is also estimated for the same fiscal year that the cost of training films will be between $300,000 and $500,000. These estimates do not include the cost of items which may be purchased directly by the missions. For fiscal year 1959 it is estimated that costs similar to those for 1958 will be incurred."

I shall now quote some items with reference to Laos:

The first is from page 525:

Mr. PASSMAN. I was informed on what I accept as valid authority that the wife of the Health Minister of Laos at one time had the only license by which medicines and insecticides could be imported into the country. Is that your understanding?

Mr. STAPLES. We did not get this particular information. (But) one item that we got was that both the Prime Minister and the Minister of the Interior own banks in Laos, and the commercial banks get the business from the National Bank of Laos. We also heard that some of the other members of the Cabinet—I do not recall which and here, again, it is something that is pretty hard to nail down——

Mr. PASSMAN. There is a lot of smoke, and if you get into the fire, you may get burned?

Mr. STAPLES. Yes, sir; that is right. The point is that we are not in a position to investigate those things.

Mr. PASSMAN. Your authority does not permit you to go that far?

Mr. STAPLES. No, sir.

Another one from page 525:

Mr. PASSMAN. At present, we are supporting the Lao kip at 35 to 1 American dollar, although the free rate prevailing in adjacent countries is 100 to 1?

Mr. STAPLES. That is correct. * * *

Mr. PASSMAN. This means that our cost in this program, then, would be almost three times as great as the record indicates insofar as values received are concerned?

Mr. STAPLES. That is right.

From page 526:

Mr. PASSMAN. Officials of Laos could be profiting by millions of dollars out of this program?

Mr. STAPLES. That seems to be the general story that is running around. There is no question but what there has been profiteering.

From pages 526 and 527:

Mr. PASSMAN. Would the program be balanced if we permit them, as we have done, to import far in excess of their needs?

Mr. STAPLES. From an economic standpoint there is no question it constitutes an unbalanced program; fundamentally it is unsound.

Another excerpt from page 527:

Mr. PASSMAN. You report on page 8 of your statement: "A plan offered by United States officials at high level meetings in Washington in January of 1958 was rejected by Lao representatives."

Mr. KELLER. That is what we understand. Negotiations for currency reform.

Mr. PASSMAN. You indicate that very little progress is being made?

Mr. STAPLES. Yes, sir.

Mr. PASSMAN. Would this be an indication that what we might call the "windfall" to public officials of Laos is so great they do not want to give up any part of it?

Mr. STAPLES. You might consider that a reasonable conclusion.

From page 528:

Mr. PASSMAN. I refer to a sentence on page 7 of your statement: "However, some of the larger projects have fared poorly in terms of administration and accomplishments." * * * That is a statement which could be used without the chairman being accused of quoting out of context?

Mr. STAPLES. Yes, sir.

Again from page 528:

Mr. PASSMAN. I now refer to the closing paragraph of your statement on page 9: "Other irregularities took the form of overpricing commodities by falsifying invoices and also by delivering inferior goods. The excess amounts were usually deposited outside the country, sometimes reportedly with the collusion of the suppliers." * * * There could be collusion between the exporter and the importer and the recipient?

Mr. STAPLES. Yes, and we understand there has been.

From page 532:

Mr. STAPLES. I might say a good deal of your difficulty comes from imports that come in purchased with cash grants. * * * In cash grants ICA just turns over the money, and although ICA reputedly has some voice in approving import licenses, these are many of which ICA does not know about. Neither the ICA mission nor Washington has ever received any accounting.

Mr. PASSMAN. When we turn the dollars over to the credit of the Lao Government, at 35 kips to $1, we lose control of the dollar, and in many instances we have no knowledge of what is done with the dollars?

Mr. STAPLES. We do not know.

From page 533:

Mr. PASSMAN. You state on page 10: "Control procedures of ICA have been ineffective to cope with the various malpractices." Such a condition still exists?

Mr. KELLER. That is right, and even where they have control procedures, quite often they are bypassed by the Lao Government.

Also from page 533:

Mr. PASSMAN. If they like what we ask them to do they cooperate, and if they do not like it they do it their own way and do not cooperate?

Mr. STAPLES. I think that is right.

This is an excerpt from page 534:

Mr. PASSMAN. The last sentence on page 10 of your statement is: "* * * No end use inspections were being made, principally because the Embassy had restricted mission representatives from contacting Lao nationals."

Mr. STAPLES. That was reported to us by our Tokyo office.

From page 535:

Mr. PASSMAN. You state on page 11: "* * * ICA made no provision for screening allowable expenditures." * * * What does that mean?

Mr. STAPLES. * * * The Lao Government submits its * * * budget for supporting their military forces. This does not include hardware, weapons, but it is for the current support, pay, food, housing, and things like that. This initially has not been subject to screening to determine whether it was reasonable, how many men they were providing for, what they were buying and what prices they were paying or how they have estimated their prices.

From pages 535 and 536 of the hearings:

Mr. PASSMAN. On page 11, in the last paragraph, you state: "Subsequently the execution of contracts with three separate firms caused an overlapping of functions. * * * Mission investigations revealed that considerable quantities of ICA-financed road equipment had been abused and property control records were inadequate. Our inspections confirmed these reports." * * * They were three contracts for the same purpose?

Mr. STAPLES. They were related.

Mr. PASSMAN. Overlapping to what extent?

Mr. STAPLES. Overlapping to the extent of supervising maintenance of roads, taking care of equipment and responsibilities for those.

Another excerpt from page 536:

Mr. PASSMAN. Do you find conditions parallel to these in certain fields in other countries?

Mr. STAPLES. From my personal experience and based on our examinations in Vietnam, Cambodia, Korea, and Laos, Laos appears to be the worst of the lot.

Mr. PASSMAN. But there are indications of similar abuses in other far-eastern countries?

Mr. STAPLES. Some, but milder.

From page 540:

Mr. STAPLES. Part of the bilateral agreement with Laos provides that the United States shall receive detailed information relating to the use of released funds which are counterpart funds.

Mr. PASSMAN. We have that right but it has not been exercised? It has not been carried out according to the agreement?

Mr. STAPLES. That is right. * * * It goes back to 1955.

From page 549:

Mr. PASSMAN. I think you said this morning that we do not have the right to question the Lao officials?

Mr. STAPLES. That is right.

Another one from page 549:

Mr. PASSMAN. Where the kips are officially 35 to 1, these people exchange them otherwise for 100 to 1, and buy merchandise on that basis, then bring it in and black-market it? Is that the situation?

Mr. STAPLES. That is the situation. Once ICA has put up the money and once an applicant has made application, even though ICA has passed on his application the agency does not know where he got those kips and is not in a position to find out.

Excerpting now from page 554:

These statements were noted:

The examination in Laos was made in March 1958, and a draft report thereon was received by us late in April. * * * Release of this report depends very largely on how long ICA requires to review the draft and forward its comments to us.

This exchange followed:

Mr. PASSMAN. How much longer would you wait for the ICA comment before you would finally complete your report and send it to the Congress?

Mr. STAPLES. That is a hard question to answer. This is the first time we have ever been taxed to what I told ICA was almost the limit. As a matter of fact, in the last communication I sent to them I told them bluntly we had just about reached the end of our rope.

Mr. PASSMAN. That you had withheld the information from the Congress about as long as you could?

Mr. STAPLES. If they did not come through we would have to send it up and we would have to make a qualification in our report to the effect that this was the best we can do and ICA just did not give us their comments, or did not help us or cooperate with us within a reasonable time. We had just about reached that point and I was talking with John E. Murphy, the Controller, and I think that he expedited it.

Mr. PASSMAN. The report you provided the committee this morning was brought about

by a direct request from the Appropriation Committee to submit a summary report?

Mr. STAPLES. That is right.

May I inform the members that the summary report on the audit by the GAO of the program in Laos is a part of the record of the hearings, pages 519 to 525.

From remarks of General Norstad, the first excerpt being from page 559 of the hearings:

Mr. PASSMAN. * * * Speaking about the investment, its value would depend, of course, upon whether or not the recipient nation should stand with us when the chips were down. That factor would be taken into consideration; would it not?

General NORSTAD. That would be taken into account.

From page 568:

Mr. PASSMAN. If we are contributing $1.8 billion to NATO and our defense appropriation is contributing $3.6 billion for airbases and personnel, then this figure would actually be 18 percent rather than 6 percent; would it not?

General NORSTAD. That is correct.

From page 576:

Mr. PASSMAN. In the previous 3 years, during which I have had the honor to serve as chairman of this committee, we have had some sharp disagreements about the amounts required, yet each succeeding year the Department would say, "Yes, we were mistaken. The appropriation met the requirements." This year this request is less than the appropriation for last year, which would indicate that the program is being leveled out. We are not confronted with the billions of dollars of unexpended funds. Your pipeline also is full and your lead time has been substantially reduced?

General NORSTAD. Yes.

Quoting from page 597:

Mr. PASSMAN. * * * I do say that you are asking us to appropriate money for a program and you cannot state at this time that the program is firm, that you want flexibility so that funds which may be appropriated for one particular country as justified may be spent in some other country. * * *

Mr. SHUFF. * * * I can only say this is our best judgment, but I put this statement in here * * * with the idea of telling you that in some situations this may change to a greater or lesser extent.

From page 604:

Mr. PASSMAN. * * * If there is a record whereby Russia offers the aid in such manner, without strings attached, let the Committee have a copy of that information.

Mr. PALMER. It will be a verbal statement.

This is from page 613 of the hearings:

Mr. PASSMAN. It might be well at this point to restate for the record the estimated amount of funds unexpended in the military-assistance appropriation item. * * *

Mr. MURPHY. As of the end of this fiscal year, June 30, 1958, the estimated unexpended balance in the military account is $3,359,000,000.

From pages 640 and 641:

Mr. PASSMAN. I quote from a news report: "Eric Johnston, president of the Motion Picture Association of America, asserted last night that an exchange of movies between the United States and Russia would enable the peoples of the two countries to understand each other better." * * * It certainly could develop into something rather expensive if an exchange with all these countries were carried out, would it not?

Mr. MURPHY. I would think it would be expensive.

An excerpt from page 651:

Mr. PASSMAN. We have been informed that the United States military-assistance program provides equipment in excess of the capacity of NATO nations to utilize it effectively. Would you care to comment?

Mr. SHUFF. Actually, I think there have been times where material has been overprogramed, and we found where those occasions have occurred.

Now from page 686:

Mr. PASSMAN. Had you not transferred from the military $30 million over to the economic part of the program, what would be the amount of the obligated balance in military funds on June 30?

Mr. SHUFF. $35 million, Mr. Chairman.

Mr. ANDREWS. If you had not spent this money for economic aid you would have it for military.

Mr. SHUFF. Yes, sir.

From page 688:

Mr. PASSMAN. In all probability the unobligated balance for June 30 is somewhat understated in the figure of $211,641,000?

Mr. MURPHY. The one-word answer to that, Mr. Chairman, is "Yes."

From page 715:

Mr. PASSMAN. We are going backward instead of forward, then, with the program?

Mr. ROUNTREE. Many of the people have always been on a little above subsistence level. We are certainly not reducing the refugee rolls.

This is from page 704:

Mr. PASSMAN. Will you inform us as to the approximate total amount of American banking investments in India? * * * At this time, do you recall any large loans by the private banks of America?

Mr. BELL. No, sir.

From page 719 of the hearings:

Mr. PASSMAN. How many new nations have we helped bring into being since the end of World War II?

Mr. BELL. I believe it is 22 new nations.

Mr. PASSMAN. We have supported all of them, have we not, in their effort for independence? * * *

Mr. ROUNTREE. That is correct, Mr. Chairman.

Mr. PASSMAN. After we help create a nation, we assist it financially?

Mr. ROUNTREE. In most cases.

Now to proceed to page 722:

Mr. PASSMAN. It is generally conceded that defense support is actually economic aid and it is accepted as such?

Mr. BELL. Yes, sir.

From page 725:

Mr. PASSMAN. If these same countries should qualify at a later date under the development loan program, then we would have soft currencies feeding out of the account in two funds, Public Law 480 and the development loan program. * * *

Mr. BELL. Yes, that is possible.

Reading now from pages 756 and 757:

Mr. PASSMAN. I understand that Lebanon has * * * had a budget surplus for the past 3 years. Is that true?

Mr. BELL. There is a table * * * indicating that there was a surplus in 1954 of $14.4 million and a balance proposed in 1955 and 1956 budget estimates where there was neither a surplus nor a deficit.

Mr. PASSMAN. So for the 3 years, overall, there was a surplus.

From page 759:

Mr. PASSMAN. Certainly, Mr. Secretary, this committee understands your situation. You have to take that position. If you did not do so you would not be in the position which you hold today.

Mr. ROUNTREE. That is right.

From pages 755 and 756 of the hearings:

Mr. PASSMAN. Do you contemplate building some grain storage?

Mr. BELL. There is an old project financed out of 1956 money for some marine terminal facilities at Karachi for the unloading of grain. * * * That is not yet built but the engineering is in progress. * * *

Mr. PASSMAN. Have you continued to carry that as an obligation out of your funds?

Mr. BELL. It is continued as an obligation. * * *

Mr. PASSMAN. Here is an obligation of $1,540,000 that you are carrying for a project in Pakistan. The obligation has been kept on the books for 4 years, more or less, and at this time you are not in a position to state whether or not a firm contract will be awarded in the immediate future, are you? * * * It could be another year?

Mr. BELL. It could be another year.

From page 777:

Mr. BELL. There is part of an old project with regard to a sawmill. * * * We have approximately $341,000. * * * My recollection is that it was obligated in 1955. * * *

Mr. PASSMAN. There is a contract outstanding for a sawmill in Pakistan and you are still carrying that as an obligation. What has held up the construction of the sawmill?

Mr. BELL. It has been held up largely because of the difficulty with the technical problems involved. That is, the question of how the plant would be operated, location, the question of how it would be managed, and what size it should be.

May I inform the members that information requested as to other old projects which are continuing to be carried as obligations, but for which no actual work has been started, were not supplied for the record of the hearings.

Quoting now from page 766 of the hearings:

Mr. PASSMAN. How much of this equipment is available and serviceable now, if it should be needed for defense against Communist aggression?

Mr. SHUFF. I do not know that anybody could answer that question. * * * I would guess that a substantial part of it would be available and ready. * * * I would not know how to begin to estimate that or to give you a factual answer to your question.

Mr. PASSMAN. Mr. Secretary, if we are continuing to appropriate money for military equipment, I should think that we need some system whereby we can check and know what part is being deleted from prior inventories as nonserviceable, and what portion we are replacing. * * * Maybe we are providing equipment that they do not need.

Repeatedly during the hearings, Mr. Chairman, the question was asked with relation to the amount of foreign currencies this country could put to good use, but there was no satisfactory response in any instance. The following is typical of the exchanges.

I quote from pages 784, 786, and 787:

Mr. PASSMAN. I am asking if there is a limit on the amount of foreign currency this country can put to good use in this program or in any other program.

Mr. MURPHY. I am sure there is a limit.

Mr. PASSMAN. How will we know when we reach that limit?

Mr. MURPHY. This will involve a number of factors. * * *

Mr. PASSMAN. I think we should know whether or not our department heads feel there would not be any trouble if we wound up controlling, let us say, 80 percent of the foreign currency of a country. Do you think there is a limit to the amount of foreign currency we should control?

Mr. MURPHY. There should be a limit.

Mr. PASSMAN. How should we determine that limit?

Mr. MURPHY. I think it will vary from country to country.

Mr. PASSMAN. Let us consider it country by country. How will you determine that?

Mr. MURPHY. The executive department does not enter into agreements with another country that would put this country in the position of acquiring more foreign currency than the United States should have in that country. * * *

Mr. PASSMAN. In some countries the state of their currencies is such that it would require half a truckload to buy a package of cigarettes. Is that correct?

Mr. MURPHY. Yes.

Quoting now from page 788:

Mr. PASSMAN. I now quote from a statement by Senator ALEXANDER WILEY of Wisconsin: "All charges of waste in the foreign-aid program have been run down, analyzed, and refuted." * * * The Department heads have said: "Yes, there has been terrific waste and we are doing what we can to correct the situation." * * * But Senator WILEY makes the statement that all charges have been refuted.

Mr. MURPHY. I will have to say we have found instances where errors have been made and we are taking corrective action.

From pages 800 and 801:

Mr. PASSMAN. Mr. Shuff, how many quarter-ton trucks or jeeps are proposed for Country A in fiscal year 1959 under the military assistance program?

Mr. SHUFF. Ninety-eight, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. $104,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I do not have this information available at this point. * * *

Mr. PASSMAN. It is $1,061. How many jeeps are proposed for country B?

Mr. SHUFF. 1,291.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. $1,375,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I must take your word for it, sir.

Mr. PASSMAN. It is $1,065. How many jeeps are proposed for country C?

Mr. SHUFF. Twelve, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. $29,000.

Mr. PASSMAN. We have the average unit value as $2,417. Why the difference, if it is for the same type jeeps? Those going to country A cost $1,061 each, those going to country B cost $1,065 each, and when you get to country C the cost per jeep is $2,417.

Mr. SHUFF. Specifically, Mr. Chairman, I am not prepared to answer exactly, in the three instances you have raised, the differentiation in the unit price.

Mr. PASSMAN. How many jeeps are programed for country D?

Mr. SHUFF. Ten, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. $106,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I do not know, sir.

Mr. PASSMAN. If you divide 10 into $106,000 you get a unit cost of $10,600. * * * How valid are these budget figures when in this category alone they go all the way from $1,061 to $10,600 for the same item? * * *

Mr. SHUFF. I do know that some of the jeeps—I cannot say that these are the ones—are fire engines, and when they have various types of pumping equipment on them and various other special things, it would make them considerably more expensive than just a plain jeep with a four-wheel drive. I shall be glad to * * * supply you with this information.

Mr. PASSMAN. Of course, we shall have to act in large part on faith to accept, if they are similar, that jeeps in country A cost $1,061, in country B $1,065, in country C $2,417, and then in country D the price goes up to $10,600. I think you will agree that the committee should have some specific information.

Mr. SHUFF. I agree wholeheartedly, Mr. Chairman.

There was additional discussion of this matter, Mr. Chairman, with several possible reasons being advanced for the $9,000 unit price variation. But subsequent research provided a far simpler explanation: A typographical error.

Now quoting from pages 827, 837, 840, and 841 of the hearings:

The offshore procurement program is averaging about 20 percent of total foreign aid outlays.

Mr. PASSMAN. In order to balance a set of books, you have to enter a figure on two sides of the ledger, do you not?

Mr. SMITH. That is right.

Mr. PASSMAN. If this is as you indicate, then it would make sense that the more money we appropriate for this offshore procurement, the more prosperity we would eventually have in America? * * * The dollars have to come back here eventually. * * * If we continue creating our sales by supplying the free dollars, then the condition that I am going to state for the record at this point (Treasury withdrawals and deposits, increase in foreign-aid withdrawals, and so forth) will become more serious every year.

From pages 826 and 827:

Mr. PASSMAN. Now we shall insert in the record, from page 30 at the top of the page: * * * "Proposed for fiscal year 1949, $40,513,000. The program for 1958, $182,196,000. Cumulative 1950–58, $1,064,699,000. Fiscal 1959 and later, $230,828,000." * * * The record will show that this is the original acquisition cost and is not chargeable to any appropriation made directly to the mutual-security program. Is that correct?

Mr. SHUFF. That is right.

This is from page 912:

Mr. PASSMAN. Did you, Mr. Secretary, or some other witness, state for the record * * * that in the underdeveloped countries where we are making these types of loans, accepting soft currencies as long as they are considered underdeveloped countries, we would not ask them to make available for export to this country anything that they might be able to export for a dollar credit?

Mr. ROUNTREE. That was my understanding.

Mr. PASSMAN. Mr. Bell, it has been established that unliquidated obligations of $13,086,000 will be carried over into the next fiscal year for projects in Egypt which are suspended until the situation in that country changes; is that correct?

Mr. BELL. That is correct.

Mr. PASSMAN. Did you ever ask the State Department for permission to deobligate that amount so that the money might be used elsewhere in the program?

Mr. BELL. We did inquire of the Department whether we might deobligate this money. * * * The Department did not think it was wise to do so.

From page 920:

Mr. PASSMAN. If the MAAG officials make a worldwide inventory of their materials and then present a figure on their needs, and they say that this is $5.5 billion for the programs, but the Defense Department reduces the amount to $1.8 billion, how do you justify the vast difference in the estimate of needs?

Mr. SHUFF. Well, sir, the MAAG people are not induced with any requirement to stay within any budget ceiling.

Mr. PASSMAN. They ask for what they want, rather than for what they need?

Mr. SHUFF. They ask for what they think the host country needs, and they are not inhibited in any way.

Continuing to quote excerpts from the record of the hearings:

From pages 922 and 923:

Mr. PASSMAN. On page 36, with reference to India, the second paragraph reads as follows: * * * "Since the beginning of the second 5-year plan in April of 1956, the initiative originated in the first plan has resulted in major strains on the economy." * * * Does this mean that India is trying to do too much too soon, and are we giving them more than their economy can absorb?

Mr. BELL. I think it does mean that the Indian second 5-year plan as originally conceived was planned to do more than it was possible to do. * * *

Mr. PASSMAN. Our plan originally was to work with India on their 5-year plan, accepting their statistics, and we were mapping our programs in accordance with that planning?

Mr. BELL. That is right. * * *

Mr. PASSMAN. Do you see the possibility of this country overextending itself? * * *

Mr. BELL. I think there is a good possibility, Mr. Chairman, that the requirements for outside resources for India are going to rise.

From page 925:

Mr. PASSMAN. Mr. Bell, could you state for the record the total amount of all aid given to India and the total of all types of loans made to India and the grand total? * * *

Mr. BELL. The United States aid programs in India authorized as of March 31, 1958, amount to $1,215,000,000. * * *

Mr. PASSMAN. You would add to that, of course, the fiscal 1959 request, if it is granted?

Mr. BELL. If there is any in 1959, I would add that.

Mr. PASSMAN. And if you should request the $600 million and receive approval for it, we would really be getting into India in a tremendous manner?

Mr. BELL. Yes.

This is from pages 970 and 971:

Mr. PASSMAN. I mentioned previously the length of time that ICA officials used to answer a request by the General Accounting Office.

Mr. MURPHY. It took them 11 months to make the report and it took us 6 months to answer it.

Mr. PASSMAN. Why the delay? * * * I do not think this committee should remain in the dark while an agency is using 6 months' time to reply to an audit report. * * *

Mr. MURPHY. But taking it in balance, a 6 months' delay on the part of ICA, * * * I do not think is too bad a record.

From page 1009:

Grand total, for period July 1, 1940, to June 30, 1958: $134,761,593,000.

A detailed table is presented on page 1009 of the hearings.

Excerpting now from pages 1047, 1048, and 1049 of the hearings:

Mr. PASSMAN. Doctor, please tell us about the project for the construction of a garage workshop in Cambodia, and how much has been obligated for it? * * *

Mr. MOYER. This is also a 1956 project, and the total obligation is $230,000. * * *

Mr. PASSMAN. When did you obligate the money?

Mr. MOYER. In fiscal year 1956. * * *

Mr. PASSMAN. How much has been spent?

Mr. MOYER. As of December 31, $18,000 has been spent.

Mr. PASSMAN. Do you contemplate spending the balance?

Mr. MOYER. Yes, sir; we do.

Mr. PASSMAN. When?

Mr. MOYER. I cannot answer the question as to when.* * *

Mr. PASSMAN. Is this garage for auto repairs?

Mr. MOYER. I am sorry, sir, but I cannot tell you precisely.* * *

Mr. PASSMAN. Could you tell us how many autos are in Cambodia?

Mr. MOYER. Well, there are quite a few. * * * Although I would not have any real idea as to how many there are.

Mr. PASSMAN. Do you have any idea as to how many garages there are in Cambodia?

Mr. MOYER. That I do not know, either.

This is from pages 1045 and 1046:

Mr. PASSMAN. How much money have we pledged Taiwan for telephone service?

Mr. MOYER. $1,557,000, sir.* * *

Mr. PASSMAN. Could you tell us how much has been expended on the program?

Mr. MOYER. As of June 30, 1957, out of the original amount $52,000 has been expended.

Mr. PASSMAN. In what year, or years, did we make the funds available for the $1,557,000 project?

Mr. MOYER. Over several years. In 1955 the amount was $290,000.

Mr. PASSMAN. What is the amount of the total expenditure?

Mr. MOYER. As of March 31, 1958, on that project, just a small amount—$213,000.

Mr. PASSMAN. That money is going to be growing whiskers * * * if we do not do something about it; is it not?

Mr. MOYER. Yes, sir.

From pages 1041 and 1042:

Mr. PASSMAN. Mr. Shuff, is a substantial amount of excess military equipment * * * being disposed of as surplus while at the same time comparable items are being requisitioned for delivery from the United States? * * * For instance, it is reported that in Japan while they are declaring certain equipment in excess, at the same time they are requisitioning from the United States the very same items.

Mr. SHUFF. * * * I would be somewhat less than honest and frank if I did not tell you that the situation you described existed (in Japan). * * * Things were being declared in excess to * * * requirements or where indeed in excess and at the same time being requisitioned under the military assistance program. * * * We found that this was happening.

From page 1045:

Mr. PASSMAN. * * * How much of the money in this request is for the replacement of military equipment and materials that are being replaced in kind?

Mr. SHUFF. Specifically, I cannot answer your question.

An excerpt from page 1110 of the hearings:

Mr. PASSMAN. * * * I think, Mr. Murphy, early in the hearings you said you had one request from an individual who wanted to repay the money in dollars. Will you state for the record the name of that individual and the country, and the business he proposes to undertake?

Mr. MURPHY. Sir, I am not prepared to do that. I said at the time I thought there was at least one project under consideration.

Mr. PASSMAN. Do you know whether or not it is true?

Mr. MURPHY. * * * I cannot say positively which one it is.

Mr. PASSMAN. That is an individual wanting to borrow money, not a country?

Mr. MURPHY. It may be a government, sir. I do not know.

Mr. PASSMAN. It is in doubt at this point?

Mr. ATWOOD. Is this in the Development Loan Fund?

Mr. MURPHY. Yes.

From page 1124:

Mr. PASSMAN. Would you advocate that such loans (from the Development Loan Fund) be approved only if and when proper surveys have been made and it could be established that benefits would exceed costs?

Mr. ATWOOD. I would, sir.

These excerpts are from pages 1181 and 1182:

Mr. PASSMAN. You awarded the contract for 30 million pounds of DDT to 10 different manufacturers (of 12 bidding). * * * On what basis did you award the contract, if you had 1 firm, or 9, bidding higher than 1? You had to accept the manufacturer's price and product, and you took the entire capacity, or output?

Mr. MURPHY. Yes. * * *

Mr. PASSMAN. Gentlemen, it stands to reason that if you have 12 firms manufacturing insecticides and you need 30 million pounds, and you had to accept the entire output of Manufacturer No. 1 at whatever price he quoted you, and you had to take No. 2 and up through No. 10, regardless of the amount of the bid, you needed the output and you accepted the bid. You had obtained the amount you needed before you reached No. 11 and No. 12.

From page 1241:

Mr. PASSMAN. What was the amount deobligated in all mutual security programs in 1957?

Mr. MURPHY. I can supply it for the record.

(The following information was supplied:)

"During 1957 the recovery of prior year non-military obligations was $127,819,990."

Excerpting now from page 1247 of the hearings:

But for all practical purposes each fund amounted to a blank check by Congress to the agency to be spent wherever the agency wanted; is that right?

I do not like the term "blank check" but I certainly must admit that they were available to the executive (branch) to be spent in their discretion.

And Congress had no further control over these funds.

They were not specified in advance.

From pages 1249 and 1250:

Mr. PASSMAN. Will you state the amounts of all funds that lapsed in fiscal 1956 and fiscal 1957 or will lapse in fiscal 1958? * * * Year in and year out it has been stated that the cuts were going to ruin the program, and yet each year funds remain unused in almost every category. Now it is coming around again that some of the money is about to lapse. Furthermore, 80 percent of the Asian fund we were criticized so widely for reducing in 1956 would lapse if the Congress should not reappropriate it.

(The following information was inserted in the record:)

"The following lapsed funds from the mutual security program were returned or reserved for return to the United States Treasury:

	Million
"Fiscal year 1956	$63.3
"Fiscal year 1957	50.2

"Fiscal year 1958 funds for return to the Treasury cannot be accurately forecast until the close of the fiscal year."

An excerpt from page 1256:

Mr. PASSMAN. Would the gentleman place in the record the amount of unexpended funds in each of the categories we have discussed?

Mr. MURPHY. I will be happy to do so.

(The information follows:)

"Estimated unexpended balance as of June 30, 1958, for nonmilitary assistance, MSP funds:

Defense support	$910,688
Development assistance	168,211
Development Loan Fund	290,118
Technical cooperation	176,397
Special assistance	133,058
Other programs	157,018
Total	1,835,490"

Now an excerpt from page 1303:

Mr. PASSMAN. I wonder, Mr. Secretary, if you would make some recommendations to this committee (in charge of the United Nations' Children's Fund) that the church groups and members of the clergy (and others) should not be led into believing that this fund constitutes a large percentage of the total program. Do you not think it would be well for the churches and others to be properly informed as to the small percentage of the overall program this represents?

Mr. WILCOX. Yes, sir.

From page 1370:

Mr. PASSMAN. So in effect there is an increase?

Mr. HALL. There is an increase. * * *

Mr. PASSMAN. If you had indicated an increase rather than trying to explain that this increase was more than offset by a reduction, it would have been much more easily understood. It is not really offset, is it?

Mr. HALL. No, sir. I would agree.

And this one is from page 1462:

Mr. PASSMAN. We have a development loan program, the purpose of which, as I understand it, is to help underdeveloped countries. Is that your understanding of the purpose of the fund?

Mr. JUDD. That is right.

Mr. PASSMAN. Thank you, Doctor. * * * We have the same understanding, that it is to help underdeveloped countries, and not to be given to well-established countries for some sort of housing projects or barns, or such as that?

Mr. JUDD. A development loan is for development.

Mr. PASSMAN. In underdeveloped countries?

Mr. JUDD. That is right.

Mr. PASSMAN. It would not apply to making loans for a housing project or other undertakings of that nature in old, established nations?

Mr. JUDD. I would oppose the use of it for such a purpose.

Mr. Chairman, as the matter of foreign aid is a matter of critical concern to the Congress, may I urge again that Members

of the House read the record of these hearings, thoroughly, carefully, and thoughtfully.

When they have done so, I am confident that they will better understand—and fully approve—the recommendations which we have presented, for the foreign-aid appropriation for the fiscal year 1959.

For several years, Mr. Chairman, a large percentage of the membership of the Congress has hoped that United States foreign aid could and should be steadily diminished. Vain hope, of course, that has proved to be.

Instead, we are told that another and greater emergency has been created by Russia's economic warfare programs in the underdeveloped countries of the world. The administration insists, therefore, that the need is for more rather than fewer American taxpayers' dollars for the aid program.

As I have already stated repeatedly, the administration asks the Congress to accept its requests for foreign aid funds at face value—to a large extent upon the basis of faith and unsubstantiated claims, ignoring the standards used for justification of funds for the operation of our own Government.

And the administration has been and is backing this approach to obtain all the foreign aid money it is requesting with a pressure campaign of unprecedented proportions, directed both directly and indirectly at and through the Members of Congress.

This pressure on the part of the executive branch and its propaganda agents, high on the list of which is Mr. Eric Johnston, the Motion Picture Association czar, and his so-called Committee for International Economic Growth, has been felt in particular by the members of the Appropriations Subcommittee handling the money bill for foreign aid, of which it is my great honor to serve as chairman, and by other members of the full Committee on Appropriations.

Let me repeat: It is my belief, Mr. Chairman, and certainly also the belief of the majority, if not all, of the members of our subcommittee and of the full Appropriations Committee, that the foreign aid money requests, involving billions of dollars and complex and long-range commitments, certainly deserve the most careful scrutiny and examination. This is the type of study which we have endeavored to undertake, in an intelligent and objective manner, but it was made most difficult by the fact that members of the committee were subjected to such terrific propaganda and political pressures.

The truth is, Mr. Chairman, that few people really know the intricacies and implications or the valid needs of this extremely complicated foreign aid program. It is quite likely, in fact, that the planners themselves do not fully comprehend the natural and probable consequences of some of their foreign aid projects.

But each year, large numbers of quite extraordinarily articulate, fast-talking, and persuasive representatives of the State and Defense Departments and the International Cooperation Administration appear before the legislative and appropriations committees of the Congress, supporting the pleas for broader aid programs and more money.

Many of these people seem to be dedicated to the principle that the world can be saved only through ever-increasing economic and military assistance financed by the American taxpayer. They produce volumes of presentations and glowing summaries of past accomplishments. They propose interesting but oftentimes vague new country programs for which they want the cash.

It is very difficult, Mr. Chairman, for the committees of Congress to see through the maze of these presentations and get at the hard facts, to obtain all of the truth.

The result has been that Congress has voted authorizations and made appropriations about which it has known all too little. Sometimes the Congress thinks it is authorizing one thing and gets another. At other times it believes it is appropriating funds to be used in one country or for a specific purpose only to learn later, if ever at all, that the money has been used for another purpose under some transfer or discretionary authority which the Congress may have been talked into granting in the name of flexibility.

I think it is certain that Congress would not knowingly have appropriated some of the funds which it has approved for such uses as have in fact been made of them in certain instances.

There have also been cases in which Congress was not informed of all the pertinent facts it was entitled to receive before appropriating billions of taxpayers' dollars for foreign aid.

Whether or not it is acceptable to some of us, it appears likely that some measure of foreign aid as an instrument of national policy is going to continue for an uncertain period. Even if no new aid should be provided, which is a most unlikely situation, several years would be required to clean out the pipelines and discharge other existing commitments. It seems also that no early end is likely to the amounts we shall spend for maintenance, replacement, and obsolescence of military hardware which we have already supplied, or which we are in the process of delivering, to other countries. In addition, there are special situations with relation to certain countries and areas where, admittedly, certain assistance cannot be abruptly stopped.

As the chairman of the Appropriations Subcommittee handling the money bill for foreign aid, I again want to assure my colleagues that I recognize and accept these facts concerning the program, even though I may not relish the fact of their existence.

However, after the years of Marshall plan, mutual security, economic development, point 4, defense support, direct forces support and the other plans and programs and devices that have been submitted to Congress year after year to justify the continuance or expansion of foreign aid, it is high time, Mr. Chairman, for us to get down to earth and do some realistic stocktaking.

That is what your Subcommittee on Foreign Operations Appropriations and the full Committee on Appropriations have been endeavoring to do—to make a careful appraisal of the foreign-aid commitments and needs, and to provide the money necessary to fulfill these needs in a reasonable manner, while at the same time avoiding pouring more and more hundreds of millions of dollars down a figurative rathole, to no good purpose to our own Nation or to the strength and security of the Free World.

As I have outlined to you, our committee has studied carefully the details of the fiscal needs of the program. We have not expected, and do not expect, to obtain all the answers; but it was our intention to make our inquiry as thorough as it was possible for us to accomplish through the limited procedures and means of committee hearings.

As our committee pinpointed more evidence of bad planning, extravagant programing and wasteful operation—which have cost the American taxpayers appalling sums of money over a 10-year period—and as these indisputable facts of the program increased the emphasis upon the importance of better management, the pressures intensified upon the Members of Congress, and especially upon those of us who have been considering the money bill.

The ramifications of this propaganda campaign—which has been aptly termed the "Operation Brainwash"—have gone far beyond a mere $7,000 contribution of White House emergency funds, and the promotional extravaganza efforts of movie czar Eric Johnston.

For one other example, with which the Members of Congress are, of course, familiar there was the spectacular financed by the American Association for the United Nations, which is acknowledged to be a one-worlder group with interests of its own. A portion of this group's propaganda scheme was the bipartisan speaking tour in 32 cities of 21 States, with 2 of our distinguished colleagues as the speakers.

Also, the President himself tightened the screws, politically, on the Members in Congress from the other side of the aisle.

At a spring conference in New York addressed by Secretary of State Dulles, Deputy Undersecretary Murphy and Deputy Undersecretary Dillon, the plea was openly made for what the newspapers described as "pressure at the Capitol" to help pass the foreign-aid money request.

All along, increasingly since last January and February, officials of the Eisenhower administration—Mr. Dulles, Mr. Nixon, Mr. Dillon, Director Smith of ICA, Assistant Secretary of State Robertson, Defense Secretary McElroy, and, of course, Mr. Eric Johnston, among numerous others—have been proclaiming that the United States "must do more than we are doing now" to meet the Russian challenge in economic aid to the world's underdeveloped nations.

But, I repeat, Mr. Chairman, even before our Appropriation Subcommittee, much less the American people, they have not provided documentary evidence to support their assertions and requests for increased funds.

Is this, then, more pressure, as part of a campaign to push the Congress into supporting bigger and more extravagant foreign aid?

The executive department, for whatever the reason may be, has been giving much play to the reported agreements of the Soviet bloc to supply, during 1956 and 1957, $400 million of military assistance and $1.5 billion of economic assistance to 10 underdeveloped countries.

Therefore, Mr. Chairman, I think a few more pertinent questions are in order. I shall state a few of them here:

First. Out of the total of $1.9 billion in military and economic aid reportedly proffered by the Soviet bloc, was not $1.335 billion of this earmarked for 4 countries, Egypt, Yugoslavia, Syria, and Indonesia? Is it not true that each of these countries has been more or less unfriendly to the United States and the principles for which we stand?

Second. Is it a correct estimate that from only 10 to 15 percent of the Soviet bloc funds have been actually spent?

Third. Is it not a fact that, possibly with an extremely few exceptions, the Soviet assistance has not been on a giveaway basis?

Fourth. Is it not a fact that during the same 2 years in question, 1956 and 1957, the United States provided nonmilitary aid to the Middle East and Asia amounting, in all, to more than $2 billion, in addition to large quantities of military equipment and logistical supplies?

Fifth. Is it not a fact that the United States is, and for years has been, outspending the Soviet bloc in both military and economic assistance to foreign nations?

Sixth. Is it not also a fact that many of the Soviet aid projects contain certain provisions which are highly unfavorable to the recipient countries—such as, for example, the barter arrangements made with Egypt for cotton and with Burma for rice?

Seventh. Should we not guard carefully against being stampeded into stepping up our already huge expenditures to meet the threat of Russian gestures and promises that may never be realized? And should we not keep in mind that the Soviet bloc's reported offer of $1.9 billion looks actually trifling in comparison with the $70 billion, more or less, which we have spent on military and economic assistance, through the foreign-aid program as such, during the past 10 years?

Mr. Chairman, I am of the opinion that our real concern should be in eliminating waste and extravagance and mismanagement in our own foreign aid, in curbing some of our own self-perpetuating planners in the program, and in getting better results with less money.

The American people, I fear, as well as many Members of the Congress, have been and are in danger of being blinded to the facts of foreign aid, which Mr. Eisenhower himself in 1952 called the giveaway, by the propaganda and pressure campaigns to which they have been, and are being, subjected.

Many of the propagandists have been using the technique of fright, that we must thwart the Russian foreign-aid program, that if we do not do thus and so another nation will rush into the arms of the Kremlin. Others, however, propose that Soviet Russia be invited to join its economic aid activities to those of the United States. Secretary Dulles and others have insisted upon spending still more aid billions as a cure for the economic recession in the United States, suggesting, in effect, that the foreign-aid program is another PWA make-work scheme. But they have neglected to point out that the production from that money, and from the jobs created by spending it, disappears from the United States economy, just as arms and munitions do in wartime—which contributes to increased inflation and raises the cost of living, as we are now experiencing in the "Eisenhower recession."

It is not to be expected, of course, that the advocates of bigger spending foreign aid or their propagandists are to come forth with reasoned, documented and adequate answers as to many of the facts of the program which are being asked by Members of Congress, and certainly so by members of our Foreign Operations Appropriations Subcommittee. Instead, they are inclined to pass over the appalling record of extravagance and waste, and of corruption and worse on the part of many of the recipients, as only to be expected mistakes.

But, actually, the record is clear, notwithstanding assertions to the contrary by the ICA bureaucracy, others in the executive branch and their propagandists, that many of these mistakes and blunders are not being straightened out; but, in fact, appear to be on the increase.

No amount of pressure and propaganda can change the facts. But they can do a lot of cover-up; and they can have a great deal of impact.

That is what the February 25 clambake, financed in part by $7,000 in emergency White House funds, did: It had a tremendous impact on the 1,200 American leaders who came to Washington, at the behest of Mr. Eisenhower and Mr. Eric Johnston, from all over the Nation.

But that clambake, Mr. Chairman, was only the first step in the Eisenhower-Johnston promotion job. It went from there to bring in several hundred leaders from all phases of American life—in a concentrated effort to appeal to the American people for pressure on Congress to provide all of the money requested for foreign aid.

To finance their campaign the Johnston group solicited contributions from business firms with, it has been reliably reported, an accompanying notification that their gifts were deductible for income tax purposes.

This is how the statement was said to have been phrased: "Checks for contributions to the committee should be made payable to the Committee for International Economic Growth. Such contributions can be written off as ordinary business expense."

Whether the gifts are or are not deductible, I do not know, although the Internal Revenue Service has indicated that they probably do not so qualify. However, at any rate, that, too, has been one of the come-ons held out to prospective contributors, in the effort to raise hundreds of thousands of dollars for financing their campaign to activate the people and to pressure the Congress for the full foreign-aid money request, no matter what the record shows as to the needs of the program.

The list of Mr. Johnston's original sponsors for the administration's pressure program is indeed an impressive one. It includes representatives of nearly every segment of our society from practically all, if not actually every one, of the 48 States: Mr. Nelson Rockefeller, for example, who is said to have contributed $10,000; Mr. Ernest Breech, of the Ford Motor Co.; Mr. Lamar Fleming, of Anderson, Clayton & Co.; Mr. George Killion, of the American President Lines; Mr. Frank Pace, Jr., of General Dynamics; Mr. William Robinson, of the Coca-Cola Co.; Mr. Joseph Spang, of the Gillette Safety Razor Co.; Mr. H. J. Heinz, of the Heinz Co., and many others of equal prominence in commerce, industry and finance; in the clergy; in organized labor, in our women's groups; and in practically all other phases of our life.

It would perhaps be superfluous for me to observe that if these particular people, along with the many others they have enlisted to work with them, cannot exert influence and apply pressure, then it just could not be accomplished at all. That they have been busy at their task certainly must be a well-known fact to every single Member of the Congress.

Now, Mr. Chairman, I want the RECORD to be clear that I do not question the high integrity or the great patriotism of these individuals, both in and out of Government. I do, however, question their judgment. And, with respect to very, very many of them, I wonder also just how really well acquainted they are with the foreign aid program facts.

But official pressures and propaganda programs or not, I am convinced that the American people do not wish to endlessly support inefficient management, ill-defined objectives, waste, fraud on the part of the recipients, and more money than is reasonably needed for the aid program. I am certain that it is our duty in the Congress to endeavor to the best of our ability to get as much as we can of the real story, and make our decisions accordingly.

This is a very difficult assignment at best. It has been extremely difficult to perform these duties with maximum effectiveness when the Members of the committee and the Congress are subjected to such unprecedented pressures as have been, and are yet being, exerted.

However, Mr. Chairman, the majority of the members of the subcommittee which has studied this bill in detail—and of the full Committee on Appropriations—are fully convinced that the recommendations made for appropriations provide all of the funds needed—and, in fact, much more—to fully support the foreign aid policy and program of our Nation.

Mr. Chairman, we must not delude ourselves. It is anticipated that this

program will continue for many years yet. It is probable that all of us will be gone from this body before the program concludes—a program that has brought about so much inflation and increase of the public debt. I repeat that the time is overdue for the Congress to look at it more closely, carefully. Let the money be used more efficiently. Let this deliberative body make its decisions upon the facts. That is all I am now asking you to do.

I say to you again that I have studied this bill long and intensively. I think I am in position to answer the most critical questions that may be directed to me, because I shall go to the record for the answers based upon facts, and not fiction.

If subsequently it could be proved that what I have said was not backed up by the factual record, I would submit my resignation as chairman of this subcommittee.

I trust I shall not pay the penalty of defeat, and I trust that the committee will not pay such a penalty, after performing such a long, difficult, tedious, and conscientious job, and bringing recommendations to you which you can support with credit.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. WIGGLESWORTH. I just wanted to call the attention of the chairman of the subcommittee to a table on page 314 of the hearings entitled "Soviet Bloc Aid to Non-Bloc Countries," where it is detailed to the extent of $1,147 million.

Mr. PASSMAN. At a subsequent date they said it would be impossible to try to pin down any such aid, without strings attached. I shall find the page reference for the gentleman and provide it to him before we conclude this debate.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman's disclosure that ICA desires to build textile mills in Indonesia, has in fact sent out an open invitation to the American Cotton Manufacturers' Institute urging their assistance, and further indicating that ICA is willing to build power plants and provide transportation and other public facilities for these foreign textile mills, to me, is a very challenging, and in a sense, alarming disclosure.

The textile industry in our United States of America, or at least a large segment thereof, is literally in a coma today. Over a period of months, mill after mill has been forced to liquidate and unemployment is rife. The plight of the older textile workers is especially serious.

Mr. Chairman, when we reach page 7 of the bill I propose to have an amendment inserted which will read as follows. It will be a new section, section 106, reading:

None of the funds provided in this act shall be used to establish textile processing plants in any foreign country.

I do not mention other industries because this is the one industry pointed out in this open invitation of ICA, while this home industry is suffering, suffering immeasurably today.

Mr. PASSMAN. I wish to say to my distinguished colleague from New Jersey that he should not shoot all of his ammunition in the first gun.

There are other and similar letters which affect many other branches of our great economy. I trust that my friend will ask me for these.

The best way to cure this problem is not to give these dreamers too much money to play with, while we proceed to study the program with utmost thoroughness.

Mr. CANFIELD. So far as this particular amendment is concerned, the gentleman would be for it?

Mr. PASSMAN. Yes, certainly, I would support the gentleman's amendment, but if I were to give him all of the letters of such nature that I have there would be similar amendments offered here for the next 2 weeks.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to my distinguished colleague from Minnesota [Mr. JUDD].

Mr. JUDD. I appreciate very much the statement of the gentleman. He and I have not seen eye to eye on all things——

Mr. PASSMAN. And, doubtless, will not in the future.

Mr. JUDD. But we have worked closely on certain aspects of the program in an effort to make sure that we at least understand each other, and I respect him fully in his position. I wanted to ask this question: Your subcommittee, which has studied this longer and harder than anyone else except the Committee on Foreign Affairs, came to the full Committee on Appropriations, so we read in the papers, with a recommendation of $415 million for the Development Loan Fund. The full committee, with the votes of many members who had not had the benefit of all the studies, interrogations, and analyses of the gentleman's subcommittee, cut that to $300 million. Should the House take the judgment of the subcommittee which knows most about the subject? Or the judgment of the full committee?

Mr. PASSMAN. I should like to say to the gentleman from Minnesota that there is many a slip between the cup and the lip. I shall not discuss the proceedings in the subcommittee or in the full committee on Appropriations. I can say to the gentleman that this bill comes to the floor with the majority vote of the Appropriations Committee. That is the best answer I can give the gentleman.

Mr. JUDD. Then we should take the judgment of which?

Mr. PASSMAN. Take the word of the full Appropriations Committee.

Mr. JUDD. I am inclined to go along with the gentleman's subcommittee as better qualified to judge on this issue.

Mr. PASSMAN. It is perfectly understandable that the gentleman would be so inclined.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I want to apologize to my distinguished colleague. Certainly I yield to the gentleman from New York.

Mr. TABER. The gentleman made the statement that, of the funds that we had put up, better than $2 billion of it went to Communist countries. I was wondering if he could give the detail on that.

Mr. PASSMAN. I shall be pleased to provide the information.

The CHAIRMAN. The gentleman has consumed 1 hour.

Mr. PASSMAN. Mr. Chairman, I yield myself an additional 5 minutes.

The CHAIRMAN. Without objection, the gentleman may proceed.

There was no objection.

Mr. PASSMAN. Mr. Chairman, I shall refer the gentleman to a letter, dated June 23, 1958, from the Library of Congress, signed by Ernest S. Griffith. He gives the totals in the letter. I do not know whether there are any secrets involved or not. I would not want to mention the data if there were. I have listed the grand totals over on the side, as follows:

Albania, $20,444,000.
Czechoslovakia, $15,410,000.
East Germany, $17,339,000.
Hungary, $31,938,000.
Poland, $442,698,000.
Soviet Union, $687,000,929.
Yugoslavia, $836,354,000.
That is a total of $2,252,112.

The Library of Congress will, I am sure, make available for the gentleman's benefit a copy of that letter, if he should request it.

Mr. TABER. I wonder if the gentleman could give us the dates that these advances or benefits were made.

Mr. PASSMAN. The letter states for July 1, 1945, through June 1957, all in the postwar period.

Mr. TABER. I do not remember of any grants to the Soviet—and that seems to be the big one, $600 million—that have been made, certainly, since the 1st of January 1947.

Mr. PASSMAN. I am sure that the gentleman agrees that he was surprised. They had money in this bill for Egypt, also. But this is a Library of Congress report, and you can fortify your position there. I made a statement of fact, and I shall have to rest on it.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. If the gentleman will permit me, I would like to join my distinguished colleague, the gentleman from New Jersey [Mr. CANFIELD], in expressing shock and surprise over this letter written to the Cotton Manufacturers Institute of the United States saying in substance, "Close your American plants. Fire your employees. Let them go on unemployment insurance. Come over to Indonesia"—a doubtful country, leaning toward Russia—"and we will guarantee you our water, free corporate taxes, guaranteed profits, assure you against loss." Not only that, but along with it, in a few days, we will have a bill that will pass the other body permitting lower taxes on

textile imports coming back into the United States, so they can sell their goods back in the land of old Uncle Sam.

Mr. PASSMAN. I thank the distinguished gentleman. I prefer always to stay with the record and read the letters verbatim.

Mr. HEMPHILL. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. HEMPHILL. I want to thank the gentleman for his statement. We live in a section of the country where American taxpayers have been working for generations to pay the bills to support this country which is now being sold down the river. It is a sad story. We have unemployment and other difficulties. I want to thank the gentleman for the fine statement he made, and I want to use it, if I may, to send to some of my people to show the statesmanship the gentleman exhibited.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for the splendid work that he has done, as well as the other members of his subcommittee. I have read the hearings, as I recall, some 1,400 or 1,500 pages. No committee of the Congress in the 10 years that I have been here has gone through this thing so thoroughly, has scrutinized this spending, has tried to find out about these things—and all too often apparently has been unable to find out where this money went—no committee of Congress has even begun to approach the hearings that were held this year upon this bill.

Mr. PASSMAN. I thank the distinguished gentleman.

Mr. GROSS. I regret that the Committee on Foreign Affairs, in its authorization hearings, did not go into this subject far more exhaustively than they did, so that through a combination of the two subcommittees in committee we might have had far more information prior to this time.

Mr. PASSMAN. The Committee on Foreign Affairs is one of the great and dedicated committees of the Congress.

Mr. ANDREWS. Mr. Chairman, the morning paper carries a very alarming news story, and I quote:

> More and bigger deficit spending looms ahead for fiscal 1959, bringing with it new inflationary pressure and damaging the prospect for any tax relief next year or soon thereafter.
>
> In a few days the administration will ask Congress to boost the Federal debt ceiling for the second time this session. Some officials indicated a new temporary ceiling of $290 billion may be sought. The earlier $5 billion boost brought it to $280 billion.
>
> The widening gap between income and outgo in the next fiscal year—now estimated by high officials at around $11 billion, or possibly even $12 billion—makes substantial new Treasury borrowings inevitable, after high administration officials estimated that a deficit of $2¾ to $3 billion will have been rolled up for fiscal 1958 when all the paid bills are counted.

There are 40,561 people engaged in the operation of the mutual security program. The program is operated at the level of approximately $3.6 billion a year, which means there is an employee for each $90,000 spent. Witnesses told our committee that this program would continue for at least 10 or 15 years.

We are giving military aid to 11 countries; economic and military aid combined to 30 countries; economic aid only to 22 countries. In addition there are 10 territories which are receiving economic aid. There are 86 nations in the world. We are giving aid of one kind or another to 73 countries and territories. There are 72 nations in the world that owe public debts. The total amount of all these public debts as of a recent date was $236,490,000,000. As of the same recent date, the public debt of the United States was $274,900,000,000.

The latest available figures of the national income of the countries of the world show that the total national income of 74 countries is $515,730,000,000. As of the same date, the national income of the United States was $358,500,000,000.

We seem to have an idea in this country that when any problem arises, the way to answer it is to appropriate money and hire a lot of people to travel throughout the world.

There is such a thing as, can you afford a given program?

I am dubious of the long-range benefits of this worldwide program. I have opposed foreign aid bills and appropriations since 1950 partially because of their effect on our national economy and it frightens me to think about what the repercussions will be in foreign countries when, through dire necessity, we are forced to discontinue such worldwide spending. I believe these programs will eventually wreck the economy of our country—we may never find a stopping place.

You will note that the amount allocated for the separate countries of the world is classified. The reason why given amounts to given countries is classified, according to testimony before our committee, is the fact that countries are jealous of each other about the amount of aid received. If X country gets more than Y country, then Y country is jealous.

During the past generation, the United States has given to foreign nations in grants, aids, subsidies, loans, gifts, and repudiated loans in excess of $125 billion. Even though the recipients in foreign lands of this stupendous amount of money have already spent it, let us ever be mindful that the taxpayers of this Nation still owe this debt which must be paid by generations yet unborn.

In my judgment we are spreading ourselves too thin. We are attempting to buy friendship and loyalty, neither of which can be purchased by the almighty dollar. If we continue dissipating the wealth of this country, then we may wind up in a worse condition than a great majority of those that we are now helping. If our present rate of grants and gifts continues for too long, there will not be enough ready money available to build a rowboat, let alone a flat top. It frightens me to think that we have gone so far afield with this worldwide program of trying to buy friends and loyalty.

It has been stated that Russia's Lenin once said, "Just give the United States time and she will spend herself into destruction." I wonder if our arch enemy Khrushchev is thinking the same thing and maybe cooperating in bringing this about?

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I cannot hope to match the magnificent eloquence with which the chairman of the subcommittee has presented the story to you. I was impressed, however, that as he went along from point to point, he mentioned the points but he did not discuss the details. And, that was pretty well established by the particular item to which I referred when I was questioning him.

I feel that I should attempt in my own way to present to the membership of the House what, it seems to me, is the situation that we face in the world and that we must meet. At least we must do the very best we can to meet it.

I suppose that I should discuss some of the points that have been made. I could go back into ancient history, to the Truman administration and call attention to the fact that the only reason they were able to pay something on the national debt was because of the fact that we had a Republican Congress in 1947 and 1948, which reduced the expenditures of Government in sufficient amount so that there might be some payment upon the debt. I am not going to spend too much time on that.

There are certain areas in this bill, and I am going to devote myself to them, to which I think the membership of the House must pay some attention. For instance, there is that item of defense support. There we have enormous sums of money, providing for the feed and the support of the armies of other countries in the Far East and in the Middle East. The only way we can provide them with those things and take care of the necessities that are theirs, and permit them to face the world and stay friendly to the United States, is to supply them as we have in the past with necessary sums of money. Those would be such countries as Korea, China, the Island of Formosa, those French-Indo Republics that succeeded the French colony of Indo-China, Cambodia, Laos, and Vietnam.

It is true that there were some irregularities in Laos, but those things have been corrected, and I believe there is nothing of that kind going on now. A representative of a contractual engineering firm which was and is currently in charge of some of our operations there, was before the committee, and I am relying on what he told us. He was brought in, not by the Department, but by the chairman of the committee.

Then we have a situation in Turkey, in Lebanon, in Jordan, and in Greece, where it is absolutely necessary, if they are to be able to meet the Soviet challenge in the Middle East, for us to take care of that picture.

Mr. JUDD. Mr. Chairman, I think what the gentleman is saying is of great importance. There ought to be more Members of the House here. I make the

point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-eight 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. 114]

Abbitt	Frelinghuysen	Morrison
Albert	Fulton	Moulder
Andersen, Minn.	Garmatz	Nix
Anfuso	Gavin	Pilcher
Barden	Gordon	Poage
Barrett	Green, Pa.	Powell
Bass, N. H.	Gregory	Radwan
Bass, Tenn.	Gwinn	Rains
Brooks, La.	Halleck	Rhodes, Ariz.
Brownson	Harrison, Nebr.	Rivers
Buckley	Haskel	Robeson, Va.
Burdick	Healey	Robsion, Ky.
Byrne, Pa.	Holtzman	Rogers, Tex.
Christopher	Hosmer	Shelley
Colmer	Jenkins	Shuford
Corbett	Jones, Mo.	Smith, Miss.
Delaney	Kearney	Spence
Dies	Kearns	Steed
Diggs	Kilburn	Talle
Dollinger	Kirwan	Taylor
Dorn, N. Y.	Knutson	Teague, Tex.
Durham	Macdonald	Thornberry
Eberharter	Mason	Trimble
Edmondson	May	Vursell
Engle	Meader	Williams, N. Y.
Farbstein	Miller, N. Y.	Wilson, Calif.
	Morris	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, 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. 13192, and finding itself without a quorum he had directed the roll to be called, when 333 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.

Mr. TABER. Mr. Chairman, as the rollcall interrupted my statement, I was going over the situation in the Far East and the Near East, telling a little bit about the situation internationally that we are facing at the present time. Unless we are able to help take care of the troops of those countries, and if we are going to stave off the Soviet menace, we are going to be obliged to recruit an enormous number of United States troops that we do not have at the present time and put them over in the other countries. By the use of this program, and by the use of other programs from time to time, as we have gone along, the administration has been able to keep from having a great lot of bloodshed. That is something that we do not want to happen.

If we are going to be able to have enough of the rest of the world with us so that we can count on their support, keep them trained and properly equipped, we have to contribute funds for that purpose. I have named a number of those countries. I may have forgotten one or two that I should have named. I did not name Iran, Iraq, Saudi Arabia, Pakistan and one or two others. Those are countries which presently have committeed a very large number of troops.

If we do not meet our responsibility and keep them in our corner and provide them with the things they need so that they can stay there, we are left in a very difficult situation in the world. Whether or not we could face the Soviet challenge without this support from those Mid-East and Far East countries. I do not know; neither does anyone else.

On top of that, the Soviets are running around all over the world trying in one way or another to create disturbances which will destroy our capacity to maintain such situations as we have maintained in South America for so long. We will not have the facilities to do it and that is where the development loan fund comes in very largely. It will help tremendously to keep the South American group in our corner. And we need in order to do this not only the defense support increases that have been suggested—that is, $75 million for defense support—but $300 million more for the Development Loan Fund and an additional $55 million, up to the authorization, for the President's contingent fund. We need these amounts so that he can step in where things are going wrong and need be bolstered. We have to do that all the time so that we can meet the responsibility that we have to try and ward off advances on the part of the Soviets.

Frankly, I do not like to spend money any better than anybody else. I guess you all know that. But, it is a lot cheaper for us to provide the funds necessary to maintain Mid-East and Far East armies than it is for us to put troops into the field and have them try to maintain our position. And, on top of that you have this situation: If we have to send troops over there because we are not providing the proper sinews of war to maintain their troops, putting our troops into other countries always creates a certain amount of hostility. So we are a lot better off if we face it head on and maintain those armies and keep them in our corner.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman is making an important statement, and I commend him for it. Does not the gentleman agree with me that if we cut this program too deep, it might result in an increase in our own defense budget by reason of the fact that we may have to increase the draft, build more guns, tanks, planes, and so on, to keep our defense posture in order to provide adequately to properly defend this country?

Mr. TABER. That is right. And, on top of that, the cost of our maintaining troops runs from $3,500 to $4,000 a man. The cost of the other countries maintaining their troops is a very small fraction of that.

Now, that is the situation confronting us. We are faced with the situation of whether we are going to appreciate our responsibilities and do the things that will save us money instead of trying to do something in a backhanded way. Because some mistakes have been made in the past, we should not fail to meet our responsibilities and the opportunity to keep ourselves out of war. Now, that is the situation as it seems to me. That is why I believe we would be better off if we carried enough money to enable the President to do the things that he needs to do and avoid a drift toward bloodshed and trouble.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. I notice an item of $20 million for a new United Nations expanded program of technical assistance. On what basis do we contribute to that fund, does the gentleman know, percentagewise?

Mr. TABER. Why, we will contribute $20 million if this bill goes through. It is $5 million more than last year. Frankly if anybody was going to cut the program, this was the place where it ought to have been cut. That program is not productive and not too satisfactory. They never have come in with a story before the committee that would stick together.

Mr. GROSS. I do not believe the gentleman understands my question. Percentagewise, what is our contribution, does the gentleman know?

Mr. TABER. I do not know.

Mr. GROSS. Was that an increase from 33⅓ to 40 percent, or what?

Mr. TABER. I do not know.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. Our present contribution is 45 percent. The authorizing legislation adopted last week provides that it shall not be in excess of 40 percent for the coming year. It is a reduction of 5 percent below the current year.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Minnesota a question?

Mr. TABER. Sure.

Mr. GROSS. I thought the legal limitation was 33⅓ percent.

Mr. JUDD. No, that is not correct. There was a Senate rider in the bill last year providing that our contribution was to be cut from 50 to 45 percent this year; to 38 percent this coming year; and thereafter to 33⅓ percent. Our reduction from 50 percent to 45 percent was designed to encourage others to contribute more. But the reduction proved too steep. Although many other countries increased their contributions, they did not take up the full 5 percent, and so we actually paid less into the fund this year under the 45 percent limitation than we had authorized. So the committee, I think very wisely, decided not to reduce it so steeply in the coming year. It is partially certain that the others will not be able to provide 60 percent of the total amount and that the 40 percent contribution by us is probably smaller than it ought to be to make the fund fully operative. But that 40 percent is a reduction of 5 percent under the current year.

Mr. GROSS. How many countries are there in the United Nations, 80?

Mr. JUDD. Eighty-one other countries.

Mr. GROSS. And we are paying 40 percent of this fund?

Mr. JUDD. There are some United Nations programs, such as the Children's Fund, that was started right after the war, of whose budget which we are still furnishing more than 50 percent.

Mr. GROSS. Has the gentleman ever made any effort to reduce those funds to 33⅓ percent?

Mr. JUDD. Yes. I think I was perhaps the first Member of Congress that took such a position back at the end of the last decade. I urged that, as far as the regular annual operating budget of the United Nations itself was concerned, and the budgets of the World Health Organization and all these other regular organizations, we ought to reduce our share as soon as possible to 33 percent, partly in order to reduce the cost to ourselves but, still more important, because it is better for those organizations not to be too dependent on one contributor.

Mr. GROSS. The hearings and the record show that the gentleman apparently led the parade in the Committee on Foreign Affairs to make it 40 percent instead of dropping it to 33⅓ percent.

Mr. JUDD. Yes; for this particular fund, this new fund, just being set up. If it is to get started, our contribution will have to be more than 33⅓ percent, at the outset, unless we want to kill the fund instead of helping it get its important work going quickly.

Mr. GROSS. That is one of the things that prompted me to say the other day that the House Committee on Foreign Affairs is always very liberal with the taxpayers' money.

Mr. JUDD. Well, we are trying to win a war.

Mr. GROSS. What does the gentleman mean?

Mr. JUDD. We are trying to win a war, and I think, on the whole, the program has been remarkably successful.

Mr. GROSS. What war?

Mr. JUDD. The war we are in. And if we win this cold war, we will not have to fight a shooting war, but if we do not win this cold war, we may have to fight a shooting war.

Mr. GROSS. That is an assumption, that we are going to be in a shooting war tomorrow or the next day; that is purely an assumption.

Mr. JUDD. That is my considered belief on the basis of evaluation of the threat that we face.

Mr. GROSS. The gentleman can have his opinion; I have mine.

Mr. JUDD. That is true. And I respect the gentleman's right to his opinion. Each man will make his judgment in terms of his estimate of the seriousness of the threat to our country. That is my estimate of it.

Mr. TABER. Mr. Chairman, there are some of those items that have been treated very liberally. But as to the major items—that is, Defense Support, the Development Loan Fund and the Contingency Fund of the President—they have been cut very heavily. And as to those items I think it would be in the interest of the United States if we could restore them, at least a part of them. I think that we would be serving the purposes of the United States a little better if we brought these appropriations in line a little more with the need.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. VORYS. Mr. Chairman, the Chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], made quite a point of the fact that money had been appropriated I think two years ago for the Asian Development Fund, but that there was still $88 million unobligated. Would not the gentleman say that that is evidence that this agency is not going to spend the money if they do not need it, that they are being careful, rather than proof that they are spending too much?

Mr. TABER. It must be that the gentleman from Louisiana, the Chairman of the subcommittee, thought that they were exercising considerable discretion. He made no attempt whatever to disturb that fund, and he appeared glad to let it go along and be used whenever they could for the purposes for which it was set up.

Mr. PASSMAN. Mr. Chairman, as the gentleman has mentioned my name, will he yield to me?

Mr. TABER. Yes, I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to make it abundantly clear this fund was available for 3 years and it was not needed. The expenditure was only $12 million. The appropriation was on a 3-year basis and the balance was about to expire, so they rushed in and placed it behind some veil and called the funds obligated. I knew, and I think the distinguished gentleman from New York, if he would check into it, would have similar information, that they did not actually obligate the money. I said to them, "If you will cut out that type of maneuvering I shall recommend that the account be continued for an additional year." I made such a recommendation in order to forestall them from dissipating $88 million on projects which were not firm, and for purposes which are not known to the committee. Let us keep the fact straight. It was to prevent them from recklessly dissipating funds that I asked the committee to back me in continuing the availability.

Mr. VORYS. If the gentleman will yield further, this action on the part of the chairman of the subcommittee that he just described shows that he apparently has confidence that there is no danger that if you appropriate money they do not need they will spend it anyway. This is an example of how an appropriation has gone on for 2 or 3 years that they did not need for the specific purpose, and they did not spend it. I think you can trust these people to have this money. If they do not need it they will not use it.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for clarification?

Mr. TABER. I yield.

Mr. PASSMAN. They had not obligated these funds 30 days ago. The $88 million would have lapsed June 30. Then, all at once, they came up and said, "We have obligated it." What are you going to do when they say the funds are obligated? I said I would recommend to continue the availability for another year so that they could have the use of this money they said was obligated, for what reasons or purposes we do not know.

Mr. TABER. But we have continued it, and that means that will be available in that fund. I hope that will help to take the place of some of the funds that are needed for other purposes.

Frankly, I feel that these programs should be handled with the greatest care all over the world. I do not believe they should be handled as a matter of brass bands and blare. It should be done quietly and carefully, and we should not waste the money. I believe that even with that kind of management it is going to be necessary for us to provide a little more for some of these things I have mentioned if we are going to permit the agencies to do a good job. That is why I am in favor of some increases.

I do not believe in spending money, as I say, but I think if we are going to hold our end up and keep from having the Soviets on our shores, we are going to have to meet our responsibilities face to face and not try to dodge.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 25 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, may I at the outset express my appreciation to the chairman of the subcommittee for the personal reference he was kind enough to make. I am grateful for what he said and despite our differences in this particular field of Congressional responsibility, I value his friendship.

May I also say at the outset that I have the utmost confidence in those who are now in charge of this program. There is, of course, room for differences in judgment. But, I know of no justification for any suggestion of any lack of sincerity, any lack of veracity, any lack of cooperative spirit with your committee.

I think generally speaking, with exceptions here or there, that the presentation to your committee by those in charge of the program this year was the best presentation that has ever been made in this field to that committee.

If anybody is interested in the steps that have been taken in the past year with a view to economy and greater efficiency, I would simply refer you to the hearings—pages 50 to 54 inclusive.

IMPORTANCE OF BILL

Mr. Chairman, I consider this bill as one of the most serious and vitally important matters to come before the Congress.

America today is fighting a cold war. Whether or not the people generally recognize that fact, there is no escape from it. The loss of that cold war could have disastrous consequences not only for America, but for the entire Free World.

We are also confronted, Mr. Chairman, by the danger of a shooting war at

this point or that in the world, with all that is inherent in that danger.

America today has 6 percent of the world's population. The Kremlin controls directly or indirectly about 33 percent of that population.

It is impossible for any one nation in the Free World to stand alone against the ruthless power of the Communist world.

Our whole defense policy is based on mutual security, on fighting allied forces aided by military assistance and by defense support, and on ammunition provided, largely in this bill, with which to fight the cold war.

Mr. Chairman, every dollar of the $3,900,000,000 requested by the President was sought to implement this policy.

Every unjustified slash in military assistance or in defense support increases the danger in the event of a shooting war.

Every unjustified slash in the request for nonmilitary funds decreases the ammunition required for the cold war.

I have stood for economy over the years, Mr. Chairman. I favor reductions in this bill or any other appropriation bill where those reductions can be justified by the facts. But, Mr. Chairman, I am opposed to cutting, just for the sake of cutting, in a field involving the freedom, if not the existence of America and the Free World.

The dangers involved in the present world situation cannot possibly be overemphasized. This is no time to relax our efforts.

Speaking in this connection, and of the importance of the mutual-security program, Secretary Dulles had this to say for the record. I have quoted him before in part. He is worth quoting again:

> 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, the request made by the President is the smallest request that has been made in several years.

The $3,900,000,000 requested compares with the peak request back in 1951 under President Truman, of $7,400,000,000.

The cost of the program requested, for every American is something less than 7 cents per day.

UNEXPENDED BALANCES

The chairman of the subcommittee has dwelt at length on the subject of unexpended balances. His entire case rests almost completely on these unexpended balances.

Of course there are unexpended balances, Mr. Chairman. Those are inevitable, just as they are inevitable in our own military program. We must have adequate pipelines.

I call your attention to the fact, however, that unexpended balances have decreased some $10 billion since 1953.

I call your attention also to the fact that if you will analyze these balances you will find that the pipeline for military aid is tied down almost exactly to a period of 18 months; that the pipeline for nonmilitary aid is tied down almost exactly to 12 months; that these two periods have always been regarded as the minimum periods for the proper operation of this program.

I call your attention further to the fact that as of June 30, 1958, and again as estimated for June 30, 1959, unobligated balances, which are the important balances, will be substantially zero. There are practically no unobligated balances of consequence as of either date.

I have here a table. Without going into too much detail it shows for military assistance an unexpended balance as of June 30, 1959, of $2.9 billion compared with an expenditure of $2.2 billion. That is less than an 18 months' pipeline.

For defense support it gives an unexpended balance as of June 30, 1959, of $857 million as against expenditures of $889 million. That is less than a 12 months' pipeline.

For development assistance it gives an unexpended balance of $85 million, as against expenditures of $83 million, which is about a 12 months' pipeline.

For technical cooperation it gives an unexpended balance of $173 million, as against expenditures of $167 million, just a little over a 12 months' pipeline.

For special assistance it gives an unexpended balance of $168 million, as against expenditures of $177 million, which is less than a 12 months' pipeline.

Mr. Chairman, two-thirds of the entire request goes either directly or indirectly for military assistance.

Seventy-five percent of the total goes directly to American industry; the balance returns to our shores subsequently in terms of dollar purchases from overseas.

This program affords 600,000 jobs for American workers and American farmers.

COMMITTEE ACTION

Mr. Chairman, I am deeply concerned by the reductions proposed by the Appropriations Committee. I do not think they can be justified by the facts. I think they are far too drastic. I think they involve a risk which we are unwarranted in taking at this time.

You will note that the request of $3.9 billion was reduced by $275 million in the authorizing legislation; and that it is now proposed to reduce that by another $597 million, making a total reduction of $872 million, or about 20 percent.

Military aid takes a slash overall of $285 million overall.

Defense support takes a slash of $135 million.

Special assistance takes a slash of $27 million.

The development loan fund takes a slash of $325 million.

The President's contingency fund takes a slash of $100 million.

I shall refer briefly to each of these reductions.

MILITARY ASSISTANCE

The request for military assistance was for $1,800,000,000, compared with a figure of $1,878,000,000 for the fiscal year 1958.

That $1.8 billion represents a reduction of about $3.2 billion as compared with the estimates of our military people in the field, estimates made with a view of reaching essential force goals within a stipulated time as determined by the Joint Chiefs of Staff.

The authorization legislation imposes a further slash of $195 million, and your Appropriations Committee now recommends a further cut of $90 million.

The purpose of this aid, as we know, is primarily to provide military equipment for our allies made in American factories by American labor.

It is to help maintain some 4,800,000 ground forces, some 2,500 combat ships, and some 34,000 combat planes, of which 16,000 are jets. This compares, if we look at the year 1950, with 3,500,000 ground forces, 1,200 combat ships, and 16,000 combat planes, of which 600 were jets.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has said that 75 percent of this money is spent in the United States, is that correct?

Mr. WIGGLESWORTH. In the first instance.

Mr. GROSS. And that 25 percent comes back so that we get 100 cents out of every dollar we spend?

Mr. WIGGLESWORTH. Eventually.

Mr. GROSS. Eventually. Do not your hearings show that 20 percent of this money is spent for off-shore procurements?

Mr. WIGGLESWORTH. In the first instance. Those dollars can only be used in this country and they come back here eventually.

Mr. GROSS. Yes. If we get 100 cents on the dollar out of this spending why not double, triple or quadruple what we are presently spending, if it is so good for the economy of this country?

Mr. WIGGLESWORTH. I do not think the gentleman would go along with that program any more than I would.

Mr. GROSS. No, I would not, and the gentleman knows that, but I am accepting your figures. Let me ask the gentleman, if this built in gimmick in the United States economy is so good, why not increase it that way?

Mr. WIGGLESWORTH. Because enough is enough and too much is too much.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I promised to provide certain information to the gentleman. Would the gentleman like for me to answer the question now or later?

Mr. WIGGLESWORTH. I would like to keep my remarks somewhat in continuity.

Mr. PASSMAN. Let me know when you are ready and I will supply the information requested.

Mr. WIGGLESWORTH. Mr. Chairman, the growth referred to between 1950 and today could not have been possible without our military assistance. It is, of course, far cheaper than if we tried to do the job ourselves. I am sure no one, knowing that America has only 6 percent of the world's population, wants to see American boys shoulder the burden that our allies are now carrying.

Last year we made a substantial slash in this item. What was the result? First, of course, it resulted in a postponement of the date at which essential force goals could be reached.

Over and above that it was necessary to make substantial reductions in the military programs for France, Italy, Taiwan, and Korea, in terms of aircraft, ammunition, minesweepers, modernization of aircraft communications and electronic systems; and to reduce other military programs by $218 million.

Was any damage done? If war does not come, no one can point to the damage. You can abolish the whole item if war does not come. If war comes tomorrow and we are responsible for leaving our allies improperly equipped, we take the responsibility, Mr. Chairman, and this country of ours takes the consequences.

I cannot help but recall a day several years ago when my able friend and colleague, the gentleman from Minnesota [Mr. JUDD], and I and several other Members of this House were in the country of one of our Asian allies talking to the head of the military establishment there, as fine a looking officer as you could hope to find anywhere in the world.

I cannot quote him exactly, but in substance he said, "Gentlemen, don't the American people know that we have signed on the dotted line as their allies? Don't they know that we have agreed to stand with them, to fight with them and, if necessary, to die with them?"

"We know how to fight," he said. "We have proved it again and again. But, gentlemen, we cannot fight without proper military equipment. You have promised us that equipment. In God's name, where is it?"

DEFENSE SUPPORT

Now a word about defense support. The request from the President was for $835 million compared with $728.9 million in the present year. It has been reduced to $810 million in the authorization bill, and you now have a recommendation before you to appropriate only $700 million.

In my judgment, Mr. Chairman, this is the most dangerous of all the proposed cuts.

The purpose of defense support is to help maintain military forces, that it is impossible to maintain without assistance.

My good friend and colleague, the chairman of this subcommittee, will tell you that all defense support is economic aid.

Of course, it is economic aid in character, but its purpose is military and purely military and it goes only to those of our allies who are trying to maintain military forces that they cannot otherwise maintain.

It goes to 12 countries.

All of them except Spain are on the periphery of the Communist world.

These countries maintain more than 3 million ground forces. That is more than we intend to maintain in this country of ours.

There are 6 military installations in these countries which are of tremendous importance to this country and to the Free World.

Fifty percent of the total goes to Korea and Vietnam, both of whom face active Communist forces across their borders. Thirty percent goes to Turkey, Pakistan, and Taiwan, our stanch allies of the greatest importance in terms of national defense.

We slashed this item last year also, and what was the result?

Well, it resulted in a reduction of $147 million in the programs of the 5 allies I have just referred to plus 2 smaller countries. It resulted in very drastic cuts in reference to Korea and Vietnam, and I think I am correct in saying that it resulted in a decision in Korea to reduce the number of Korean divisions by four, and in very great concern that we may lose in that country the gains we have made in recent years as the result of inflation.

A short while ago we had our own military appropriation bill on the floor here. By amendment we adopted an additional obligation of $800 million, representing an increase in ground forces for the Army, which the President of the United States, with his vast military experience, believed to be unnecessary.

Why did we do that? Because the Congress as a whole wanted to make sure that in the event of trouble there would be enough.

Mr. Chairman, if we apply that same reasoning here, we will not risk a further slash in the forces of our fighting allies, Spain, Turkey, Pakistan, Korea, Taiwan, and Vietnam.

SPECIAL ASSISTANCE

A word as to the special assistance request.

The request here was for $212 million compared with an availability last year of $255.29 million. It was reduced to $202.5 million by the authorization legislation, and you have a recommendation here for a further cut to $185 million.

The purpose of this special assistance is the maintenance or promotion of economic or political stability where we are not supporting military forces and where we cannot take care of our own interests through technical assistance or the Development Loan Fund.

The details of this appropriation are classified, but I can say that included in the countries for which it is expected to make this type of aid available are four countries within which are located military bases and installations of great importance to this country; as well as other countries where interior security is of great importance, and other countries such as Israel, Jordan, and others in the Near East, as well as Berlin, and Bolivia.

Mr. CURTIS of Massachusetts. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum. The gentleman from Massachusetts may proceed.

Mr. WIGGLESWORTH. Mr. Chairman, one-half of the proposed cut, I am advised, is to be imposed on those countries where we have important military bases and installations.

I believe that the cut of $70 million below 1958, and $27 million below that proposed for 1959, is too deep.

DEVELOPMENT LOAN FUND

Turning now to the Development Loan Fund, the request, as you know, was for $625 million. Your committee recommends an appropriation of $300 million.

This Development Loan Fund, as will be recalled, is a new program. It was adopted a year ago in lieu of the development assistance program with which we have had so many troubles over the years.

It was designed to substitute loans for grants, to substitute transactions under which there was a possibility of obtaining repayment for those under which there was no such possibility.

It was designed to eliminate so-called illustrative programs, with which we struggled for years and which were so unsatisfactory at both ends of the avenue.

It was designed to substitute specific projects under specific criteria. And may I point out in passing that one of those criteria, as you will note from page 43 of the hearings, is to the effect that "loans should be only for projects which have a reasonable expectation of repayment" either in local currencies or dollars.

This program was designed to make it possible to base appropriations on known performance in the past, as we do in the case of the Export-Import Bank, rather than on unknown performance in the future.

It was designed to put the program on a more businesslike basis.

Mr. MARTIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-six 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. 115]

Abbitt	Bass, N. H.	Byrne, Pa.
Andersen, H. Carl	Bass, Tenn.	Celler
Anfuso	Bosch	Christopher
Barden	Brownson	Clark
Barrett	Buckley	Colmer
	Burdick	Cooley

Corbett	Healey	Poage
Coudert	Hébert	Powell
Dawson, Ill.	Hillings	Radwan
Dellay	Holtzman	Rains
Dies	Jenkins	Rhodes, Ariz.
Diggs	Jones, Mo.	Rivers
Dollinger	Kearney	Robeson, Va.
Dorn, N. Y.	Kearns	Shelley
Eberharter	Kilburn	Shuford
Edmondson	Kirwan	Spence
Engle	Latham	Springer
Farbstein	LeCompte	Steed
Fascell	McIntire	Talle
Fogarty	Macdonald	Taylor
Friedel	Machrowicz	Teague, Tex.
Fulton	Mason	Teller
Garmatz	May	Thompson, La.
Gordon	Meader	Thornberry
Green, Pa.	Miller, N. Y.	Trimble
Gregory	Montoya	Vursell
Gubser	Morris	Watts
Gwinn	Morrison	Williams, N. Y.
Halleck	Multer, N. Y.	Wilson, Calif.
Harris	Nix	Zelenko
Harrison, Nebr.	O'Neill	
Harvey	Pilcher	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, 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. 13192 and finding itself without a quorum, he had directed the roll to be called, when 338 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.

Mr. WIGGLESWORTH. Mr. Chairman, just before the rollcall I was discussing briefly the new Development Loan Fund and the reasons why it had been set up in substitution of the old development assistance program with which we had so much trouble.

As originally presented to the Congress, the plan called for a $2 billion capital to be accumulated over 3 years, for an appropriation of $500 million in the current fiscal year and for an authorization of $750 million in fiscal 1959 and a further $750 million in fiscal 1960.

The Congress a year ago substituted an appropriation of $300 million for the fiscal year 1958 and an authorization for an appropriation for the current fiscal year 1959 amounting to $625 million.

The loan fund committee went to work as of about the 1st day of January 1958. In other words, it has been operating just about 6 months with the $300 million that we appropriated a year ago.

Now, Mr. Chairman, the chairman of the subcommittee this morning emphasized how little, according to his latest advice, had been technically obligated out of this $300 million.

I want to say that I have in my hand here a list of loans which shows that 23 loans aggregating $163.5 million have had the firm approval of the loan committee; that in addition 5 loans aggregating $50.7 million have been approved in principle by that committee, giving a total for loans with firm approval or approval in principle of $214.2 million out of the $300 million that we gave them.

The document also indicates that the balance of $85.8 million remaining of the $300 million appropriation will, it is expected, be used up in the very near future out of 12 additional loans which are all itemized here aggregating $155 million.

May I add that I received this morning official notification to the effect that just over $100 million in loans are now as of June 30, 1958, definitely obligated, loan agreements having been signed. The loans are five in number.

So you have $100 million tied up in loan agreements and the balance taken care of as I have indicated, and what the administration is doing in asking for $625 million for fiscal 1959 on a 12-month basis is nothing more or less than asking to be permitted to go ahead during the next 12 months on the same basis as actual operations during the past 6 months.

I want to quote again briefly from Secretary Dulles in this connection. On page 287 of the hearings you will find that he stated for the record as follows:

> The Development Loan Fund, established by the Congress last year, is one of our chief methods for waging the cold war in its present phase. * * * I cannot overemphasize to you how important I believe it is that this full sum, limited as it is, should be available as a powerful and essential tool in the deadly economic competition now being waged against us and other free nations.

And, I might add, Mr. Chairman, that the Secretary's views seem to have been supported by group after group that have made surveys in this field.

I have in mind, for instance, the Senate Special Committee on Foreign Aid, the Committee on Economic Development, the National Planning Association, the International Development Advisory Board, and one of the Rockefeller groups each one of which has emphasized the importance of greater activity in this field.

To cut this $625 million request which, frankly, in my judgment, in the light of experience to date, is a modest request, to $300 million, seems to me to largely repudiate development aid as a weapon in the cold war. I think it is far too drastic.

PRESIDENT'S CONTINGENCY FUND

I want to say a word before closing about the President's contingency fund. The request this year, as you know, is for $200 million. It has been cut to $155 million in the authorization bill. The Appropriations Committee recommends a further reduction of $55 million, making provision for $100 million in appropriations.

The purpose of this fund, as I assume we all appreciate, is simply to provide the President of the United States with funds which he can use in case of emergency.

There have been similar funds in the past. They proved vitally important in such cases as Iran, Guatemala, Hungary, Jordan and in other emergencies.

As a matter of experience, in 1956 fiscal year we found that we needed $265 million for unexpected developments. In 1957 we found we needed $215 million In 1958 we used up completely the $147 million made available by the Congress and went into the red to the tune of $40 million, borrowing the $40 million from another fund from which it could ill be spared.

Mr. Chairman, it seems to me self-evident that a contingency fund which will afford real elasticity is absolutely vital today in view of the actual and potential situations which confront us.

I can only say again that I think that to slash this fund from $200 million requested to $100 million, in view of the experience of the last 3 years, just does not make sense.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GROSS. Speaking of funds in this bill, can the gentleman tell me whether there are any entertainment or liquor funds in this bill, so-called representation allowances?

Mr. WIGGLESWORTH. There are the usual allowances in that respect for our various missions throughout the world.

Mr. GROSS. Can the gentleman tell me how much is provided in this bill by way of liquor in order to give away $3 billion?

Mr. WIGGLESWORTH. It is a very small item, I will say to the gentleman.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, I have the answer.

Mr. WIGGLESWORTH. I yield.

Mr. PASSMAN. In the ICA alone the representation allowance, which in most instances, of course, is for choice whiskies, amounts to $200,000. In the military we are yet to receive the corrected figure.

Mr. WIGGLESWORTH. I thank the gentleman. That is $200,000 for 41 different missions throughout the world.

Mr. PASSMAN. That is for one agency alone.

Mr. GROSS. If the gentleman will yield further, that is only one agency. Then you have the military end of it, and those people are given more money for liquor to give away some more money.

Mr. WIGGLESWORTH. The gentleman knows that this is for the entertainment that devolves on any foreign mission. Part of it may go for the purpose he suggests, the rest of it does not.

As far as this program is concerned, the allowance appears to be quite reasonable.

Mr. GROSS. Does the gentleman think that it takes $200,000 or $300,000 worth of liquor to give away $3 billion?

Mr. WIGGLESWORTH. I do not think there is anything in the record to show that there is provided $200,000 or $300,000 for liquor.

Mr. GROSS. There is $200,000.

Mr. WIGGLESWORTH. For representation allowances to 41 different missions.

Mr. GROSS. All right.

Mr. WIGGLESWORTH. Mr. Chairman, I decline to yield further.

OTHER PROGRAMS

Mr. Chairman, I am not going into the other programs, some 14 in number, because they call for smaller amounts and because there is no controversy in respect to any one of them insofar as the committee is concerned.

CONCLUSION

I just want to say in conclusion, as I have already stated, that our whole defense policy is based on mutual security; on our allied forces which are aided by

our military assistance and defense support; and on ammunition provided, largely in this bill, to fight the cold war.

Failure to provide sufficient funds, in my judgment, plays directly into the hands of the Kremlin and compels the use of more American manpower and more American dollars.

The cost is great, but it is far less than it would be if we attempted to shoulder the entire burden or if we became involved in another shooting war.

Assistant Secretary Robertson points out for the record that the initial cost to us of World War II was no less than $350 billion and 961,000 American casualties, and that the cost of the Korean war was no less than $18 billion and 143,000 American casualties.

Mr. Chairman, I regret the reductions recommended by the committee. I think they involve a risk we are unwarranted in taking at this time. I think they involve encouragement to the Kremlin and discouragement to the Free World.

I hope they will be largely restored before this bill becomes law.

No stone should be left unturned to assure victory in the cold war which we are now fighting in the struggle for freedom, security, and world peace.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The gentleman understands I am very fond of him and hold great respect for his integrity; but may I respectfully refer the gentleman to the CONGRESSIONAL RECORD of July 11, 1956, volume 102, part 9, page 12340:

> Mr. WIGGLESWORTH. Personally, I am very unhappy in the recommendation which is before us at this time. I agree with the previous speaker, the gentleman from New York [Mr. TABER], that the item for military assistance has been cut altogether too deeply.
>
> I stand today as I have always stood for essential economy but I cannot, Mr. Chairman, stand for economy at the expense of national security.

When they returned a year later they admitted they had $538,800,000 which was not needed and said it would lapse unless reinstated.

Mr. WIGGLESWORTH. If the gentleman had listened to my remarks he would have noted, and I put the figures in the RECORD, that the pipeline available for military assistance is exactly 18 months.

The gentleman persists in talking in terms of unexpended balances. These figures are meaningless unless you take into account the expenditures and obligations against them.

Mr. PASSMAN. It is money they could not obligate, and which would have lapsed. They did not need it. They said in effect, "You gave us $538 million more than we needed. We could not even obligate it, and it is lapsing."

Mr. WIGGLESWORTH. The gentleman is talking about past history.

Mr. PASSMAN. The gentleman is just as correct now as he was then.

Mr. WIGGLESWORTH. If the gentleman had been listening to me, he would have also noted that I pointed out that as the result of the cut last year not only was the date of attaining essential force goals postponed, but the military programs of France, Italy, Taiwan, and Korea were cut very substantially, and the program of other nations were slashed to the tune of $218 million.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute to clear up a misunderstanding. A little while ago the distinguished former Speaker made the point of order that a quorum was not present. I noted so many Members leaving the Chamber I thought perhaps it had caught on fire. I looked up and did not see any fire. But when the Chairman had finished counting, we did not have a quorum.

We are not fooled by what is happening. I plead with the Democratic leaders and the Members on our side who believe in giving the American people what is fair and just to remain on the floor so that we can have a quorum present and finish the people's business this afternoon.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I have not agreed nor do I agree with the action of the full Appropriations Committee in regard to the pending mutual security appropriations bill. I oppose the slashes in funds for defense support and for the development loan fund in the full committee and in the subcommittee. If the amendments I offered in the full committee to increase the amounts for these two items had been adopted I would have then offered further amendments to increase the items for military assistance and for the President's contingency fund.

I firmly believe that with world conditions as chaotic as they are at this time, we must wage peace with our dollars. The only alternative to mutual and American security through dollars for foreign aid and loans, in proper amounts and sensibly administered without waste or corruption, would be to increase by 2 or possibly 3 times the $40 billion fiscal year budget which is presently being carried by the American taxpayers for our Defense Establishment. The mutual security method is far cheaper than bombs and munitions, and a great deal cheaper than American lives.

Those of us who feel as I do with regard to the deplorable cuts in the pending bill are confronted with a matter of parliamentary strategy. As things stand at the moment, and as a matter of strategy, I do not intend to offer amendments to increase the present amounts in the bill. If any proposed amendments are unsuccessful—and if they fail it becomes impossible to obtain a record vote on them except by way of a motion to recommit—their failure of adoption might very well jeopardize the final goal of those of us who feel that these appropriations for mutual security have been too severely cut. It seems to me that this legislation should be speeded over to the other body, which I am given to understand, will restore a great part of the deleted funds.

I thank the distinguished gentleman from Louisiana [Mr. PASSMAN], the chairman of the subcommittee, for his fairness in yielding me this time.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, before discussing the pertinent parts of this bill, I would like to read into the RECORD a summary contained in a letter which I believe the chairman of the subcommittee received from the Library of Congress which shows the grants and credits given to Communist countries from 1945, I believe, up to June 30, 1958. Subsequent to the conclusion of the proceedings by the Committee of the Whole today, I will ask permission to insert this report from the Library of Congress in the RECORD in toto.

Mr. Chairman, the summary taken from this report by the Library of Congress shows as follows:

In fiscal years 1946 and 1947 grants were made available to Albania to the extent of $20,444,000.

In the fiscal years 1946 and 1948 to Czechoslavakia in the form of grants $185,827,000 and in the form of credits $29,583,000 for a total of $215,410,000.

In the fiscal years 1944 and 1945 to East Germany grants were made to the extent of $17,339,000. This was primarily food packages.

For the fiscal years 1946 and 1947 to Hungary in the form of grants $16,021,000. In the fiscal year 1955 in the form of credits to Hungary $15,917,000 for a total of $31,938,000 to Hungary.

In the fiscal year 1946 and fiscal year 1947 to Poland in the form of grants $364,978,000. This was primarily designated as famine assistance. In the form of credits to Poland $77,720,000 for a grand total of $442,698,000.

In the fiscal year 1946 and 1947 to the Soviet Union grants $468,434,000 and credits $222,495,000 for a grand total in the fiscal years 1946 and 1947 of $687,929,000.

In the fiscal years 1946 to 1950, to Yugoslavia grants to the extent of $780,454,000; credits $55,900,000; a grand total to Yugoslavia of $836,354,000.

The total is the total money mentioned by the subcommittee chairman in his previous statement of grants and credits to Communist countries to the extent of $2,252,112,000. I ask the chairman if that is a correct figure, according to what I heard him say.

Mr. PASSMAN. The gentleman is quoting the exact figures I quoted; the grand total of money that we had given Communist countries from 1946 to June 30, 1952, $2,252,112,000.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. TABER. Practically all that money was given right after the war, and a large part of it was war lend-lease money?

Mr. FORD. As a matter of fact, with the exceptions of the funds for Hungary and Yugoslavia, the grants were primarily made under the so-called UNRRA program and lend-lease.

Mr. PASSMAN. If you analyze those figures, you will find that more than a billion dollars of the amount is in recent years, with $836,314,000 going to Yugoslavia.

Mr. FORD. I would like to add, I will ask permission, when we get back into the House, to put the complete content of the report from the Library of Congress into the RECORD as a part of my remarks. The report reads as follows:

UNITED STATES AID TO COMMUNIST COUNTRIES FOR THE PERIOD JULY 1, 1945–JUNE 30, 1957

Humanitarian assistance and relief on an emergency basis was extended to seven Communist countries in the postwar period and amounted to $2,252,112,000. Grants or gifts totaled $1,850,497,000 and credits or loans to be repaid were $401,615,000 (table I). The breakdown of aid by program (table II) shows what an overwhelming percentage of grants was given through the international administration for relief and rehabilitation in the immediate postwar years. Other sums were disbursed through private relief organizations in the shape of surplus food parcels.

Famine and other extraordinary relief programs totaled over $100 million. These comprised not only the special aid extended to Yugoslavia during the drought of 1950, but also aid to the refugees from the Hungarian persecutions. Economic grants under the mutual security programs consisted primarily of items for relief and assistance on an emergency basis. Lend-lease programs in the immediate postwar years consisted of the distribution of food, clothing and civilian type goods surplus to the armies. The American Red Cross assisted in ameliorating distress in the postwar years in continuation of its wartime programs of distributing aid to distressed areas with contributions made directly by Congress.

Credits are loans which must be repaid to the United States. Such credits consisted largely of surplus property sold to these areas on promises of payment. Such payments are continuing. The largest credit was extended to Russia, but which was a result of renegotiations of grants previously made. The Russians subsequently agreed to pay for these goods. Loans were also extended through the Export-Import Bank to Yugoslavia and Poland. In the first instance, most of the credit extended was spent for foodstuffs in the United States so as to combat the imminent famine. Poland received a loan to rehabilitate her ravaged coal mines. The money for machinery was spent in the United States.

It will be noted in the accompanying explanation of aid (table III) for each country that all aid was spent under direct authorization and appropriation laws by Congress. In the majority of programs such aid was for relief in 1946 and 1947 or in Yugoslavia in 1950. The major portion of aid was spent for humanitarian purposes from 1946 through 1950 when the United States was the only major country able and willing to spend her substance unselfishly to aid the suffering.

I. United States aid to Communist countries, July 1, 1945–June 30, 1957

Country	Grants	Credits	Total
Albania	$20,444,000		$20,444,000
Czechoslovakia	185,827,000	$29,583,000	215,410,000
East Germany	17,339,000		17,339,000
Hungary	16,021,000	15,917,000	31,938,000
Poland	364,978,000	77,720,000	442,698,000
Soviet Union	465,434,000	222,495,000	687,929,000
Yugoslavia	780,454,000	55,900,000	836,354,000
Total	1,850,497,000	401,615,000	2,252,112,000

II. Breakdown of aid by program

Grants:	
UNRRA	$1,054,642,000
American Red Cross	3,449,000
Lend-lease	277,424,000
Mutual security:	
Economic	364,336,000
Famine	100,967,000
Welfare	49,679,000
Total	1,850,497,000
Credits (to be repaid):	
Surplus property	277,032,000
Export-Import Bank	124,583,000
Total	401,615,000
Total	2,252,112,000

III. U. S. foreign aid to Communist countries—July 1, 1945–June 30, 1957

Albania: $20,444,000. Part of grants from the United States to the United Nations Relief and Rehabilitation Administration, fiscal 1946, $13,052,000; fiscal 1947, $7,392,000. Congressional authorization, Public Law 262, December 18, 1945.

Czechoslovakia: $215,410,000. Grants, $185,827,000; credits, $29,583,000.

Grants: UNRRA: Fiscal 1946, $109,144,000; fiscal 1947, $74,230,000. Congressional authorization, Public Law 262, 1945.

American Red Cross: Fiscal 1946, $75,000. Congressional appropriation, Public Law 353, 1941, extended at various times until December 31, 1945.

Lend-lease surplus supplies: Fiscal 1946, $2,000. Congressional authorization, Public Law 132, 1945. Relief supplies consisted of food and clothing.

Mutual security aid: Fiscal year 1955. From economic and technical appropriations, $379,000; famine and other urgent relief, $1,995,000; agricultural commodities through private welfare agencies, $2,000; Congressional authorizations, Mutual Security Act of 1954, Public Law 665; Mutual Security Act of 1954, Public Law 138; Agricultural Trade Development and Assistance Act, title II, 1954, Public Law 480.

Credits, $29,583,000. Export-Import Bank fiscal years 1946, 1947, 1948. Direct loans through bank, through agencies of private banks, and for surplus property extended to Czechoslovakia before it was taken over by Russia.

East Germany: $17,339,000. During fiscal years 1954, 1955, shipments of food were sent through Berlin as part of the mutual security program to alleviate the food shortage in East Germany. These shipments were made by the Foreign Aid Administration under Congressional authorization of overall programs of the Mutual Security Act of 1954, Public Law 665; Mutual Security Act of 1955, Public Law 138; Agricultural Trade Development and Assistance Act, 1954, Public Law 480.

Hungary: $31,938,000. Grants, $16,021,000; credits, $15,917,000.

Grants: UNRRA, $2,359,000; relief food and clothing distributed, fiscal 1946, $604,000; fiscal 1947, $1,755,000; Mutual Security Aid, $13,662,000. Under this heading food and clothing and medicine grants have been made to Hungary for urgent and extraordinary relief since 1955, notably for the freedom fighters and refugees. Relief was granted under both these programs established by Congressional authority of UNRRA, Public Law 262 (1945) and MSA Public Law 138 (1955).

Credits, $15,917,000. This consisted entirely of surplus food and clothing supplies left by the United States armies in Europe and sold to Hungary as surplus property during fiscal years 1946 and 1947 before the country was taken over by Russia.

Poland: $442,698,000. Grants, $364,978,000; credits, $77,720,000.

Grants: UNRRA, $364,031,000. This total consisted of food, clothing and other relief disbursed during the immediate postwar period (fiscal years 1946, 1947) so as to forestall famine.

American Red Cross, $855,000. This total comprised relief supplies to ease suffering caused by war.

Lend-lease, $92,000. Food and clothing supplies that were accounted surplus were distributed as relief.

Assistance under these three headings was disbursed under distinct Congressional authority of UNRRA, Public Law 262, 1945; American Red Cross, Public Law 353, 1941; lend-lease supplies, Public Law 132, 1945.

Credits, $77,720,000. Export-Import Bank, $40 million; surplus property, $37,720,000.

On April 24, 1946, a special loan was extended to Poland for the purchase of coal cars and locomotives in the United States so as to rehabilitate the Polish coal mining industry, largely destroyed during the war and also to replace outdated machinery. This loan was administered by the Export-Import Bank as the primary lending agency of the United States Government. Surplus property (mostly food and clothing) resulting from United States armies in Europe was also sold to Poland on a long-term basis with the Export-Import Bank acting as the receiving agent for payments on behalf of the United States Government. Both programs were completed before Poland fell in the Soviet orbit.

U. S. S. R., $687,929,000. Grants, $465,434,000; credits, $222,495,000.

Grants: UNRRA, $186,380,000. Relief supplies were furnished to Russia, principally to the Ukraine and Byelorussia during fiscal years 1946 and 1947.

American Red Cross, $1,800,000. Food and clothing supplies were also distributed by the American Red Cross during fiscal year 1946.

Lend-lease, $277,254,000. During the war years Russia received nearly $11 billion in lend-lease supplies to assist in its defense and to build up an offensive against Germany and later against Japan. The totals mentioned here comprised civilian-type goods that were granted or given to the Soviets since they could not be used elsewhere having been made to Soviet specifications. Food and clothing were included.

These grants were given by the agencies administering the programs under Congressional authorizations: UNRRA, Public Law 262, 1945; American Red Cross, Public Law 353, 1941; lend-lease, Public Law, 132, 1945.

Credits, $222,495,000. Immediately after V-J Day on August 8, 1945, the United States notified recipients of lend-lease aid that war materials in the pipelines would be transferred only on a credit basis. Accordingly on October 15, 1945, the Soviets agreed to receive the transfer of reimbursable goods as a credit, with payments to begin in 1954. This agreement was negotiated by the executive department under authority of the Lend-Lease Acts with reference to the master agreements for settlement of lend-lease accounts. Thus any civilian-type goods previously included in lend-lease grants would have to be paid for under subsequent renegotiations. These were called credit offsets to grants and repayment to the United States was expected.

Yugoslavia: $836,354,000. Grants, $780,454,000; credits, $55,900,000.

Grants, $780,454,000. UNRRA, $298,054,000. Vast sums were spent for food, clothing, and materials for rehabilitation to repair the ravages of war because of the dire need.

Lend-lease, $76,000. Food and clothing were diverted from surplus Army stocks to avert famine.

American Red Cross, $719,000. In addition to the international United Nations relief agency, the American Red Cross also

stepped in during 1946 to assist this country feed its starving people.

Agricultural commodities, $49,677,000. Since the summer of 1950, when drought threatened imminent famine, the United States has granted private welfare agencies and international church relief organizations permission to distribute food parcels for relief. Surplus food is diverted to these organizations and the nominal cost is classified as foreign aid. Congressional authority was given in Public Law 480 (1954) for extending this type of relief because of urgency and direct contact with certain specific areas by mission stations and other agencies. Relief of this nature was also extended to refugees coming over the borders during the Hungarian uprising.

Famine, urgent and other relief, $47,750,000. Emergency aid was furnished by the Economic Cooperation Administration (ECA) by shipping foodstuffs, especially flour, from United States relief supplies in Europe to Yugoslavia because of the results of the extreme drought in the summer of 1950. Urgent relief was also provided Hungarian refugees.

Yugoslavia aid, $37,560,000. On October 20, 1950, Yugoslavia asked the United States for emergency assistance as a result of the dire drought which had ravaged the country. Under Public Law 897 signed December 29, 1950, Congress authorized the Economic Cooperation Administration to spend up to $50 million of funds previously appropriated for the European recovery program under the mutual defense assistance program, Public Law 759, approved September 6, 1950. The full total authorized was not expended.

Mutual security economic aid, $346,618,000. Stopgap aid in 1950 was also provided under the economic aid clauses of the mutual defense assistance program, Public Law 759. Because of its strategic location Yugoslavia was of direct importance to NATO and its ability to defend itself contributed to the preservation of peace and security of the NATO area. In line with this Congressional directive the United States also considered additional help to be given because the drought had weakened Yugoslavia's ability to export agricultural commodities with which it normally acquired resources to pay for needed imports of critical raw materials. The drought had also caused such a shortage of critical materials that the United States considered Yugoslavia unable to defend herself against aggression. In April 1951 additional funds were made available under the mutual defense assistance program, Public Law 759, so as to provide raw materials and other supplies needed to support the requirements of the Yugoslav armed forces.

In the meantime the Yugoslav foreign trade deficit was such that both the United Kingdom and France agreed to collaborate with the United States to help Yugoslavia get raw materials, consumer goods, and other essentials to offset the decline of the earlier flow of such goods from the Soviet orbit. Yugoslavia's break with the Cominform in June 1948 resulted in a complete cessation of its trade with Eastern Europe.

Credits, $55,900,000. Prior grants to credits, $900,000. Grants given previously were renegotiated and transferred into obligations to repay the United States over an extended period of time.

Export-Import Bank loans, $55 million. In August 1950 a loan had been negotiated for materials and equipment to rehabilitate the economy, but because of the drought a sizable portion of this loan was diverted to the buying of foodstuffs to avert famine. To date $11,250,000 have been repaid.

Mr. PASSMAN. I want the gentleman to know that I hold him in high esteem.

Mr. FORD. I am happy to state that although in regard to this particular program we sometimes disagree, I have enjoyed working with the gentleman, and I look forward to an opportunity in the future. I may say that what I intend to do today and tomorrow is not because anybody is urging me to do so. If you will look at the RECORD during the past 10 years since I have been a Member of this House, I have consistently supported this program both as to authorizations and as to appropriations. I supported it when it was a program recommended by a Democratic President. I am now supporting it as a program recommended by a Republican President. I intend to do it, whenever I feel the program is right, in the future.

Mr. PASSMAN. I do not wish to imply anything whatsoever that is discreditable on the part of the gentleman; but I do observe that many of those who carry the ball on the other side of the aisle are the same individuals who tried to cut the program when there was a Democratic President.

Mr. FORD. I do not think that criticism is a fair criticism as far as I am concerned. If the gentleman will look at the RECORD, he will find that it is not an accurate criticism of my own record.

I yield to the gentleman from New York.

Mr. TABER. I may say that for my part I have supported grants to foreign countries when I thought they were right and I have opposed them when I thought they were wrong. This time I am supporting them because I think they are right.

Mr. FORD. Anybody who knows the gentleman from New York certainly admires his forthrightness. Certainly his record of supporting those things in which he believes is clear.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. GROSS. Speaking of loans to Communist countries, am I incorrect in my memory that a loan was made to Poland not so long ago out of some funds? I do not know what those funds were.

Mr. FORD. It is my recollection that the loans made to Poland in fiscal 1958 were a combination; those which were financed in part through the Public Law 480 program, and to some extent—I will have to check the record to be accurate on this—from special assistance.

Mr. GROSS. If my memory serves me correctly, it was only a few days ago that the Premier of Poland supported the execution of the Hungarian patriots. Is that not correct?

Mr. FORD. I understand that such attitude on his part and what he did, if I read the news correctly, was done at the end of a pistol.

Mr. GROSS. No matter how it was done, it was done.

Mr. FORD. Sometimes people do that which they know is wrong when under such duress. Now, if I may, I would like to proceed with my comments.

The whole area I think has been most ably and effectively covered by the distinguished gentleman from New York and the distinguished gentleman from Massachusetts on our side of the aisle, indicating the position of the administration. For myself may I simply state that I believe the reductions made by the committee in the military assistance part of the program are too severe.

I strongly believe that the reductions made in the defense part of the program are much too deep.

The reductions made in the contingency fund are likewise serious. The very substantial cuts of over 50 percent in the Development Loan Corporation funds are likewise of a serious nature.

The area that I think is most serious is that of defense support. I would like to develop just precisely why I feel this way. First, let us take the request of the administration. It was for $835 million. The authorization bill reduced this to $810 million. The subcommittee of the House Committee on Appropriations and finally the full Committee on Appropriations reduced that by $110 million. In the bill we have before us today the total is $700 million. This is $89 million less than was made available in fiscal 1958, and it is a figure $135 million less than the President requested at the time the budget was submitted.

We find this to be true this year. It is something that is worth noting. There will be no, or virtually no, unobligated balances in this program at the end of fiscal 1958. The program, therefore, is starting this year with no carryover of unobligated funds. This is the first time in this area that this condition has prevailed.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. PASSMAN. I trust I shall not be misunderstood. I wish to refer the gentleman to the CONGRESSIONAL RECORD of July 11, 1956, volume 102, part 9, page 12351, from which I quote:

> Mr. FORD. The record should be clear that in the subcommittee I voted against the reduction made below the House authorization figure. In the full committee I voted for an amendment which would have raised the appropriation figure to the House authorization figure. I have been preceded by Members on this side and by Members on the other side of the aisle who have made a sound case for the program and for the figure which was contained in the military part of the House authorization bill.

We did not follow their recommendations; and you supported the subcommittee views. Then when we had reached the end of the year some of the membership tried to carry this over. The military people came in and said: "We want to confess you gave us too much money. We had $538,800,000 unobligated or reserved that is going to lapse. Will you not please reappropriate it?"

We did reappropriate it, doubtless in a weak moment.

The same type of story has been told these people year in and year out, but this year we caught them before they finally got in under the rule.

Mr. FORD. I think you will find there was a very great lag in obligations during the Korean war period and the post-Korean war period when we made money available that could not be obligated intelligently because our own forces had a

prior claim on the equipment that was being produced.

Mr. PASSMAN. I shall not interrupt the gentleman again. I am speaking only of last year, just 12 months ago, when they had this money they could not obligate and they were conceding that as fact.

Mr. FORD. That was from funds made available 12 months prior to that. In those days our own military forces had priority over the equipment which was coming off the production line.

Let us take a look at the unexpended balance picture. This committee and the Congress as a whole for a number of years has condemned the Administration, whether Democratic or Republican, for large sums of unexpended balances on hand. This picture, as far as the mutual security program is concerned, has improved immeasurably in recent years.

Let us go back to the picture on June 30, 1957. At that time there was $1,158,000,000 obligated but unexpended. On June 30, 1958, it was anticipated there would be only $911 million unexpended with no unobligated balances, a draw down of $147 million in this area in 12 months. It is anticipated that at the end of June, 1959, 12 months hence, the unexpended balance in this part of the program, the defense support portion, will be $857 million providing the total of $810 million is made available, again a draw down of some $59 million. If you cut the new funds by $110 million you find that the unexpended balance by next June 30 will be down to a total of about $765 million, which is less than 12 months operating funds on hand to do the job.

People naturally inquire—I inquired myself—why there has to be a lead time of 12 months in these programs. You have to understand it is not buying things off the shelf; it is setting up a program in 12 countries throughout the world. All but one of the countries is either adjacent to or situated immediately off the shores of Communist dominated countries.

The only exception in the defense support program where a country is aided which is not adjacent to a Communist dominated country is Spain. Certainly everybody understands the reason why at this time we are aiding Spain. We have three of our most essential overseas bases for the Strategic Air Command and our naval forces in Spain, bases for which we have invested for our own military effort well over $250 million.

I would like to discuss just a bit more the situation in Spain. Two United States Air Force bases have been built in Spain over the last 3 or 4 years and we are completing a naval installation in Spain for use of our naval Air Force. In this fiscal year the active duty strength of those bases will go up to a force level of over 10,000, plus the American dependents who accompany their men in the service to Spain. The Strategic Air Command will use those bases for operations against any attack by the Soviet Union. Those bases are just as essential to our own protection as any other bases throughout the world. Now, with some 10,000 American servicemen stationed in Spain, with our forces operating there, it puts a tremendous pressure on the Spanish economy. That country has been hard hit by inflation because of this impact of our military operations. That country has been badly hurt by the loss of foreign exchange reserves, and the only way that we can insure a proper economic climate in Spain for us to continue our own military operations there is to help and assist Spain at this time. When you cut the defense support program as drastically as we in the House Committee on Appropriations have cut it, you are inevitably and invariably going to have a very serious impact on our own military operations in that area.

Now let us turn, if we can, to the Near East and south Asia, which is the next broad area where defense support funds go. In this area we have Greece, Iran, Pakistan, and Turkey. The total defense support program among these 4 countries is $195 million. Unfortunately, the breakdown is classified.

However, I would like to discuss for a minute the situation in Turkey. Turkey is a member of NATO. Turkey is a member of the Baghdad Pact. I do not think there is a person in the House or in the other body who would indicate under any circumstances that Turkey is not one of our best allies. We all know they have something like 20 ground divisions. They have a growing and I think a much more effective air force. They have what naval forces they require for their part of this defense picture. Turkey actually wants to do more than what the NATO group and what we as a country think they can afford. Actually there is grave doubt that even with the defense support funds of $810 million and the part that has been tentatively allocated to Turkey they can continue to support the 20 divisions that they have. I think it is a fact that the existence of the Turkish military forces, trained in part and equipped in part by us, was the real stabilizing influence in the Middle East during the crisis at the time of Suez. If Turkey had not been there stanch and steadfast with a good military organization, no one knows what might have happened in the Middle East when the Suez crisis arose.

Now, there is another aspect of the Turkish situation which sometimes we fail to appreciate. Because of its geographical position and because of its terrain there are locations in Turkey which make it possible, with technological developments by us, to observe by one means or another the results of the Soviet Union missile and satellite programs.

Up until recently that was not supposed to be a known operation, but the facts have been revealed, and I think it is important for us to think about doing anything that will result in the situation in Turkey becoming so critical that it could jeopardize our ability to man these stations which make it possible for the United States to observe, by one means or another, the success or failure of the Soviet satellite and missile programs.

Mr. McGREGOR. Mr. Chairman, the gentleman from Michigan [Mr. FORD] is giving us some definite facts which I think should be heard by most of the Members. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-eight 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. 116]

Abbitt	Edmondson	Morrison
Andersen, H. Carl	Engle	Multer
Anfuso	Farbstein	O'Neill
Ashmore	Fogarty	Pilcher
Barden	Fulton	Poage
Barrett	Garmatz	Powell
Bass, N. H.	Gordon	Radwan
Bass, Tenn.	Gray	Rains
Boland	Green, Pa.	Rhodes, Ariz.
Bolling	Gregory	Riehlman
Brooks, La.	Gubser	Rivers
Brownson	Gwinn	Robeson, Va.
Buckley	Halleck	Shelley
Burdick	Harvey	Shuford
Byrne, Pa.	Hébert	Smith, Miss.
Celler	Holtzman	Spence
Chamberlain	Jenkins	Steed
Christopher	Jones, Mo.	Talle
Clark	Kearney	Taylor
Colmer	Kearns	Teague, Tex.
Cooley	Kilburn	Thompson, La.
Corbett	Kirwan	Thornberry
Coudert	Knutson	Trimble
Dawson, Ill	Latham	Vursell
Dies	LeCompte	Watts
Diggs	Loser	Williams, N. Y.
Dollinger	Machrowicz	Wilson, Calif.
Dorn, N. Y.	Metcalf	Zelenko
Durham	Miller, N. Y.	
Eberharter	Montoya	
	Morris	

Accordingly the Committee rose; and the Speaking having resumed the chair, Mr. MILLS, 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. 13192, and finding itself without a quorum, he had directed the roll to be called, when 340 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.

Mr. FORD. Just prior to the quorum call I had discussed the situation as far as Turkey is concerned on the defense support item. I want to reemphasize two things: One, that our aid and assistance both from the point of view of training and equipment to Turkey, because of Turkey's strategic importance as a member of NATO and of the Baghdad Pact is one of the best investments we make in this whole program.

Secondly, may I reiterate the fact that our own forces have certain equipment in Turkey which is invaluable for us, so that we as a country can know to the best of our ability the status on a current basis of the Soviet Union missile and satellite programs. Because of the terrain and the geography we are able from these facilities in Turkey to detect and track the firings of the various missiles by the Soviet Union. Supposing for one reason or another, including the inability of the Turkish Government to keep itself stable, we lost the ability to have those facilities. As far as I know there is no other means currently by which we, the United States of America, could keep tab on the missile program in the Soviet Union.

Under these circumstances I do not think we can afford to let the situation in Turkey deteriorate. I do not want to take that gamble; I can assure you of that; and the defense support item is an important element in making certain that Turkey is able to take care of both its economic stability and its military strength.

Now, may I turn to the Far East? Our defense support programs in that area to a lesser degree include Cambodia, Laos, and Thailand, and to a more substantial degree Formosa, Korea, the Philippines, and Vietnam. I admit that in some areas in this part of the world our program has had some difficulties, but I do not think that those difficulties of the past should preclude us from proceeding with what is right in the future.

May I take one example, and this involves South Korea, to prove how reductions in the defense program have had an adverse impact, I believe, on the current situation. May I follow that with a comment to the effect that further reductions in fiscal 1959 in the defense-support program could conceivably and probably will have an adverse effect in the Korean situation?

Let us refresh our memories just a minute. Back in 1948, 1949, and 1950, prior to the Korean war, we allegedly had military forces in South Korea. We finally withdrew them for various reasons. I do not want to get into that, but that is a fact. Because our support to South Korea was not adequate, because we withdrew our own forces, it is true that the Communists took the initiative. At that time South Korea did not have a single military force, a single ground division, that was a fighting unit with a combat effectiveness. With the advent of the Korean war we, in conjunction with the South Koreans, built up from nothing an army that today is the third largest army in the world. From no divisions we now have in South Korea a stanch ally with 20 army divisions, 1 marine division, and I believe 6 reserve divisions. South Korea is a country of 22 million people, with an economy that was devastated by the Korean war. But they are willing to make a fight, a valiant effort, to support 21 active ground divisions under those circumstances, but to do so they need our help.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Mr. Chairman, we have contributed substantial sums, both in military assistance and in the defense support program to South Korea. But because the Congress made some reductions last year in the defense support program and some reduction in the military assistance part of the program, it was thought wise under the circumstances and essential to make some cut back in the availability of funds for South Korea.

What has been the net result from forces in the field? The facts are that South Korea is reducing its forces from 20 divisions in the Army to 17. Every military officer with whom I have talked says that is a very reckless gamble, particularly in light of the fact that the United States ground forces in South Korea have been reduced from 5 down to 2. Now, if we make the reductions which are included in this bill in the defense support program, it is inevitable—it cannot be avoided—that South Korea will have to make further reductions in its ground forces from 17 Army and 1 Marine Corps down to 15 or 14, plus the 1 Marine Corps division.

It cannot be avoided, because the economy of South Korea cannot maintain forces to a larger extent, bearing in mind their problems resulting from the devastation wreaked upon their homeland during the Korean war.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman has had a good deal of military experience. What does the gentleman think might happen to the morale of the remaining divisions if the Koreans see their forces being reduced each year by cuts in the assistance from us which is absolutely necessary to keep them going?

Mr. FORD. Well, if I were in their shoes and saw my own forces reduced, as inevitably they will have to if these cuts go through, and at the same time see the United States forces drawn back, then certainly they cannot expect to have the morale essential to meet head on on a front some 200 miles from east to west on the Korean peninsula.

Mr. JUDD. If there were evidence of a reduction in the strength of the forces facing them across their northern border or any shortening of that line they have to defend, then it would not be such a serious matter, but the Communist forces across the armistice line are much stronger and that line which they must defend is still about 155 miles long.

Mr. FORD. The North Koreans and the Chinese Communists have violated the armistice provisions. They have built airfields, moved in more modern equipment. They have increased the size of their forces. The net result is that the Communist forces north of the armistice line are infinitely stronger than at the time of the armistice, and in addition our forces have been reduced numerically. Within the last 6 or 8 months we have said the situation cannot be tolerated, and we have moved into the forces modern weapons which are essential if we are to make a successful effort of defending that area under the circumstances.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a point of clarification?

Mr. FORD. I yield.

Mr. PASSMAN. The gentleman realizes, I am sure, that this House last year in its bill really appropriated only $689 million for this particular phase of the program. There was also, however, a $36 million item; and another of $25 million was to pay for a bribe in a certain country, and I should not like to go into details—and shall not unless forced to do so.

But, let me add here that the gentleman would lead the membership to believe—not purposely—that we then reduced the program too drastically.

Under the legislation we are considering $1,610,688,000 is recommended for defense support; and the gentleman knows that many of the details are secret, and we are not privileged, therefore, to make certain observations the membership should know about. The spending goes into the hundreds of millions.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. FORD. Would the chairman of the subcommittee yield me 5 additional minutes?

Mr. PASSMAN. I yield 1 minute, but if you have no further time available over there, certainly I will yield 5 minutes.

Mr. FORD. The gentleman has interrupted, and I gladly yielded to him.

Mr. PASSMAN. Yes, I am pleased to yield 5 minutes, but I should also like to ask 1 or 2 questions.

Mr. FORD. Well, as the gentleman from Louisiana knows, last year we did make a reduction in the defense support program. The total made available, including reappropriations, was $789 million. As I recall the precise figure, it was about $150 million or thereabouts less than what the total request for funds was.

Mr. PASSMAN. Seven hundred and twenty-five million dollars, I believe, is the correct figure.

Mr. FORD. That was on the basis of the original request. But, when you get to the figure of $789 million, you are talking about reappropriations.

Mr. PASSMAN. Six hundred and eighty-nine million dollars plus reappropriations.

Mr. FORD. The point I want to make is that because of the reduction made by the Congress, the allocation made to South Korea was reduced, and as a consequence of that reduction the forces, the land forces, in South Korea had to be decreased because the South Korean Government could not maintain its economy to support forces to the extent of 21 ground divisions.

Mr. PASSMAN. Is it not true that in Korea there are military assistance and defense support programs, and they are now in the Development Loan, and they could also be under special assistance and under technical cooperation? Put them all together, and the total amount that is going to Korea would frighten the membership—if we were privileged to inform them as to the facts.

It is all right to make an argument about what we are not doing, but I wonder if we may not deal with the actual figures instead of a lot of generalities? We should let the people know that in the particular bill we are discussing, there is going to be available $8,278,084,500 for the total program; that you actually have in defense support $1,610,688,000, and that this amount is limited to 12 nations.

Let us get right down to realities, rather than generalities. If the gentleman wishes time to tell the Members

what some of the nations are receiving out of this defense support program, I should like to have him do so.

Mr. FORD. Mr. Chairman, I would like to reemphasize that this money in the defense support program does go to 12 nations; and they are 12 stanch and steadfast allies of this country. Those countries have military forces in the number of over 3 million under arms. As I say, these 12 countries have over 3 million men under arms and they are alined and allied with us. If you riddle the defense support program you are absolutely undercutting the ability of these countries to support those forces. I, for one, am not willing to do anything that would make it more difficult for them to stand by our side on this perimeter surrounding the Soviet Union. I do not think we should gamble to reduce the South Korean forces so that our two United States divisions in South Korea will be put in jeopardy. I do not think we should jeopardize our position in Turkey, so that we might conceivably lose the availability of a location which permits us to know what is going on in the Soviet missile program.

I do not think we ought to jeopardize our position in Formosa where we have a strong position on the periphery of Red China.

Mr. PASSMAN. I am in complete accord with the gentleman's views in this regard. Now, will the gentleman yield?

Mr. FORD. In just a minute. We absolutely need the 600,000 or 700,000 Formosan forces to help us protect our flank in that area. We have forces on Okinawa, which is an island more or less adjacent to Formosa. If we lose Formosa, that base where we have spent billions and where we have forces on hand, would be put in jeopardy.

Mr. PASSMAN. Will the gentleman yield?

Mr. FORD. I yield.

Mr. PASSMAN. If the membership will turn to page 186 of the hearings they will find that this program has no connection with the military assistance. It is strictly economic aid. And I say to the distinguished gentleman from Michigan that a great part of this money is going for poorly planned, poorly engineered projects—flood control, reclamation, rivers and harbors, bridges across bayous, and such as that. These projects are started and they are stopped. If you will read page 186 of the hearings you will certainly understand that we are starting all types of projects without consideration of any cost-benefit ratio, or proper engineering data, if any at all.

If you will turn to page 186 of the hearings, and if you find that the record does not fortify my position, I shall apologize.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. WIGGLESWORTH. Mr. Chairman, I am amazed that the distinguished chairman of our subcommittee should again take the position that this is economic aid. It is economic aid in character, but, of course, it is 100 percent for military purposes. And it goes only to those countries where we are trying to support essential military forces.

Is it not also a fact that as far as this defense support item is concerned, regardless of the figures that have just been scattered around the ceiling here, there was no unobligated balance in June 1957 or in June 1958, and that the pipeline is less than 12 months?

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I should like to ask the gentleman where we are going to get the money to do this, when we are in the red this year two or three billion dollars. We are spending more money than we are taking in. I should like to have somebody tell me how we can meet our bills when we are spending more than we are taking in. Next year they claim we will be in the red $9 billion and will have to raise the debt limit to $290 billion. Somebody must give the answer to the question, Where are you going to get the money? Are you going to take it from us and give it to the Koreans, or take care of us first?

Mr. FORD. I think if the gentleman will look at the figures he will find that South Korea and these other countries I have mentioned have done a very commendable job in contributing their share in substance and in personnel. They are doing as well as we. Bear in mind particularly in Korea the devastation which was wrought on their homeland by the battles that raged for a period of some 4½ years.

Let me say this, if I may: I am as anxious to have a balanced budget as the gentleman from Massachusetts. I think if you will look at my votes on appropriations and authorizing legislation over a period of time my record on economy would compare rather favorably, not perhaps as well as the gentleman from Massachusetts. I do not like the possibility of a deficit, but I see a greater danger, a danger which in 1 fiscal year, if we should have an all-out war, would be infinitely worse than the deficits which we have had in fiscal 1958 and which we will have in 1959. We will not only have fiscal chaos but conceivably we could have bloodshed on the shores of the United States and elsewhere, which I do not want to see under any circumstances.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I say to the distinguished chairman that I do not know how much he has done in the field, but in many of these countries which you go to when you actually see these projects in existence you realize it would be impossible otherwise for many of those countries to support their own armies. That is exactly what is being done under this project. Unless you have this support assistance directly going into these projects, which makes the economies of these countries able to support their armies, they will not be able to support themselves. I have seen some of these projects actually in existence, and as far as I could see, as I was able to observe the projects that were being promoted, they were projects such as greater food production or the betterment of some other phase of the economy which strengthened the economies of those countries to the point where they were actually able to support an army or navy in being. I think that is the purpose of this appropriation, as I understand it, and that is what the money has been spent for.

Mr. FORD. That is correct.

Let me reiterate: Because of what appears to me to be the necessity for adequate funds in the defense support program, I will offer tomorrow an amendment to restore the figure to $775 million, which was an amendment offered in the full committee by the gentleman from New York [Mr. ROONEY]. I think it is essential, it is vital, that such a restoration be made.

Mr. Chairman, I thank the Committee for its indulgence.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute.

The question is whether we are going to consider this bill on the basis of facts and figures or on the basis of fiction generalities, excitement, and various kinds of pressures that prevail.

I want to refer my distinguished friend, the gentleman from Massachusetts, to pages 186 and 187 of the hearings, to read this exchange:

> Mr. MURPHY. All right. I see nothing objectionable in financing any of those items.
>
> Mr. PASSMAN. In other words, defense support is actually economic aid?
>
> Mr. MURPHY. Definitely.

This item provides for some of the most unsound projects ever conceived by the mind of man. It includes projects started without any engineering data or other information to establish that they have a favorable benefits-to-costs ratio. The record is clear that we are doing some foolish things abroad.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. Is it not true of one of the countries to which we are contributing economic aid or defense support that during the last 3 years we have contributed more money to that country than was raised by that country from their own taxpayers?

Mr. PASSMAN. That is an accurate statement. As I have said before, Mr. Chairman, if the membership of the House were to go home and read the hearings from cover to cover, there would be a motion not to appropriate a dime until a complete investigation could be made. Let us get away from the pressures now and get down to the facts and figures. Let us get away from the generalities.

I am not fighting the program. I am fighting against giving the bureaucrats all the money they want—to waste, in huge sums, throughout the world. We must have a sensible program or we will bring this country to its knees economically. Remember, Mr. Eisenhower has had $118 billion more than the Truman administration had in 5 years, yet

the public debt is up by $9 billion, and no doubt it is going up further every day.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, I think with very commendable zeal, the chairman of this committee for whom I have a very high regard has brought out the efforts of the subcommittee and the full Committee on Appropriations to economize in every possible way because of the importance of the budgetary situation. Perhaps, in his zeal, he has gone so far as to make members of the committee wonder why we are putting $3 billion into this program, the less successful features of which have been so featured in the discussion up to this time. I think if we pause for a minute to review the overall situation, which I know is perfectly well known to almost everyone in this Chamber, it might be worthwhile to approach this most important measure in the proper perspective. This mutual security program has been generally acclaimed as successful. I was not one of the original sponsors of the program, the Marshall plan or any of the other plans. But, I have not found a responsible military figure anywhere in our Government who has served the Government in recent years in this field who has not maintained that the mutual-security policy has been essential in preserving the peace of the world and that it has been for our own self-interest and national benefit. I do not know of any responsible military leader who has ever said that we should abandon the program. The program has been very carefully reviewed by the legislative committee. Certain rather substantial cuts have been made in the authorization over the request of the administration. The question before us today is what should we appropriate at this time. As I understand it the questions of policy and international relations are not the responsibility of the committee or the subcommittee on which I serve, but are the responsibility of the Congress and the policy has been determined.

Our responsibility is to see that the program is properly implemented. My concern is that we may have crippled what is to me the most important part of this program; our own self-interest, our own national defense, and the defense of the Free World. No one has ever questioned, as I say, the military importance of sustaining the four or five million friendly troops that are manning the line around the Free World. That is essential to our overall safety. The generals who have served in NATO including General Gruenther, General Norstadt, and our own President, agree that it is essential. We do not have the manpower in this country to man that line. We have only about 6 percent of the population of the world. We have neither the money nor the manpower to man it ourselves. In my opinion the military part of this program includes defense support, economic aid though it may be. It clearly comes under defense needs. Of course the surgeon who goes out into the field to help the wounded is not fighting, but it is military service. If we reduce the food and clothing and weapons in the hands of those nations that are already sacrificing more than they can afford, it is as important from a military standpoint as if we were handing them guns and ammunition. The fact of the matter is that we have cut in this bill the critical items to an alarming extent. For modern weapons and purely military items it is $285 million below the budget request and $90 million below the authorization. But I am not going to belabor that point except to say that we certainly have been very careful in cutting down on very important items, where there is lead time of at least 18 months. The principal part of these funds is to supply those men of other nations who are standing side by side with our people manning the lines with weapons that they cannot provide for themselves. I cannot imagine a better investment in defense support, as has been so ably pointed out by my colleagues on the committee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], the gentleman from Michigan [Mr. FORD], we are cutting dangerously deep. The budget estimate was $835 million and the authorization was $810 million, and we have slashed that to $700 million, in a field that is just as important, in my opinion, for our own national safety and our welfare as having our own troops properly armed and equipped. To me that is a dangerous cut. I hope we can restore some of it, because, as has been pointed out, the economy of those countries is crippled by having so large a percentage of their population in the military and productive age standing guard and not able to produce the things they need at home. There is nothing more unproductive than a man on guard duty until he is needed to shoot at somebody. But there is nothing more important for the safety of the world today than to have those people there. We cannot place them there ourselves, or keep our own people there at a much greater expense. Remember that in Korea the average cost of one man is $302. How many of them can we supply? Nor do we pay the entire $302. We pay only about one-third of the cost, whereas every American soldier we keep in line costs many times that amount.

There is another item I think we have pared too closely, and I am at a loss to understand why we have done it, because in my opinion it will not really affect our national debt unless it should become most important. That is the contingency fund which the President asks for in the sum of $200 million. We have cut it in half. This measure reduces it $55 million below the authorization. Need for that money has been criticized because over a period of 3 years not more than $8 million or $10 million was spent from a similar fund.

This matter is entirely too important to be put upon a purely personal or selfish basis. If the President of the United States, regardless of who he is, is to meet any emergency and be prepared against the unforeseen he must have tools with which to do the job. I for one am proud that our President is so well informed and has such a level head, but regardless of who is President of the United States, it is unfair to expect him to perform a job yet refuse to give him the tools necessary to do it, I certainly hope this committee in its wisdom will restore the contingency fund. It will not cost the taxpayers anything unless the President feels it in the national interest to use it; and, frankly, when our President feels it is in the national interest and important to use it I do not want to be one to have denied it to him.

There has been a great deal of emphasis on shortcomings and the delays that have been alluded to, and the secrecy required regarding certain details. The impression has gotten around that there is a great deal of skulduggery. That is not a fair implication. War is an ugly business at best. Even a cold war is just as ugly as a shooting war, perhaps in some cases worse, and it may be that there are seamy sides to parts of it that may not meet the standards of our most intellectually enlightened and moral people, but when one is fighting for survival there are times when he must get help where one can find it. I would rather spend a little money than to be accused later on because someone was not enlisted on our side because we did not use means that might be criticized as not the most desirable approach. Countries vary in their standards and codes of official and personal conduct. Some of their codes are very different from ours, and allowances have to be made. In any desperate fight one can ill afford to inquire about some of the acts of associates so long as they are shooting at the same enemy, and I think that is one of the things we must consider.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I shall be glad to yield after I have made just one more point.

The remaining point upon which I would like to touch is the Development Loan Fund. There has been a great deal of discussion pro and con as to whether it is better to grant people outright gifts or to make them loans, even though the loans are not the hard kind that we would like to make through banking institutions. It has been debated both ways, that soft currency is worse than no currency at all; also that a person's self-respect is better maintained even if you know he may not be able to pay, to make a business loan rather than to make a gift. We have been criticized both ways, but remember, the policy has been determined by the Congress.

It is perfectly ridiculous to have a policy to set up a Development Loan Fund and then not provide the funds that can be used intelligently over a period of less than 6 months. There is a great deal of misunderstanding and I believe unfair criticism of the development loan program because those responsible have not been throwing the money around promiscuously. Most of the money is still in the Treasury. Do not be confused about that. This agency started out with 10 people. It has been going 6 months. They have tried to be careful and to use sound judgment and take the best loans they can get. They assured us they will need to run the oper-

ations on the scale at which they are going at the present time, a minimum of $600 million.

We have cut the authorization. The request has been reduced by the Congress. Then this bill cuts it more than half, like the President's contingency fund. It seems to me that instead of acting as an appropriations committee in these respects we are nullifying legislation, the express will of the House as it has been determined over a period of years.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. If the gentleman will yield me a minute, I will answer him.

Mr. PASSMAN. Yes, I yield the gentleman 1 minute. Is it not true that year after year the administrators came in and said, "Yes, you gave us too much money." Even this year when we asked Mr. Sprague if we did not help the program by putting some sense into it, the gentleman replied: "The reduction that the Congress has effectuated in the program has assisted the executive branch in administering the program in a more efficient manner. There is no question about that, Mr. Chairman."

If you gentlemen would go back to the CONGRESSIONAL RECORD for the past 5 years you would read the same type of story year after year. I submit that the gentleman, in taking the position which he does, is not fortified with the facts of the RECORD.

Mr. MILLER of Maryland. Mr. Chairman, I fully agree the gentleman's statement for the RECORD is correct. And why? When we had this year the benefit of the most forthright and straightforward presentations from the key officials that we ever had before, why should they be punished because of mistakes of the past? The same witnesses have said that the cuts we are presumably making at this time will cripple the program. I would rather pay respect to the witness who came in and did not use the money and said we could have gotten along with less. I would rather be in that boat than where we were when sputnik hit the sky and we were criticized for not having enough money in the missile program.

Mr. PASSMAN. The presentations this year were without doubt the most unsatisfactory, the most inaccurate, the most confusing ever heard by this subcommittee. If the gentleman will read the hearings between now and possibly when the bill goes to the Senate he will know more of the facts. I could not stand up and say the presentations this year were the best ever made. I am afraid the gentleman is slightly confused, because the record reveals them as about the most unsatisfactory that have ever been presented to an intelligent subcommittee of the Congress.

Mr. MILLER of Maryland. I am interested in the gentleman's comments because I heard him on 2 or 3 occasions in the committee compliment the witnesses. I thought the chairman would agree that while he did not like the way the problem was presented, it had been better presented this year than last.

Mr. PASSMAN. The gentleman would be embarrassed if his constituents ever read the RECORD.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from New York.

Mr. TABER. I am wondering, if the hearings were so bad, how the chairman of the subcommittee let them stay that way?

Mr. PASSMAN. I would be pleased to receive an opportunity to answer the question.

Mr. TABER. Why did he not correct that situation?

Mr. MILLER of Maryland. I would rather the chairman use his own time, of which he has considerable. I would like to yield to my friend, the gentleman from Iowa.

Mr. PASSMAN. The gentleman is not going to permit me an opportunity to answer the accusation advanced a moment ago?

Mr. MILLER of Maryland. The people on my side want some time. The gentleman has plenty of time and he should answer the gentleman on his own time or give me another 5 minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say this, that I have read the hearings only in the last 2 or 3 days, so they are fairly fresh in my mind. And, in reading the hearings I find that when the subcommittee backed the witnesses in the corner, it was the same old story of "It was unfortunate that this happened; we are sorry that this happened, but it did happen." There has been waste, corruption, and racketeering all over the world in these funds, and the gentleman knows it.

Mr. MILLER of Maryland. I am prepared to concede that there is waste in any program, no matter who runs it, the size of this. But, will not the gentleman concede the fact that the record built up by this committee has been largely aimed at finding the faults and weaknesses of the program, and that there is very little in the hearings to indicate the good things that have been done?

Mr. GROSS. There are so few good things that have been done, in my estimation, after reading the hearings.

Mr. MILLER of Maryland. If, as a judge, you wished to hear from both sides, there might have been questions that you wanted to ask that are not even in the hearings.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Indiana.

Mr. DENTON. Is it not a fact that we asked them over and over again to tell us, please, some of the good things they had done, especially under point 4 and some of the other programs that we wanted to find out about, and why they did not put their best foot forward, and they refused to do it over and over again.

Mr. MILLER of Maryland. I know it was difficult at times getting the facts, but I do disagree that it was the worst hearings I ever heard.

Mr. WIGGLESWORTH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM of Iowa. I wish to thank the gentleman for his wonderful presentation and ask him just one simple question. Regardless of the hearings, is this any time to toy with the security of America?

Mr. MILLER of Maryland. I feel definitely it is not. I think if we err on either side, we should err on the side of safety and our own self-interest. I do not look upon this as giving anybody anything. The only gift that I see in any of this program is the thought that we are doing something for America first.

Mr. CUNNINGHAM of Iowa. I thank the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Virginia.

Mr. GARY. I would like to ask the gentleman if the appropriation of new money in the sum of $3,078,000,000 would be considered by him as toying with the security of America.

Mr. MILLER of Maryland. I would certainly not think any sum as colossal as that is toying with anything, but, on the other hand, with the gravity of the world situation, this matter must be considered in its proper perspective. I have lived through two wars where too little and too late was a very costly factor, and perhaps I would err on the side of having a little bit too much rather than a little bit too little where wars are involved.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman.

Mr. WIGGLESWORTH. The amount mentioned by the gentleman from Virginia [Mr. GARY] is just about 10 percent of what we put up for our own military purposes and it imposes on each American the burden of just under 7 cents each day.

Mr. MILLER of Maryland. Our whole budget, everything, has become so large that, compared with some of the recent cost increases, this is not a large sum of money, or, I regret to say, compared with what 1 day of war would cost us if we got into either a brushfire war or an atomic war.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman.

Mr. PASSMAN. Let us be sure that we understand that we have 3 foreign-aid programs being brought in by 3 separate committees. The total you have here for foreign aid will exceed $8 billion, or approximately 12 percent of all

appropriations that Congress will make for this fiscal year.

Mr. MILLER of Maryland. Of course, I do not quite agree with what the gentleman calls foreign aid and what he does not call foreign aid.

Mr. TABER. If the gentleman will yield, the facts are that would be the total amount unexpended. It would not be the amount that would be used in 1 year.

Mr. PASSMAN. I am sorry, but the gentleman is mistaken.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. MILLER of Maryland. If the gentleman from Louisiana will yield me 1 minute, I should like to answer.

Mr. PASSMAN. If the gentleman from New York would yield the gentleman from Maryland another minute, I think I could save all of you some embarrassment.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. MILLER] has expired.

Mr. PASSMAN. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I want to elicit some information with reference to assistance given to the Communist Dictator Tito. Many of the Members who were here in 1956 will recall that in the hearings before the Committee on Foreign Affairs it was stated by Mr. E. Perkins McGuire, Deputy Assistant Secretary for International Security Affairs, Department of Defense, that previous to March of 1956, there was no inspection permitted by Tito of assistance in any form that was given by the United States to Communist Dictator Tito. Then in 1956, if you will recall, the Mutual Security Act, section 142, subsection 10 thereof was amended so that it was mandatory that before any additional United States assistance could be given to Yugoslavia there should be permitted by the Yugoslav Government a complete inspection, including continuous review of the utilization, the end use of all items given by the United States.

I would like to inquire, in view of that situation, whether the Committee on Appropriations has been presented with information with reference to a complete inspection of the utilization or end use of our assistance to the Communist Dictator Tito, and whether the commitee are satisfied that that assistance has not been used in a way detrimental to the United States, or if we were just handing it over to Tito in violation of subsection 10 of section 142 of the Mutual Security Act.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I am glad to yield.

Mr. FORD. It is my understanding that within the last 3 or 4 months Yugoslavia has called a halt on its part as far as any military assistance is concerned.

Mr. FEIGHAN. That is correct, but would you go to my question? My question is, Has the committee been supplied with a report of inspection of the utilization, the end use of this material that has been given to Tito as required by law?

Mr. FORD. It is my understanding that following——

Mr. FEIGHAN. Is it the gentleman's understanding, or was that information presented to his committee so that he or the committee can assure the Members of Congress that the provisions of section 142, subsection 10 of the Mutual Security Act making it mandatory that a complete inspection of the utilization or end use of the United States assistance be provided by United States representatives and a report made thereon has been complied with? I would like that answered.

Mr. FORD. Following the enactment of the provision, the situation was clarified and our military advisory group did have the opportunity to make such inspection.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman 1 additional minute and ask, please, that the gentleman yield to me.

Mr. FEIGHAN. I yield.

Mr. PASSMAN. There have been many defections from the program. I think the gentleman should know that Yugoslavia asked that we discontinue the aid.

Mr. FEIGHAN. Did not Yugoslavia say they did not want military aid any more? The record is clear that as soon as Congress, by law, insisted on the right to inspection of all end-item use in Yugoslavia, the Communist dictator, Tito, immediately cooled off toward receiving further United States military aid because he knew that his activities within Yugoslavia, including the use of equipment we supplied to him, would not stand honest and full inspection.

Mr. PASSMAN. Yugoslavia asked to be cut off, and we cut them off. The Dominicans have voted to end further aid. Portugal said, "You are upsetting our people and our economy. Please get out of our country with your program." So there is no program there. The Sudan adjourned their Congress hurriedly because they voted to kick us out of the country. I might note also that Cambodia has invaded Vietnam, using the equipment we provided.

Mr. FEIGHAN. What the gentleman has said is an observation that is ex post facto, as to the time when the assistance was delivered. The question I asked is being begged, it is not being answered, and I think the Members of the Congress are entitled to know whether the provisions of the law have been complied with.

Mr. FORD. Will the gentleman let me conclude what I started to say?

Mr. FEIGHAN. Yes.

Mr. FORD. Following the enactment of that provision the situation was improved to the extent we could, through our military advisory group, inspect the end use of this equipment which was furnished, but now that the aid has been withdrawn at the request of Yugoslavia our military advisory group either has or is about to leave the country, because we are no longer supplying the equipment for that purpose; so that under those circumstances there is no further ability to make an end-use check.

Mr. FEIGHAN. My question relates to what has already been given them, not what may be given them in the future.

Mr. PASSMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PASSMAN. Mr. Chairman, there is some danger here of there being a picnic. They are having a picnic outside. I notice the Members are going out rapidly over on the other side. If there is any danger of that, I think the membership should be informed.

The CHAIRMAN. The gentleman does not state a parliamentary inquiry.

Mr. FORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-five 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. 117]

Andersen, Minn.	Garmatz	Morris
Anfuso	Gordon	Morrison
Barden	Green, Pa.	O'Neill
Barrett	Gregory	Patman
Bass, N. H.	Gubser	Pilcher
Bass, Tenn.	Gwinn	Poage
Belcher	Halleck	Powell
Boland, Mass.	Harvey	Radwan
Brooks, La.	Hays, Ark.	Rains
Brownson	Hébert	Rhodes, Ariz.
Buckley	Holtzman	Riehlman
Burdick	Jenkins	Rivers
Byrne, Pa.	Johansen, Mich.	Robeson, Va.
Celler	Jones, Mo.	Saund
Christopher	Kearney	Shelley
Clark	Kearns	Shuford
Colmer	Kilburn	Smith, Miss.
Cooley	Kirwan	Spence
Corbett	Kluczynski	Steed
Dawson, Ill.	Knutson	Talle
Dies	LeCompte	Taylor
Diggs	Loser	Teague, Tex.
Dorn, N. Y.	Macdonald	Thompson, La.
Durham	Machrowicz	Thornberry
Eberharter	Mack, Ill	Trimble
Edmondson	Magnuson	Vursell
Engle	Mason	Watts
Farbstein	May	Wharton
Friedel	Miller, N. Y.	Williams, N. Y.
Fulton	Montoya	Wilson, Calif.
		Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, 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. 13192, and finding itself without a quorum, he had directed the roll to be called, when 333 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.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, this is the most amazing exercise I have seen in 20 years of service in this House, this attempt to give this vast and important program, so badly crippled by cuts, the bum's rush in half a day; and I am most happy to learn that this plan has now been abandoned.

Mr. Chairman, I have a great interest in this program because our own committee just ended the consideration of it a few days ago. Since I was so familiar with it, I looked with great inter-

est at the Appropriations Committee report to see the reasoning, the explanation, for the terrific cuts of $579.5 million from the ceiling established by Congress only at the end of last week. I was unable to find that information in the report. So I listened with fascinated interest for over an hour to the chairman of the committee, the gentleman from Louisiana, hoping that I would hear from him a description of how these specific cuts were justified. I not only did not hear this but I did not hear from him any reason why any such program at all was justified. Instead of hearing any justification for the $3,078,000,000 brought in by his committee, I heard a general attack on the whole program, winding up with some splendid bits of poetry and a plea. The gentleman said "After 4 years of service as chairman of this subcommittee I plead with you to follow me." He urged that course instead of supporting what he called the the inflated program approved by underlings and bureaucrats. He had a funny story about how the President did not know about it; nobody knew about it, until you got down to Johnny Murphy earlier, and he referred to the pressure to accept blanket approval of the work of thousands of bureaucrats to keep the program excessive.

Now, I resent that.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. No; I do not yield to the gentleman. My time is limited. I listened to him for over an hour, and he has over an hour of time in which he can ask me questions, and I will be glad to answer. But, it is going to be on his time and not on mine.

Mr. PASSMAN. I asked the question because the gentleman mentioned my name.

Mr. VORYS. Mr. Chairman, I decline to yield now. I will yield copiously to the gentleman later if he wishes to take his own time and interrogate me on the floor.

Our Foreign Affairs Committee went all over this program, and I find, in checking with Appropriations Committee members, looking at those hearings, and checking with the staffs of both committees, that both committees had exactly the same information. As a matter of fact, our committee had more information, and we did not take this from any underlings or bureaucrats. And this House by an overwhelming vote last Friday approved a conference report that is $597.5 million higher than the total this committee brought in, and this House was not following a bunch of underlings and bureaucrats when they arrived at that conclusion. Of course, what we were doing in the legislative act, the authorization, was fixing the ceiling amount, the upward limits, for the appropriation. But our studies made us fully familiar with the needs for these programs, and those needs have not been met by this program that comes in over half a billion dollars below, not what some bureaucrat or some underling dictated, but what this House approved only a few days ago.

I understand, however, the gentleman's difficult task, an almost impossible task. He and all but one of his State delegation are against mutual security as a policy, and they voted against it this year and last year, and then he is put in the position of implementing a policy that he opposes. He quoted to us a poem about being a "builder or a wrecker." I can understand his psychological problem in voting to wreck the whole thing last month, the whole policy, and then being asked to participate, to lead, in building it. No wonder his building operation looks partially wrecked. My position is different. Last week, for the 11th time, we concluded action on a mutual-security, a foreign-aid authorization bill. And for the eleventh time I had acted as sort of general ringmaster and wet nurse in the House for the Republican side of it. I was and am for the policies even though, as he said about himself, I can say about myself, my reward has been harsh criticism at times. I have helped to cut this program when it was swollen during the Fair Deal years, when the unexpended balances ran up to $8 billion or $10 billion. But not now, when, as has been explained so ably today, we are cutting into the necessary part of it when we cut into these unexpended balances.

Our Foreign Affairs Committee made an examination of the status of unexpended balances, the pipeline, in other programs, agriculture, defense, and others, and we found that this one compares favorably with other Government programs and in most cases is considerably better. So let us quit this business, now that it is cut down to the bone, of attempting to live forever on these unexpended balances.

The gentleman said that due to this foreign aid program living standards have been reduced 16 percent in this country. Why, bless you, during the decade that these programs have been going on, we have had the highest standard of living, the greatest prosperity of any country in all the world in all of human history. I do not claim that this program accounts for it except in this way, that during this decade, in spite of the deadly danger of a third war, we have avoided a third war. Europe has recovered, Japan and Germany have recovered and are now powerful nations on either flank of the Soviets. We have had a period when we have had had some failures, some disappointments, but we have peace. It is an uneasy kind of peace and it can only be maintained by the sacrifices involved in this program. But I am proud of the part that I have contributed and when somebody gets up here and makes a personal plea that you should follow him on this, then I will follow that with a personal plea that maybe you ought to follow me on this, because I was at it years before he got in the business at all, and I have long supported the basic policies he has long opposed.

The gentleman mentioned that military equipment is 92 percent available and ready for use. I am familiar with military equipment in a couple of wars and during this program and some overseas inspections and if any place in the world military equipment is 92 percent available and ready for use at any one time that is a perfectly wonderful record, because usually it is either on order or being shipped or being repaired or being maintained. So that is not a criticism, that is something to boast about.

The gentleman criticizes the phrase "defense support." He says that that is something defined up the street, some place, for some sort of underhand reason. Bless you, that defense support definition grew out of our Committee on Foreign Affairs.

So as to make it clearer just what we mean by it we changed it a bit this year and we make it very clear that defense support is economic aid and nothing but economic aid, but furnished for a military purpose, furnished of the purpose of maintaining forces in being that countries are ready and willing to raise but cannot maintain with their own economic efforts. On this matter of defense support he has criticized his own hearings, and stated they were miserable and unsatisfactory. I made a hasty study of the 1566 pages, and here is just a sample. On defense support, remember 70 percent of it goes to 4 countries: Korea, Turkey, Taiwan—Formosa—and Vietnam. Looking over the hearings indicates consideration by the committee on all phases of this program, including defense support, as follows: Laos, 30 pages; Formosa, 8 pages; Korea, the largest recipient of defense support, 6 pages; and Vietnam, 3 pages. Turkey is not listed in the index and I cannot find anything about it.

I appreciate, of course, that much of the information in these hearings is off the record. As far as our committee was concerned, we had present, here on the House floor, and I guess they have here today, the secret books, the secret testimony, on which the programs were based, so that that is available to all of you. I can see why, however, if that is the proportion of those vast hearings given to defense support, it was cut murderously $135 million.

Laos is still getting a lot of attention, although the situation was cleared up some time ago.

In the Washington Daily News of Monday, June 30, appears a column by Mr. Fred Othman, entitled "Locations of Headaches," wherein he cites testimony before the Foreign Operations House Appropriations Subcommittee, regarding the aid program in Laos. The testimony cited was made on April 29. It relates to charges that pharmaceuticals were being sold at exorbitant prices in some instances and that in other cases they were being diverted to neighboring countries and sold for huge profits. It alleges that still other quantities of medicine were deteriorating in storage. The article also reports misrepresenting the cost of importing water pumps, gourmet powder, and knitting machines, implying that this had resulted in an equivalent amount of extra profit to the importer. It also refers to United States aid operations on the basis of the official rate of 35 kips to the dollar whereas in the open market the rate is 1 United States dollar to 100 kips.

The column implies that ICA, through its witness, Mr. Murphy, the ICA controller, did not answer these charges and seems to imply that there could be no reasonable answer to the charges.

The aid program to Laos has been intensively scrutinized by several Congressional committees including our Foreign Affairs Committee and the General Accounting Office, during the past months. The facts and answers to the specific charges referred to in the Othman column were submitted to our committee in both oral and written form and not only are available in the committee's files but also are a part of the public record. Also, specific questions raised by Congressman PASSMAN in a speech before the House of Representatives on March 25, 1958, were answered in great detail and submitted to Congressman PASSMAN as an attachment to a letter from Mr. Smith, the Director of ICA, dated May 12, 1958. Thus, the facts and answers were made fully available to the committee.

For other references to the Laos aid program during the course of Congressional hearings, see, for example page 865, hearings before House Foreign Affairs Committee, volume 1, February–March 1958; pages 66, 71, hearings before Far East and Pacific Subcommittee of House Foreign Affairs Committee, May 7 and 8, 1958; pages 529–531, 949–952, 962, 966–1014, hearings before the Foreign Operations Subcommittee of the House Appropriations Committee, April–June 1958; page 1662, hearings before House Foreign Affairs Committee, volume 2, February–March 1958.

Furthermore, though at the point in the hearings quoted by Mr. Othman, Mr. Murphy was not personally prepared to answer the specific assertions, ICA had offered and scheduled witnesses to cover these problems and they were in fact later covered before this Appropriations Committee in much the same way as they had been earlier before the House Foreign Affairs Committee.

The references in the Othman column to exhorbitant profits on such commodities as water pumps, gourmet powder, and knitting machines presumably relates to testimony on pages 509–511 of the hearings before the House Appropriations Subcommittee. It should be noted, however, that only a few pages later in the hearings pages 529–531—these charges are completely rebutted.

Regarding specific points covered in the column:

Aspirin tablets were selling in Vientiane on April 4, 1958, for 1.4 to 2.8 cents per tablet, not 15 cents.

Seven hundred thousand dollars of pharmaceuticals have not been consigned to the health minister. Expenditures of $260,400 for malaria, yaws, and first-aid projects including medicines are recorded. These medicines are jointly controlled by the ICA Mission and the Ministry of Health, and are dispensed free of charge in carefully controlled programs.

There is no record of penicillin selling in Vientiane for 90 cents per capsule. An investigation reveals that as of April 4, 1958, a 20,000-unit capsule was available at 13 cents to 16 cents, a 500,000–600,000-unit capsule at 24 cents to 34 cents.

It is not true that Madame Oudon has the only pharmaceutical house in Laos privileged to have import licenses for medicines. There are at least 34 other pharmaceutical houses, according to latest reports, also importing medicines under license.

The ICA mission has not been able to document a single case of diversion of ICA-financed medicines to neighboring countries. However, the disparity between the official rate of exchange for Laotian currency and the free market rates in neighboring countries has certainly resulted in the diversion of considerable quantities of commodities originally destined for Laos. This has been one of the major problems in the operation of the aid program in Laos. Monetary reform measures now under discussion are expected to eliminate largely the incentives which have made this situation possible.

The only substantial quantities of medicinals which could have been in Laos in storage at the time the assertion was made were brought in by the French in connection with the military operations in the area and left in Vientiane to be used for remaining military forces.

The overcharging for the water pumps, gourmet powder, and knitting machines did not, in fact, occur. The above-cited testimony presents conclusive evidence that the proposed procurement which was to have resulted in such exorbitant profits was discovered and forestalled by a group of procurement experts contracted by ICA specifically, among other things, to control and correct just this type of possible abuse.

With respect to exchange rates, the executive branch has been aware for some time of the unsatisfactory situation in Laos growing out of an unrealistic exchange rate. This has been made clear in hearings before the committees of the Congress. In undertaking aid in 1955 to the newly independent country of Laos, the first and most crucial requirement was to have available the local currency funds needed to keep the Lao Army in being as an effective fighting force to prevent the spread of Communist control in the country, which already extended to two of the provinces. Accordingly, help was given in financing the Lao Army under pay scales and other arrangements prevailing at the time. Dollars made available for this purpose were turned over at the official rate of exchange. As time went on, however, it became increasingly clear that this rate was an unrealistic one and was at the root of many of the difficulties which had arisen in operating the aid program. Various measures were undertaken to deal with this situation, first by helping the Lao Government to institute controls in handling the import program. Beginning in December 1956, attention was concentrated on the root of the problem, the unrealistic exchange rate, with the result that in October 1957 a plan for fundamental monetary reform was submitted for Lao consideration. The election in May 1958 made it necessary to temporarily suspend discussions with the Lao Government on this plan. Negotiations now have been resumed, with the expectation that agreement will shortly be reached.

The chairman of the subcommittee criticizes the Development Loan Fund. He says that only a small part of it has been obligated, but that they are talking about letters of advice. He says he wants to try to find out what that means. I will read to you from the report on the Import-Export Bank bill in which the Congress raised their authorization from $5 to $7 billion, showing its overwhelming confidence in the operation of this institution. Listen to this, because you have to understand what a loan program is about. If you are going to have a loan program you do not handle it the way you handle a grant program. For 10 years we have had critics of this program saying, "Go ahead, put more of it in loans and not so much in giveaways or grants." Here is a chance, when there is $1,115,000,000 authorized for loans and they come up this year with only $300 million additional. This is what was said in the report on the Export-Import Bank bill:

> The actual use of the borrowing authority always lags behind the commitment of lending authority. Typically there is a time lag between authorization of a loan and the actual disbursements under it. In the case of large development projects, for example, there may be a lag of as much as 4 or 5 years before complete disbursements are made.

The report shows that on December 31, 1957, the lending authority committed by the Export-Import Bank was $4,466,000,000, and the borrowing authority used by this old and well-run institution was only $1,487,000,000.

However, remember the borrowing authority must exist before the commitment, before the letter of advice, can be issued. That is why we need this money for the Development Loan Fund, to carry out this program the way some of us supporters of it, including myself, have fought to have it carried out for a decade.

It is said these loans are just the same as grants and gifts, and we will never get the money back. Many people who remember events after World War I have the idea that foreign loans are the same as grants and are never repaid. The record since World War II shows those people are wrong. Here is the record:

Since 1945 we have loaned $16 billion. Principal collected, $4,824,000,000. Interest collected, $1,987,000,000. Total, $6,800,000,000. "Brother, that ain't hay" in payments on $16 billion of loans. It shows what we can expect if we can avoid a third world war, if we can help these countries develop.

They talk about soft currencies. They used to talk about any Government loan as soft currencies. If these countries develop, some of these soft currencies are going to be mighty good for us to have to buy some critical raw materials we will need 20 years from now.

One more item: There has been a great deal of talk about this Indonesian textile industry deal. Here is the situation. Indonesia at present has to put out foreign exchange for $200 million of tex-

tile imports each year of which only $5 million comes from the United States. This only involves specialty cloths because, of course, due to the freight and the distance, those countries out there can underbid us. Now the balance over that $5 million came from Japan, India, Hong Kong and guess who—Communist China. The Indonesian government, faced with this $200 million loss of foreign exchange each year, has been determined to set up their own textile industry. We said, "We will help you, only we want you to make it a private enterprise "proposition and we will see if we cannot get an American textile factory to go out there and go into business." This was not to export to the United States, but to make the kind of cloth that they want in Indonesia to make sarongs and turbans and that sort of thing—so that they would save on their foreign exchange. These letters, therefore, were sent out for that purpose. The result of the letters was only one response and that was from a company that wanted to set up and operate some old textile plants, but did not want to take all the risks involved. We are now informed that that effort failed. Is that not a wonderful thing for the United States? Well, I will tell you what happened. We are now informed that Indonesia has accepted the Chinese Communist offer. That is what the Indonesian textile operation was about. There never was a chance to sell our textiles beyond these special cloths out there. There was never any danger that they were going to reexport here. It was a move in the cold war where we tried to win a battle to prevent the Communists from getting some business and to build up private enterprise, and we lost. If we had won and if we had succeeded, the whole United States would be a great deal better off at this time.

Mr. Chairman, we have gone over this status of unexpended and unobligated balances. I think possibly it has been gone over sufficiently so that all of us understand that this time you do not have the kind of unobligated and unexpended balances that you can use instead of new appropriations. I have a chart here which was in our hearings and is available, no doubt, in these hearings. But, from where you sit you can see this hump that goes up from 1950 to 1952 when we had $10 billion of unexpended balances altogether including a little over $8 billion in military and a little over $4 billion in economic aid and these unexpended balances have been tapering off right up to this year. We now have gotten these unexpended balances down to where they are only sufficient to complete the obligated program—that is, under obligation now. If we attempt to respend these unexpended balances any more, we are going to have to cut the program, either the military program or the economic program in these vital and critical years that lie ahead.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. I want to compliment my distinguished colleague for dealing with this subject so ably not in generalities, but in realities and for giving us the hard, cold facts which will enable members to make up their minds on a sound basis regarding the fundamental worthwhileness of this program which, although there, of course, have been mistakes, has overall been extraordinarily successful. I commend the gentleman.

Mr. VORYS. I thank the gentleman. I have now discussed the only speech defending the committee bill. I regret it did not explain the committee action. Apparently, no one else is going to try to explain it. To me the cuts are still inexplicable.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PASSMAN. Mr. Chairman, I yield myself 10 minutes.

I have been speaking throughout the day in support of the position of the committee—not of PASSMAN. This was the subcommittee's position and the position of the full committee. The gentleman from Ohio has set a new record for ridiculing another Member of this House. I hope he enjoyed himself. It is customary for an attorney in court when he has a weak case to lambaste the attorney on the opposing side. I regret that according to the gentleman's estimate of himself, his intellectual capacity is so superior to mine that I am supposed to go off and try to find reasons to be embarrassed for finding out this late in the day that there is one among us of such great knowledge and wisdom who had not imparted some of the benefits thereof to the chairman of this committee before today.

The committee is asking for consideration of the bill and support of its position upon the basis of facts, including the misrepresentations in prior years, upon the admission of the witnesses this year that we had improved the program by putting at least a little sense into it, and by observing the workings of the program. Our case is founded on solid rock. I suggest that the majority of the members of the Appropriation Committee are willing for the President to finish whatever he is doing at this time, and to stand by and await his pleasure. If it is the wish of the House that we neglect the people's business and carry this consideration over until tomorrow, in order to afford the people downtown further opportunity to pressure the Members, I have no fear of the result. I do not think the Members are going to yield to the pressures that will be exerted between now and the time we convene tomorrow.

We have made our case factually and fairly. If the gentlemen from the other side of the aisle have pinned down one point that could justify increasing this bill by as much as $1, I certainly have not been able to detect it. Therefore, I plead with you now, as you go to your places of abode, to come in tomorrow with an open mind. And I ask you to cast your vote based upon the record. The facts are on our side, and the facts are of record. We are ready for the jury's verdict, confident that you will vote to uphold and support your committee's recommendations, no matter the strength of the pressures that have been or which may yet be applied.

As I say to my colleague from Ohio [Mr. VORYS], I am sorry if I do not possess the great intellectual capacity that he indicates he possesses, and which is necessary to understand the complexities of this program. The gentleman's counsel would have been welcomed.

Mr. Chairman, I ask unanimous consent that all Members may insert their own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ROBISON of New York. Mr Chairman, I have been following the debate on H. R. 13192, the mutual security appropriations bill, with great interest. It is clear, both from the remarks of my colleague from Louisiana [Mr. PASSMAN] and from the hearings held by his subcommittee, that there have been rather numerous instances of maladministration and wasteful management of the funds previously voted by the Congress for this program. Every Member of this House, I am sure, deplores that fact.

And yet, Mr. Chairman, even though some of us will grudgingly give our continued support to this program, what other alternatives is, in truth, open to us?

We have recently appropriated nearly $40 billion for defense purposes in the new fiscal year commencing today. That enormous sum of money, in my opinion, can buy us only time, and an uneasy peace. It can be no more to us than a temporary shield. Like any shield, its value will depend on what is done behind it. It follows, therefore, that unless we take action for peace, behind our shield of defense strength, those billions for defense will represent nothing but sheer waste. Waste this Nation can ill afford.

"Why pour more billions in foreign aid down the rathole," or "let's stop this giveaway program," say the critics of mutual security spending. But have they stopped to find out how much more it would cost America to attempt to take on the Soviet bloc defense effort all by ourselves?

And have they stopped to remember that our most recent war experiences in dollars and cents, net costs, were: World War I, $72,389,000,000; World War II, $425,305,000,000; Korea, $83,405,000,000. When you add the inestimable value of human lives, American lives, lost in those wars to the financial cost thereof, how dare we here fail to give the President the tools he wants and says he needs for waging peace in the hope of avoiding another such war? As my colleague, the gentleman from Texas [Mr. MAHON], in a remarkable address several days ago said:

> If we take the responsibility of denying the President the tools, then the Congress may be held responsible for the shortcomings from this day forward.

I, for one, do not wish to share such a responsibility.

Is not the situation today then one calling for an aggressive effort to wage

peace, as well as to prepare for a shooting war? Is not this very program such an effort to wage peace? And does not the appropriation requested by the President to carry on that effort represent the ammunition required to continue to fight for peace? Just as surely as we did not require the Air Force to do without more bombs whenever they missed a target during World War II, we should not now require the administration to try to correct, improve, and continue this peace effort with insufficient ammunition.

I think our responsibility lies in providing that ammunition. I will vote for the amendments that will be offered to partially restore cuts made by the committee.

Mr. BOSCH. Mr. Chairman, I have carefully considered the mutual security appropriation bill for 1959 in an endeavor to give fair and impartial study to the programs envisioned under its provisions. I should like to first restate my position, fully explained at the time of the debate, on the mutual security authorization legislation when it was under consideration and at which time I voted "No." It has been my practice to send questionnaires to my constituents in my Congressional District, and I have included a question on the continuation of further expenditures under this program. The result on this vital question was 32 percent for and 68 percent against. I must of necessity give weight to the opinion of the people in my District together with other facts and circumstances as foundation for my vote.

I should like, before going into the figures on this bill, to point out that at the present time the estimated deficit for fiscal 1958, which ended yesterday, is between two and three-quarters and three billion dollars. The estimate being spoken of for fiscal 1959 is between eleven and twelve billion dollars. Mr. Chairman, these figures should well shock all of us into a sense of responsibility to move with caution unless, of course, we are willing to be dubbed financially and fiscally irresponsible. Sometimes I wonder if we ever stop to think whether or not Uncle Sam's pocket really has a bottom or even more seriously we ever realize that a fundamental philosophy of Communist ideology and practice is to destroy us by having us spend ourselves into bankruptcy. Do we realize that we have expended in assistance to Communist nations over two and one-quarter billions of taxpayers' hard-earned money.

Now to the bill and the moneys sought to be appropriated in order to buy friends who, when the chips are down, cannot or would not stay bought, and to secure peace. The request was for a total of $3,950,092,500 which amount has been reduced by the Committee to the amount sought to be appropriated of $3,078,092,500. This amount is exclusive of a total unexpended balance as of June 30, 1958, of $5,194,992,000. If the instant legislation is adopted, there will be on hand for expenditure in fiscal 1959 the grand total of $8,273,084,500.

Mr. Chairman, with a long, long look at the record of the past with regard to these programs, I cannot in good conscience add this burden on the back of the already desperate American taxpayer. I shall therefore vote against this legislation.

Mr. HALEY. Mr. Chairman, there was a time in our history when the executive and legislative branches centered their attention on building a better United States. At the present time, we seem to have centered our attention on the establishment of a welfare world, with the American taxpayer paying the bill. A few years ago if any country happened to hold an American citizen as a hostage, our courageous leaders simply demanded their return and they were returned. In those days, we simply let the world know where we stood on an issue and there was no quivering on our part when the announcement was made. In those formative years, the world respected the United States, and when an American citizen visited in another country, he was treated with great respect by everyone. However, the pendulum has shifted to the opposite direction. Instead of the world knowing where we stand, they are surprised whenever we do any act consistent with our prior conduct. No country can be sure what we will do in any given situation except give them money if they say it is needed. Consequently, whenever we make an announcement in connection with foreign policy, the world wonders if we really mean what we say. Whenever the opportunity presents itself in certain countries, American citizens are held as hostages, or kidnaped and held for ransom, and we usually submit to their demands. No longer are American tourists treated with respect in many countries of the world.

Now we find that the Soviet Union is the country who makes demands of us, and they have played us for the suckers we have been on many occasions. I regret to say that we have fallen into their trap far too often. The Communists have been pushing us with all their might because they have learned we can be pushed. We have shifted from the position of taking affirmative and positive action, whereby we employed sound, realistic and practical techniques in the conduct of our foreign policy. We have moved to the other extreme in attempting to adhere to some naive "idealistic" approach which sounds good but when put into operation in the manner of the so-called mutual-security program, we find it is simply not the answer to our problem for it does not, and it cannot, meet our need for security in the modern world.

Of course, I realize there will be those who will call me a reactionary or an isolationist. I deny such charges. I fully realize that the world is changing, and that change is inevitable in the order of things. I am not advocating reactionary policies. Nevertheless, we must not forsake the principles which have been tried and proven in the conduct of our foreign relations. I maintain that we have shifted too far and it is now time to allow the pendulum to swing back to center position.

Realizing that most Members of Congress have already decided how they will vote on the so-called mutual security appropriations bill, I repeat remarks I made on May 13 of this year, in appealing 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. A few years ago the recipients were grateful. Today they say that is not enough. 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.

Mr. Chairman, I want to congratulate our distinguished colleague, the Honorable Mr. PASSMAN, as well as his committee for the fine start they have made in recommending a reduction in the next fiscal year of $872 million from the President's budget request for this so-called mutual-security program. I use the term "fine start" for such a reduction is only a fraction of what it should be. The committee has worked under a tremendous handicap and they deserve our praise for such good work. Nevertheless, we have a long way to go in finishing the job of deleting this needless and unnecessary expenditure of the American taxpayers' dollars.

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 policy. We have adopted the false notion that our own security will be assured if we subsidize governments that may be helpful to us in the event of war. But I maintain that reliance on foreign aid is treading on quicksand because of the simple fact that governments which have been bargaining with us on such basis may possibly sell out to our enemy if the enemy outbids us for their favors. Have you ever seen any individual who has been given aid over a long period of time and who has never relied upon his own initiative and ability? He may be your friend as long as you continue the handout; however, once you stop the aid, you have lost a friend.

Let us look at the cost of this program, and the amount of money which we have given to other countries. Remember that under the Marshall plan, aid was extended to 14 countries. Under the so-called mutual-security program foreign aid is being extended to 67 countries. The total appropriations for foreign aid—including the lend-lease program, the Marshall plan funds, and the present day so-called mutual-security program—for the years 1940–58, amounts to $134,764,000,000. The expenditures and credits granted during the 1945–57 period amounts to $68,517,300,000. This amounts to a $773.91 share per person in the United States based on the estimated population in the United States as of 8 a. m. this morning. For your information, the estimated population as of 8

a. m. this morning, July 1, 1958, is 174,-133,619. For the period 1945–57, this per capita share amounts to $393.47.

To give you some idea of what this amounts to with respect to a Congressional District, the share of the people of my district, the seventh district of Florida, amounted to $197,167,755 for the period 1940–58, and $100,244,746 for the period 1945–57.

It should be noted that of the amount already appropriated for foreign aid up to July 1, 1957, $10 billion remained in committed but unspent funds. It should also be noted that this amount is in addition to the money assessed to the United States by the United Nations and other international organizations. For example, in 1956, the assessed budgets for these international organizations included $31,343,953 assessed to the United States, which represented 34.13 percent of the total budgets of these organizations. I have no argument against contributing our fair share to these international organizations, but I maintain that we cannot continue to contribute approximately one-third of the cost of operation of these organizations and at the same time spend huge sums of money in the so-called mutual-security program. The amount we have given away to other countries in the 1940–58 period amounts to approximately 48 percent of our national debt. The amount we have spent in foreign aid in the 1945–57 period amounts to approximately 25 percent of our national debt. To add to this burden with respect to our national debt, estimates have been made that our debt will be increased another $10 billion in this current fiscal year. I repeat a statement I have made many times, 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.

Now is the time when we must reject the idea that we are the chosen people to play the role of "uncle" who can always be counted on to make a handsome contribution. When those in power in some countries find themselves in a position where they need more money, rather than increase the taxes in that country there merely tell "good old Uncle Sap" they need more money to fight communism, and the money is forthcoming. If these countries desire freedom, they will secure it without our money. If they desire to develop their country, let them borrow the money they need. Why can we not realize that in the battle for men's minds the continuing dole in foreign aid is not the answer. I repeat, we must stop this needless and wasteful expenditure of the American taxpayer's money. Let us regain some of the courage and firm convictions which guided our leaders in prior years. Instead of relying on our economic wealth, let us intelligently set our goals, establish our policies accordingly, and be unafraid to let the world know where we stand with respect to our foreign policy. We do not need to rely on foreign aid to establish strong allies. It is possible to maintain military security as well as friendly relationships with other countries without expending the huge sums forced upon the American taxpayer. In fact, if we continue to play the role we have assumed as the free banker for the rest of the world, we will continue to lose friends and adversely influence nations.

Mr. DOWDY. Mr. Chairman, another big dent is being made in the pocketbook of the American taxpayer with the appropriation of these additional huge sums for the foreign aid program.

I am opposed to this appropriation just as most Americans oppose it; but the administration has put on so much pressure that a majority will vote for it. I understand that pressure is being intensified right at this moment.

This foreign aid project raises many questions in my mind, and in the minds of all thinking people. Let us look at some of those questions.

Why must we carry the load of maintaining the economy of every other country in the world? Why must Americans be taxed so that the other nations might be able to reduce the taxes they assess against their own people? Why must we run a deficit every year in order to balance the budgets of other countries? Why must we increase our national debt each year, so that other nations may reduce their national debts? Why should we give our money to foreign dictators when so much better use could be made of it in taking care of our own needs and our own needy? The answers I find to these questions impel me to oppose this bill.

The answer that the administration always gives is that if we do not do exactly what each of 80 foreign countries want us to do, they will all go over to Soviet Russia. If that is so, we are already as defeated as the Communist dictators say we are, and we had better take a look at what is happening to our own economy, including what is happening to our hoard of gold at Fort Knox, too much of which is already earmarked for foreign accounts. This gold is claimed to be back of the American dollar, but it develops that a large percentage of it actually already belongs to foreign nations, and is being held for them. The security for our money has even been given away by our foreign-aiders.

Obviously, it is impossible for any one country, whether it be the United States or Russia, to carry on its shoulders the total economy of the human race.

Certainly the United States does not possess the reserves to support the currencies of all these countries where the value of their money is falling, especially when our own currency is falling.

If we are going to become unpopular in any particular foreign country because its money is suffering from inflation, we cannot do anything about it, because our own money is also suffering from inflation.

The United States had its industrial and transportation development without gifts from foreign nations. Since this country started its foreign aid handouts, however, much of the world has reached the conclusion that domestic problems in their own countries can best be cured by leeching upon the United States. Officially, this has cost us some $80 billion, but really, the cost has been too enormous to estimate, and it is the cause of our inflation and increasing high cost of living.

Once some of the countries realize that Uncle Sam is no longer an easy touch, they will develop adequate ability to take care of themselves, just as they did before the United States took on the burden of supporting the entire human race. Somehow, they managed to get along on their own before we took over, and they can do it again.

Along this same line, since it is claimed that foreign aid is to fight communism, a study of developments under communism in other parts of the world, in past years, shows that almost exactly the same developments are now taking place here in America.

The first development, of course, necessarily includes a penetration of our leadership circles by a softening up and creating a defeatist state of mind. The most deadly conception of all, and it requires a softening up in our thinking before we can take it, is the idea that there are different kinds of communism, and that besides international communism, there is something called national communism, which is fundamentally different. There is nothing of the sort. We are again interpreting, on the basis of wishful thinking, what the Communists are plainly saying. We base the national communism conception on Titoism. Tito at no time disowned or expressed doubt in any of the fundamental tenets of communism, and he is today expending all the time he can in trying to tell the world that he believes in communism, intends Communist objectives to win out and rule the entire world. Yet we continue to give vast sums of money to Tito to help him further enslave his people—and the same in Poland. In this, as always, communism has been able to get the help it needs from the non-Communist, and principally from the anti-Communist world.

By strained interpretations of the requirements of law, completely fantastic statements have come from the White House and the State Department that communism in Yugoslavia isn't really communism, and that communism in Poland isn't real communism. We ought to have learned our lesson in China, when our leaders claimed that the communism of China was not really communism. We were told that in China, it was not the communism of Moscow, and at the very same time the Chinese communist dictator was saying it was the same communism, just exactly as Yugoslavia's Tito has continually said the Communist idealogy is the same everywhere, and that the objective of communism is world domination.

The appropriations provided in this bill just cannot be justified, and this is more particularly true when it is admitted that our deficit for fiscal year 1959 will run between $10 and $15 billion. I will not vote to put this additional burden upon my people and our children, grandchildren and great-grandchildren. At the very least, this bill should be so amended to prohibit any expenditures hereunder that would result in increasing our national debt. For this country to borrow money to

give away to foreign countries is inexcusable.

Mr. NEAL. Mr. Chairman, the mutual-security program has become an increasingly cumulative dollar volume with the passing years.

The administration takes the position that the end is nowhere in sight. Furthermore, we have no assurance that its cost will not increase. In the face of Russia's past successes in weakening our influence among neutral and wavering nations, our efforts to keep them from outright allegiance to the Kremlin will necessitate increased appropriations as years go by.

The big question then is how long can the United States continue to dissipate her resources in a cold war that is apparently being won by our adversary. It must be admitted that in spite of our liberal economic and military aid, the propaganda technique of the Kremlin has been quite successful in persuading some of our former friends and potential allies to lose faith in American leadership, both political and military.

Regardless of moral principles and proclamations, unsupported by the confidence of other nations, no great nation has ever maintained world respect.

The United States, after World War II, was recognized as the leading world power economically, politically, and militarily. That power is now being challenged by Russia and the challenge is being implemented by psychological rather than by material means.

Fully aware of the military might of the United States, as demonstrated by all-out response in defending Europe against aggression in Wars I and II. Russia has elected to avoid us militarily, preferring to engage us in a spending program which would bankrupt our economy and leave us helpless against her implanted infiltrators and saboteurs.

We are trying to fight a psychological war with dollars instead of resorting to the only weapon we possess which will both challenge the Kremlin and restore lost confidence so manifest on the part of the less powerful nations holding their breath until they can determine which way to turn.

Russia does not want war at this time. War with the United States is the last thing they would think of. She has never waged a successful war against a powerful adversary. She will go to war only as a last resort in self-defense or when she is convinced that her cold-war tactics have failed. But the longer the United States and the Western World parley over summits and stand idly by while Russia, by sheer bluff, infiltrates weaker nations and creates provocations by capturing and impounding innocent United States citizens, the West may expert the Kremlin to occupy time gained in building military might for future attacks.

The evidence does not prove that we are gaining world influence with our foreign-aid program. Yet it has reached the point that we cannot abandon it. Even though we continue our foreign-aid program, evidence that we are losing the psychological front is irrefutable.

I believe our Government still holds the whip hand but it must be wielded with more firmness. We run no great risk of immediate armed conflict by adopting a firm and positive position in our Russian relations.

Just as long as the United States permits Russia's tantalizing and bluffing tactics, the world will continue to question our moral stamina while the Kremlin gains propaganda victories one by one.

The appeasement tactics of Chamberlain and Daladier led to German effrontery and World War II. Russia and the West provide a similar pattern today. We may run the risk of war by calling Russia's hand, but if war must come, why wait until Russia gains military power to strike and after her psychological program of propaganda has all but destroyed the confidence of many of the neutral nations of the world that may still have confidence in our power to defend the Free World?

Mr. PASSMAN. Mr. Chairman, I believe that the committee's case is good and strong.

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. MILLS, 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. 13193, had come to no resolution thereon.

APPOINTMENT OF ONE ADDITIONAL SECRETARY OF STATE

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 614, Rept. No. 2101), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1832) to authorize the appointment of one additional Assistant Secretary of State, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING ESTABLISHMENT OF INSTITUTES AND JOINT COUNCILS

Mr. BOLLING (on behalf of Mr. O'NEILL), from the Committee on Rules, reported the following privileged resolution (H. Res. 615, Rept. No. 2102), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 424) to improve the administration of justice by authorizing the establishment of institutes and joint councils on sentencing for the development of objectives, standards, procedures, and policies to be followed in the sentencing of persons convicted of offenses against the United States. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the joint resolution and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original joint resolution. At the conclusion of such consideration the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the joint resolution or committee substitute. The previous question shall be considered as ordered on the joint resolution and amendments thereto to final pasage without intervening motion except one motion to recommit with or without instructions.

TRANSFER OF NAVAL VESSELS TO FRIENDLY FOREIGN NATIONS

Mr. BOLLING (on behalf of Mr. MADDEN), from the Committee on Rules, reported the following privileged resolution (H. Res. 616, Rept. No. 2103), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 3506) to authorize the transfer of naval vessels to friendly foreign countries. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. BOLLING (on behalf of Mr. MADDEN), from the Committee on Rules, reported the following privileged resolution (H. Res. 617, Rept. No. 2104), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13015) to authorize certain construction at military installations, and for other purposes. After general debate, which shall

be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING CERTAIN PROVISIONS OF ANTIDUMPING ACT OF 1921

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6006) to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and request a conference with the Senate on the disagreeing votes of the two Houses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MILLS, GREGORY, FORAND, REED, and SIMPSON of Pennsylvania.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislative Oversight of the Interstate and Foreign Commerce Committee may be permitted to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONSTRUCTION AND SALE OF PASSENGER SHIPS

Mr. BONNER submitted a conference report and statement on the bill, H. R. 11451, to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

CENTENNIAL ANNIVERSARY OF THE LINCOLN-DOUGLAS DEBATE

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution, House Joint Resolution 346, commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

The Clerk read the resolution, as follows:

Whereas the debate between Abraham Lincoln and Stephen A. Douglas at Freeport, Ill., in the Illinois senatorial contest of 1858 was one of the great and important events in the history of the United States; and

Whereas the centennial anniversary of the Lincoln-Douglas debate is to be appropriately commemorated at Freeport in August of 1958: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States joins the city of Freeport in commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

SEC. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of Illinois, and the president of the Lincoln-Douglas Society, Freeport, Ill.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELEVEN O'CLOCK HOUR OF MEETING JULY 2

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. GROSS. Mr. Speaker, reserving the right to object, may I ask the gentleman what the business of the House will be on tomorrow?

Mr. McCORMACK. Yes.

Mr. GROSS. Other than the pending bill.

Mr. McCORMACK. Yes. There is a rollcall vote on the Mallory decision bill, then there is a conference report on the Yellowtail Dam.

Mr. GROSS. Can the gentleman give us any assurance there will not be on tomorrow a filibuster such as took place this afternoon?

Mr. McCORMACK. I do not feel I am qualified to personally answer the question.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FLOOD CONTROL—THAMES RIVER BASIN COMPACT BILL

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, I want to take this opportunity to express my thanks to the distinguished gentleman from Tennessee [Mr. DAVIS], to the distinguished gentleman from New York [Mr. BUCKLEY], and all the members of the House Committee on Public Works for their expeditious action in reporting H. R. 9924, the Thames Basin compact bill. I especially appreciate also the very effective interest and efforts of the distinguished majority leader, Mr. McCORMACK.

This measure, when it is adopted by the House, and I trust and expect that will be in the very near future, will be another step forward in the overall flood-control program for Massachusetts and Connecticut.

As the Members of the House are well-aware, our House committees and membership have given solid support for the flood-control program for the New England area, as well as other areas of the Nation. Insofar as these efforts have been concerned, this has been particularly true, to my own knowledge, in the New England area. The sustained and successful efforts for this vital program have been conducted on a wholehearted bipartisan basis. There has been no suggestion of any political flavor associated with the flood-control program and Members on both sides of the aisle have worked together harmoniously, and I am happy to state, successfully and effectively to advance this program.

The current bill, H. R. 9924, is a companion bill to one introduced by my esteemed friend, the distinguished gentleman from Connecticut, Mr. SEELY-BROWN, whose District in Connecticut is contiguous to my Massachusetts District. From the beginning of the emergency confronting our respective Districts, Mr. SEELY-BROWN has been in continuous association with the activities of those working in behalf of the program and has invariably rendered helpful, constructive suggestions and assistance. I am anxious to express to him my personal appreciation for his fine cooperation and splendid contributions, and in this instance, for his thoughtfulness in introducing the companion bill.

U. S. S. "ENTERPRISE"

Mr. DEROUNIAN. 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. DEROUNIAN. Mr. Speaker, I have just introduced a bill authorizing the Secretary of the Navy to acquire by purchase on behalf of the United States the U. S. S. *Enterprise*, if such purchase can be effected at a price not in excess of the price at which it was sold to the present owner, and to preserve and maintain it in a manner which will appropriately reflect and utilize her great historical interest and value as a memorial to the glorious battles and valiant exploits in which she participated. My bill further authorizes the appropriation of $1 million to carry out its purpose.

Also, I have wired the President of Lipsett, Inc., the contractor who has purchased the U. S. S. *Enterprise*, appealing to him as a loyal American, asking that no steps be taken to dismantle or destroy this ship for the next few weeks, in order to give the Congress an opportunity to act on my bill.

This grand old lady has served our country with valor and distinction, for which it has earned 20 battle stars. As a symbol of America's bravery, of America's ability and strength to fight for what is right, the U. S. S. *Enterprise* should be preserved permanently, in some appropriate place. My bill would

make this possible and I hope it will receive favorable and immediate consideration.

INDEPENDENCE DAY 1958—A GOOD TIME TO TAKE INVENTORY OF THE REAL DANGERS OF LOSING THE INDIVIDUAL FREEDOMS OF OUR HERITAGE

Mr. COLLIER. 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 Illinois?

There was no objection.

Mr. COLLIER. Mr. Speaker, it was just 182 years ago on July 4 that 56 delegates of the original 13 Colonies gathered in Philadelphia to sign the Declaration of Independence and lay the foundation for the great republic of these United States.

It seems to me, therefore, that this is a good time to take inventory of the course of this Government of ours, to look back over the annals of history, and determine if we are keeping faith with these early Americans who had the foresight to plan a government of free men.

Is it not sensible to analyze the implications of a government-planned society and to face the fact that we might be straying well off the path hewed by our forefathers as a road by which we might escape the oppression of government?

Have we not permitted ourselves to drift from the original concepts of the Constitution which provided the foundation upon which the greatest nation in the world was built? Was not its basic purpose to guarantee the right of people to control government rather than be controlled by it, the right to gather the fruits of their labors and their individual ingenuities and ambitions?

I have always regarded the Declaration of Independence and the Constitution as the Government's guarantee that its people might live in a free society and under an economic system of free enterprise. That is why the trend of the past 25 years toward a sprawling expansion of Federal Government continues to be a constant source of fear and concern for the future. Its imposition of regulations and controls have, I am sure, gone far beyond the imagination of those who met 182 years ago on the occasion which we commemorate as Independence Day.

The greatness of our free Nation is built upon the cornerstones of the home, the church, the school, and the local community. These four institutions must remain the dominent force in the American way of life and must be unshackled by interference of the Federal Government.

Never has there been a greater need for vigilence in an age when freedoms are so frequently exchanged for the false security of a government-planned society.

ANNOUNCEMENT

Mr. CRAMER. Mr. Speaker, on rollcall No. 111 on H. R. 12832, the Transportation Act of 1958, also known as the Railroad Relief Act, and on rollcall No. 112 on S. 3342, the extension of the special milk program, I was paired and was unavoidably absent from the House Chamber on official business. Had I been present, I would have voted "aye" in both instances and I ask that the RECORD so indicate.

ADMISSION OF ALASKA AS A STATE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Hawaii [Mr. BURNS] may extend his 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. BURNS of Hawaii. Mr. Speaker, passage of a bill for the admission of Alaska as a State in the Union is truly a historical and highly significant event. The 85th Congress will long be remembered for its action on statehood. Hawaii, a long-time aspirant for statehood, extends its wholehearted congratulations to Alaska and to the Congress as well as to the President of the United States whose approval is anticipated.

The most important feature of this Congressional action is the effect of this on all Americans. The United States of America has again, as it has so many times in the past, demonstrated its integrity of character by taking action that accords with the ideals and principles that are the cornerstones of our national character.

The 85th Congress has kept the faith with our Founding Fathers.

Completion of the action on Alaskan statehood will leave one incorporated Territory—one inchoate State—remaining outside the Union of States. Demonstrably qualified for statehood by every historical criteria, long knocking at the door, Hawaii stood aside for the passage of the bill to admit Alaska. Hawaii now asks that her request for admission to the Union of States be accorded consideration upon its merits. Having borne to the fullest the obligations and responsibilities of citizenship, we are convinced that Hawaii is ready and able to assume her place in the Union of States.

PERSONAL ANNOUNCEMENT

Mr' SCHWENGEL. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mrs. DWYER. Mr. Speaker, I regret that it was necessary for me to be away from Washington on official business on June 30 when S. 3342, to extend the special milk program for children, was approved in the House. Only a very important meeting in my district concerning the location of a Federal-aid highway, which will have a direct effect on several localities in Union County, prevented me from casting my vote on this legislation. If I had been present in the House yesterday, I would have voted in favor of the bill which was approved by a 327 to 1 vote.

I ask unanimous consent to include this statement in the CONGRESSIONAL RECORD in order that my views may be recorded.

THE ERNST REPORT: CHARACTER ASSASSINATION FOR A FEE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 1 hour.

Mr. PORTER. Mr. Speaker, my first speech in this House was delivered on February 28, 1957, and concerned the disappearances of the Basque scholar, Jesus de Galindez, from the streets of New York City, and of my constituent, Gerald Lester Murphy, in the so-called Dominican Republic.

THE ERNST REPORT

Morris Ernst, known to many as a fearless lawyer, has, for a fee, published a lawyer's brief to clear his employer, Generalissimo Rafael Trujillo, long-time dictator of the Dominican Republic, of charges of complicity in the kidnapping and murder of Galindez and the murder of Gerry Murphy.

Ernst, you will recall, was hired by the dictator to conduct an investigation. Justice Department records show that Sydney Baron, Inc., retained by Trujillo to organize the whitewash job, has been paid a total of $262,854 by the Dominican Republic in the 6 months period ending July 19, 1958. Of this amount Ernst's cut for retainer and expenses runs to $90,000.

It would be easy to dismiss the Ernst report for just what it is—a bought and paid for lawyers' brief to whitewash Trujillo. However, the report is so vile, so calculated to deceive, that I am compelled to refute it.

Some of the people whom Ernst has maligned cannot answer for themselves. The two principals, Jesus de Galindez and Gerald Murphy, are dead. Others are private citizens whose means of defense are limited. Moreover, Ernst's brilliant and trained mind has been careful to avoid grounds for libel suits, a specialty of his. His weapons of attack are innuendo, implication, inference.

As long ago as last fall it was clear to me what Ernst was going to attempt to do. In January Albert Hicks, author of the violently anti-Trujillo book, Blood in the Streets, and for a time a member of Ernst's staff, wrote to me 16 single-spaced typewritten pages explaining the reasons for his grave doubts as to the impartiality of the investigation as he saw it unfolding. He quit the farce. Yet Ernst has the gall in his report to point to the fact that Hicks had served for a time on his staff as proof of the impartiality of the investigations.

In October Ernst's detective, Francis X. Grattano, told me in Eugene that although far from complete, his investigations led him to conclude that both Gerry and Dr. Galindez were alive and that Gerry had nothing to do with Galindez' disappearance, nor did Trujillo deserve any blame for the disappearance of either man.

ERNST CHANGES HIS PLAN

When Ernst and Judge Munson came to my office, last summer, Ernst told me that he would insist that the Murphy-Galindez case be fully publicized in the Dominican Republic in an attempt to locate witnesses. "If Trujillo won't let me," he said in my office, "well, ———, I'll quit." My memory and the memory of my administrative assistant are very clear on this point. Later I reminded Ernst of our discussion. He replied that it would be pointless, since none would dare to come forward and risk torture and death at the hands of the ruthless dictatorship. By his own words he should have quit if his request had been frustrated. He did not. The impartial investigator changed into lawyer for Trujillo. Now we have before us the results of Ernst's venal arrangement with the Dominican dictator. His chief conclusions were:

1. No accusation connecting the Dominican Republic or any of its officials with the disappearance of Galindez is supported by any of the evidence.

2. We find not a scintilla of evidence connecting Galindez with Murphy's plane, N68100, on any flight of the plane.

As you know, these conclusions are contrary to those reached by the FBI and the Department of State.

Let us dissect Ernst's methods to see how he sets out to defame the dead Galindez and Murphy, and to discredit reliable witnesses.

CHARACTER ASSASSINATION OF GERALD MURPHY

First. On page 39, in a sweeping statement, we are informed:

We know that free-lance pilots live lives of terrific temptation. It is profitable to smuggle nylon, drugs, guns, immigrants and people who want to enter or leave our shores illegally. We are inclined to believe that the Border Patrol of the United States Government must have a substantial dossier on Murphy.

Note, please, the "we are inclined to believe." Ernst does not say, "We know." A check with the border patrol, as I made, would have relieved Ernst of any speculation in the matter. The border patrol does not have any dossier on Gerry. Moreover, to the knowledge of the Department of Justice, Gerry had never engaged in any such activities. Such intentional slurring is shameful—but you have seen nothing yet.

Second. Immediately following the border patrol innuendo, Ernst refers to Gerry's bank statements from two banks, as follows:

From this we found a pattern which did not surprise us. Murphy was at times a man of money. From January to September 1955, 5 months before March 12, 1956, Murphy deposited in one bank account more than $24,000 in large sums. It is a lot of money for a free-lance co-pilot and does not include other receipts in cash.

Following on the heels of the border patrol innuendo, Ernst insinuates that the $24,000 somehow accrued from illicit border activities as a pilot. What Ernst fails to state is that Gerry was not flying from May 1954 to late in June 1955, the period when the heavy deposits occurred. Moreover, an examination of the bank statement reveals that the various deposits of $3,000 which are alluded to move out within days of their deposit, then back in again. For the most part, the balance hangs at modest figures—much of the time under $100. It appears that it is the same $3,000 or thereabouts deposited on various occasions.

Exactly what the movement back and forth into the bank represents I cannot say. I do not have $90,000 at my disposal to find out. For explanation, see letter from his parents appended hereto. Obviously Ernst preferred not to find out. The knowledge might have disrupted his calculated attempt to paint Gerry as an accomplished crook unworthy of our concern.

THE SMEAR CONTINUES

Third. On pages 40–41, Ernst continues the smear. He states:

We confirmed an understandable antagonism and jealousy between the American co-pilot Murphy and the Dominican pilot de la Maza. This was a natural outlet for frustration on the part of a boy with a big dream. It is certainly possible that he made efforts to destroy de la Maza.

Antagonism and jealousy are, I admit, unpleasant sensations. If indeed Gerry harbored such feelings, does it follow that he desired to destroy de la Maza? You will note the carefully couched exit Ernst provides himself with the squirming phrase, "It is certainly possible." Ernst, the great trial lawyer, took pains not to state the matter too affirmatively. I am informed by the Department of Justice that their investigations reveal no foundation for the allegation.

Fourth. On pages 43–44, Ernst inserts this piece of information:

From all evidence it was by now obvious to us that although Murphy had not met Geri-Ann Powers prior to March 16, 1956, he had, by the end of the month, become seriously involved with her. In fact, on March 31, 1956, Murphy removed N68100 from its tie-down spot at the American Air Taxi Service and, along with Geri-Ann, flew to Middletown, Ohio, in order to spend Easter Sunday with her parents.

Gerry's rental of N68100 was to expire early in April and he had to fly the plane to Linden, N. J. That he should transport Geri-Ann to her home in Middletown and spend Easter Sunday with her and her parents is innocent enough to one less bent on character assassination. The only conclusion is that Ernst's choice of the words "seriously involved" had a malicious intent.

Fifth. Finally, on page 51, Ernst reveals his stellar talents as a trial lawyer. With a catch in his voice and a tear in his eye, he states:

We have understanding and deep sympathy for Mrs. Murphy, the mother of Gerald. In fact, we understand her grief. And since this evidence (regarding the alleged de la Maza suicide note's reference to homosexuality) bears no relation to the Galindez affair, we see no point or duty which impels us to spread on the record documentation which would have little value other than to satisfy the purveyors of scandal. Furthermore, much of our information came to us under the cloak of privileged communication, without which a lawyer could not wisely counsel any client.

How touching. Ernst's sensitivity for Mrs. Murphy's feelings. Yet in the same breath, he hints that his information, if he were callous enough to reveal his facts, is salacious and most damaging to Gerry. And how despicably clever. Ernst skirts a libelous statement by protesting that his tender feelings prevent him from going on record.

So much for Ernst's defamation of Gerry Murphy—vindictive, a thief, smuggler, at one and the same time woman chaser and homosexual, and the total portrait painted by never once putting in evidence any proof. Trujillo is delighted, but how about the jury? Let us consider Ernst's treatment of Dr. Galindez.

CHARACTER ASSASSINATION OF GALINDEZ

If possible, Jesus de Galindez comes off worse than did Gerry Murphy. But then, he was older and Ernst had more of a lifetime to play around with. Galindez is presumed dead. He cannot defend himself.

Ernst, by his own admission, was hard put to defame Galindez. On page 58 of the report we learn from Ernst himself that Galindez was "well thought of by his students and respected by the faculty. His courses were well-attended, and his students enthusiastic."

On the same page Ernst quoted the much respected President of the Basque Government in exile, Jose Aguirre, as follows:

The integrity and honesty of Galindez is beyond all type of doubts. His scrupulousness and diligence has been examplary * * * His accounts have always been exact.

On the next page Ernst says, and I quote:

He was, it seems, a curious combination of a warm, social individual and a methodical scholar. He was an active writer and an imposing speaker. In short, he was a man of whose high ideals and practical accomplishments seem to be such as to justify the large measure of praise and concern which has been evidenced by his friends and associates.

How is it possible to break down so solid a reputation? Let us read on in the report. We must not judge Galindez by outward appearances, Ernst tells us, perhaps unconsciously becoming autobiographical. Instead, and I quote from page 60:

It must be remembered that there attaches to all men, and especially to men in public prominence, the possibility that beneath the facade which they show to the world there lurks a secret and very private self which seeks strange bedfellows. * * * For now, it suffices to say that the part of his life which he kept hidden may well have been the most important part.

Then Ernst proceeds to tear down the purported facade.

CHARGES OF COMMUNISM

First. As you may recall, while Generalissimo Trujillo was passing himself as a stanch defender against communism, his favorite smear against his enemies was that they were Communists. His Ambassador here in Washington even tried such a smear on me in a San Francisco speech, later admitting to me that it was done only for defensive reasons. Galindez, after his disappearance, was literally bombarded with such charges emanating from the Dominican Republic.

Ernst dismisses such allegations. Perhaps the evidence of Galindez' Catholic

ties made it imprudent to pursue this line of attack. In spite of the clean bill of health given Galindez in the report, Ernst cannot seem to resist the temptation to leave a shade of doubt. On page 58, we are treated to this bit of McCarthyism:

At one time, however, Galindez felt it necessary to write in defensive tones to a lady friend to assure her that he was not a Communist.

Second. As for Galindez' respected position as a faculty member at Columbia, that goes out the window, as follows:

Contrary to the impression fostered by inaccurate reporting, Galindez was at no time a professor at Columbia. In the words of Dr. John A. Krout, vice president and provost of Columbia University, "Galindez was a part-time lecturer from 1951 to March 1956."

What, please tell me, Morris Ernst, does this precise academic status of Dr. Galindez have to do with Trujillo's part in his disappearance, unless, of course, you seek any pretense, however small, to downgrade Galindez?

Third. As for Galindez' financial integrity, look what Ernst does. We are told that Galindez had embezzlement charges hanging over him in the Dominican Republic. According to Mr. Ernst and his client, while in the Dominican Republic, in 1945, Galindez wrote to the Secretary of Labor and National Economy offering to compile the labor laws of the Dominican Republic.

He promises to deliver 8,000 copies of the compilation for 15,000 pesos (the equivalent of $15,000). We are treated to copies of his letter and a contract by which Galindez agrees to accept 10,000 pesos in advance and 5,000 upon delivery of the 8,000 copies in 3 months. Ernst includes a photostat of an endorsed check, and an exchange of letters purporting to be between the Secretary of Labor and Economy and Galindez, in which the former demands that Galindez live up to his contract, Galindez pleads for an extension of time, the Secretary of Labor grants the extension, and finally, when still the copies are not forthcoming the Secretary of Labor threatens to prosecute. We learn that sometime during this exchange, Galindez had left the Dominican Republic for the United States.

CORRECT LEGAL PATH EVADED

What of this charge? First of all, why would the Dominican Republic have the compiler supply the copies? The dictator has plenty of his own printing presses. Could it be that the Dominicans had to up their concocted ante to a height that would make embezzlement charges seem plausible? In the second place, why the advance of so sizable a sum? Third, if the charges were true, why did not the Dominican Government institute extradition charges? I am informed by the State Department that we have and did have at the time an extradition agreement with the Dominican Republic to cover such cases.

Ernst says on page 64:

We examined the reason for the Dominican Government's failure to pursue its claim.

Period. Period? After this tantalizing statement, he does not tell us the outcome of his examination. This is the objective appraisal Ernst promised? The glaring omission of the reason leads one to conclude it was not in harmony with his defense of Trujillo.

Instead, he twists the whole story in what would be an amusing angle if a man's reputation were not at stake.

It seems clear—

Says Ernst—

that this business of the labor laws discloses little, if any, actual objective motivation which would lead one to believe that the Dominican Government in fact did away with Galindez.

In other words, Ernst claims that his recounting of this cock-and-bull story is not for the purpose of casting aspersions on Galindez' character, but to follow a clue as to the possible motivation for Galindez' kidnaping. Ernst could have saved himself the duty of reporting so assiduously this matter. His highly trained legal mind knows full well that if the Dominican Republic had a legitimate embezzlement case against Galindez, it could simply have extradited him, making kidnaping unnecessary.

SIGNATURE FORGED

As for the documents in the embezzlement charge—here we go again. I am informed by Mr. Ira N. Gullickson, chief of the Questioned Documents Division of the Washington, D. C., Metropolitan Police Force, that if Galindez' signature on the letter on Basque stationery—Ernst exhibit 47—is a valid signature, then the signatures on Galindez' proposal—exhibit 37—the contract—exhibit 38—the check—exhibit 39—the receipt—exhibit 40—are forgeries. How about this, Morris Ernst?

Mr. Gullickson, during his 28 years on the Metropolitan Police Force, has testified in close to 1,000 forgery cases. He has, moveover, been called in for consultation by various committees of Congress, among them the House and Senate Small Business Committees, the Committee on Elections and Returns, the Dies committee. Mr. Gullickson further reports the intriguing piece of information that both the signature on the contract, purported to be that of the Secretary of Labor and Economy, and the one purported to be Galindez' appear to be written by the same hand.

I shall have more to say about Dominican forgeries shortly.

Not content with the embezzlement charge, Mr. Ernst tries to beat down Galindez' financial integrity from another angle. On page 60 we are told:

When Ed Mowery, writing for the New York Herald Tribune, first revealed on July 2, 1956, that Galindez was a registered agent of the Basque Government-in-Exile, and that he had sworn in such a capacity he collected over $1 million, the news shocked even his close friends.

INSIDIOUS IMPLICATION

This insidious implication that Galindez carried on clandestine activities is ridiculous. Our own Library of Congress in 1949 compiled a book entitled "The Printed Work of the Spanish Intellectuals in the Americas, 1936–1945." In each case, to avoid error, each author was consulted about his own biographic information. Galindez submitted the "startling" piece of news that he was a member of the Basque delegation to the United States. It appears on page 43 of the book. Moreover, as we all know, the Foreign Agents Registration Act provides for a public disclosure of all activities of the agent with the Justice Department. Galendez' activities are painstakingly listed there for all to see.

Ernst tries to create the impression that Galindez' collection of $1 million for the Basque Government-in-Exile has dark connotations. Yet Ernst himself, on page 89, states:

The Basque people are thrifty, able, and excel in work habits and financial stability. Moreover, their devotion, bound together as they are by a separate language, would create a presumable basis for generosity.

GALINDEZ WAS HONEST

The Basques are most assuredly "thrifty and able." They are most assuredly bound together by common heritage. A million dollars collected over 7 years to support their joint cause is not, after all, a staggering amount. Indeed, I have talked personally to Jose Aguirre, President of the Basque Government-in-Exile, and he has assured me, as he did Ernst, that the money collected by Galindez was used to further Basque causes. It may be here noted that in this age of displaced persons and refugees, the Basque people have been models of self-reliance in taking care of their own.

Ernst further points out in his effort to cast doubts as to Galindez' activities, that Mr. Juan Oñatibia, Galindez' successor, reports no collections from Central and South America to the Department of Justice. Mr. Oñatibia, however, has announced that the Basque regime in Paris continues to receive contributions from those areas, but that agents in Mexico, Venezuela, and Argentina send moneys directly to Paris rather than funneling them through New York, as previously done when Galindez represented the government.

Ernst does not let the matter rest there. On page 90, he brings up the fact that the Internal Revenue Service has a claim against the Galindez estate for over $62,000 in taxes for 1953, 1954, 1955. The fact that this was a technical tax question, involving funds which merely passed through Galindez' hands on behalf of the Basque Government and may or may not have been taxable income somehow escapes the great trial lawyer's notice. In fact, the original Treasury Department figures were found to be in error, and the claim was recently settled for $2,855.13.

We must conclude that Ernst intended to imply that Dr. Galindez, besides being an embezzler and a thief, is also a tax evader. So much for finances.

Fourth. We turn now to a favorite gimmick of Generalissimo Trujillo and other assassins of character—the personal habits of the victim. I was informed by a member of Ernst's staff who quit in disgust that Stanley Ross, the editor of the Diario de Nueva York, who was kicked out of the Inter-American Press Association for his unsavory dealings with Trujillo, was a guiding light

around the Ernst investigation. It was Ross' habit to refer to Dr. Galindez as "La Galindez," the use of the feminine Spanish article to imply homosexuality. Needless to say, I wondered if Ernst would take this familiar line.

Apparently, unable even to hint at this and having already liberally smeared Gerry Murphy, Ernst approached the victim from the other angle in such cases.

One quote will suffice:

As our investigation proceeded there were made available to us numerous letters written by Galindez to various people which added to the true picture behind the facade. Scores of letters reveal a strong and passionate interest in women which belies the ascetic picture of a narrow scholar which Galindez offered to the outside world. Galindez was indeed a scholar, but he was much more.

If I were in a facetious mood, I would say that this maligns scholars. But Ernst's clear intent in this passage is so revolting that it is difficult to be jocular about it.

Fifth. Ernst clinches his innuendos about Galindez by implying that he just took off somewhere. A chapter is devoted to various allegations by people who have claimed to have seen Galindez since his disappearance. After detailed discussion of three frauds, Ernst gets around to stating he does not put credence in the stories. But the seed of doubt is firmly planted by such gems as this, on page 71:

We concluded that there was not sufficient corroboration for the identification to be accepted. However, for the benefit of any agency which would want to pursue the investigation, we annex hereto the sworn statement of both writers, reiterating their belief that they met Galindez on February 11, 1957.

This chapter concludes with a reference to a report from Peru that Galindez "arrived in Guatemala November 15, 1957, where he slept over and Saturday the 16th continued with his private pilot Enrique Fernandez, a Chilean, and in his own plane in the direction of Costa Rica."

Ernst adds:

Our preliminary investigation has shown that it may be worth while for those who want to locate Galindez to investigate further.

INCREDIBLE TACTICS

These tactics are incredible. Ernst apparently did not serve his client in the fashion and to the extent in which his fancy retainer and unlimited expense account merited. Why did not Ernst pursue the lead? If he could have turned up Galindez in Costa Rica, would that not have put a conclusive end to all those nasty rumors that Trujillo had had Galindez kidnaped and murdered?

OTHER CHARACTER DEFAMATIONS

First. Another Ernst stab needs an airing to get rid of the odor. On page 78, apparently with no other purpose than to confuse the reader further, Ernst questions Galindez' will of 1952. In the process, he mutilates an innocent bystander.

Galindez named two executors in his will, Peter Aguirre of New York and Francisco Abrisqueta of Washington.

On page 78, Ernst states:

A search for Abrisketo [sic] might be of interest because Peter Aguirre never heard of him, and because Abrisketo [sic] left the United States, we are informed, for South America in November 1955. It is also curious, and perhaps significant, that Galindez in June 1949, refers to the same Abrisketo [sic] whom he later named as his executor, as the drunken man who spoiled a party given for an employee who was getting married.

Let us set the facts out. Francisco Abrisqueta, another Basque refugee, is well known here in Washington. Ernst could have easily found this out. For 9 years, from 1946 to 1955, he served honorably and with great capacity as a statistician-economist at the Pan American Union. In 1950 he was Secretary-General of the Second Inter-American Statistical Conference in Bogotá. From 1950 to 1952 he was Assistant Secretary-General of the Inter-American Statistical Institute, an organ of the Organization of American States. In 1953 he became Acting Secretary-General of the Inter-American Statistical Institute and Acting Chief of the Division of Statistics of the Pan American Union. From 1953 to 1955 he served as Secretary-General of the Institute and Chief of the Division of Statistics.

Among his many accomplishments, too numerous to list, are included: Founder of the Economic Research Department of the Bank of the Republic of Colombia and Director of the Inter-American Training Center for Economic and Financial Statistics. He is an American citizen.

The base insinuations Ernst manages to crowd into two sentences cannot go unchallenged. The word "search" implies that Abrisqueta has hidden; the manner in which it is stated that he left the United States implies he was on the run.

For the record, Mr. Abrisqueta resigned from the Pan American Union to visit his family in Europe whom he had not seen for many years and to attend to family affairs. When he decided to return to the New World, he was offered jobs by the United Nations, UNESCO, the ILO, and the Pan American Union, among others. He decided to accept a position in Colombia. He has since visited the United States in anything but a clandestine manner.

As for the remark about being a drunken man, Ernst does not do us even the favor of saying whether Galindez is purported to have said the remark or written it, or to whom. In any case, it is too stupid a charge, if it even exists, to merit a detailed reply.

ERNST KNOWS BETTER

Second. Ernst gets in some licks on me, too. On page 50, he identifies me as attorney for the Murphy family in the civil suit against de la Maza, the alleged killer of Gerry. Ernst knows better. On the very next page he identifies Robert Abrahams, "who had been retained through Congressman PORTER to represent the Murphy family in the civil suit for damages."

Ernst says he found the attorney fees to be proper, but he leaves the implication that I must have shared in them. Ernst knows better. On page 52, Ernst identifies me as "chief counsel for the Murphy family." Ernst knows better.

He states that after I "had obtained the settlement for the Murphy family [I] became convinced that de la Maza had not been responsible for Murphy's death." This is fantastic.

The settlement came on March 22, 1957. On February 28, 1957, in the House of Representatives, I made my original accusations against the Trujillo regime, in which I charged that the de la Maza suicide note was a forgery and analyzed why I so believed. Ernst, with $100,000 at his disposal to conduct his investigation, must surely have had a copy of the CONGRESSIONAL RECORD.

Page 52 contains this interesting statement regarding the phony de la Maza suicide:

If Congressman PORTER is correct, the $50,000 was obviously paid by the wrong defendant, and yet, after inquiry, we found that there was no proffer of the return of the money by Congressman PORTER to the de la Maza family.

The right defendant paid the $50,000. The Murphys sued the de la Maza estate, and from the start I believed that the $50,000 came straight from Trujillo in the hope that it would quash the story once and for all. It is hard to believe that de la Maza, a pilot working for less than $400 a month, had that kind of money.

Now I learn from Ernst's report that the de la Maza family settled the case. A check of Dominican law indicates that the family is not liable. The question is, why did his family have to pay such a judgment? I still believe Trujillo, the proper defendant, readily supplied the cash. As for advising a return of the money, of course not. It is little enough recompense to Mr. and Mrs. Murphy for the loss of their only son.

REFUTATION OF FACTS

As you have no doubt gathered, a goodly portion of the Ernst report is dedicated to character assassination by smear. He does get around to the meat of the case, albeit the smears are so interwoven as to hide Ernst's obvious lack of evidence.

THE TIME TABLE

Ernst's principal argument is an attempt to chop at both ends of Gerry's flight schedule so as to make it impossible for Gerry to have made a round trip to the Dominican Republic on the night Galindez was kidnapped. Ergo, if Gerry had not enough time to fly to the Dominican Republic, Trujillo is exonerated from complicity to kidnap Galindez.

The trouble with Ernst's story is he did not have the evidence that the FBI had, much of which was recently turned over to me by the Department of Justice and widely publicized in the press. Not that Ernst wanted evidence—it would have made his task of absolving his client even more perplexing. Even now, he refuses to come to see it. He says he has considered it—but the Justice Department says he has never seen these papers.

Ernst claimed that the mathematical calculations made by his flight weather expert point up the impossibility of such a flight in the time available to Gerry.

The FBI figures differently. In the first place, apparently unknown to Ernst's

expert, the Beechcraft airplane rented by Gerry had a nose tank.

Gerry specified he wanted this rare kind of Beechcraft and it was furnished to him. This adds another 49 or 50 gallons of available gas. Furthermore, Ernst's rash assumption, on page 23, that *only* three extra fuel tanks were used, in spite of the fact that evidence shows Gerry and his friend, Sgt. French, purchased 4 tanks and installed 4 tanks, is so much nonsense.

According to Ernst, his expert claims that the plane with 4 full tanks and 3 passengers would be overloaded for safety purposes, so for purposes of calculation they conveniently discard a tank. On the other hand, Justice Department spokesmen say the plane, fully loaded—nose tank, 4 extra tanks and all—could safely transport as many as 7 persons. Whom shall we believe, the Justice Department or Trujillo's lawyer?

AN AIRPORT "MADE TO ORDER"

Then there is the question of whether a plane could land at Montecristi Airport in the Dominican Republic. Ernst presents impressive testimony from Trujillo's lackeys that the airport is not suitable for landing a Beechcraft. On the other hand, the Justice Department claims that Montecristi was a natural for the kind of operation carried out on March 13, 1956.

Montecristi was closed down for commercial purposes, true. All the better for criminal activities without witnesses. It was a near point to Florida, while at the same time removed from populated areas in the Dominican Republic. It was made to order.

As for the flight times, Ernst's expert calculates that Gerry needed 7 hours and 14 minutes in the air. Government investigators, using Gerry's own log which had him in the air 7 hours and 55 minutes, ironically even longer than Ernst's estimates, say Gerry had plenty of time.

ERNST'S STORY FALLS TO PIECES

Ernst's story falls to pieces in the testimony of Sidney S. Stein, coowner of the Blue Star Aviation Corp. Stein stated to Ernst investigators that Gerry's N68100 landed at Tamiami on March 13, 1956, at about 3 p. m. Since Ernst contends that N68100 left Lantana in Miami at around 8 a. m., this would have left only 8 hours for the operation, and upheld Ernst's contention of not enough time for a Dominican run. Stein, however, has had sober second thoughts on the matter. He told Life magazine:

> I realize that I made an error, that Murphy had come in at 4:30 or 5 p. m.

Hence, even if Gerry did not take off until 8 a. m., a time granted by Ernst, he would have had 8½ or 9 hours, time enough, the FBI holds, for his run to Montecristi, deposit of Galindez, and return to Miami.

ERNST FACED WITH AN ENIGMA

Ernst was faced with an enigma. If Gerry did not go to Montecristi airport as Harold French said they mapped the flight, as Gerry's log indicates he did, and as Gerry told his fiancee he did, where was he flying around for the 9 hours he was gone from Miami?

On pages 44 and 45, Ernst provides us with his inspired answer. Cuba. What is the source of his information? Ernst tells us:

> The Cuban authorities have reliable reports from their own confidential sources that N68100 arrived in Cuba on the 13th of March 1956 and left Cuba on the same day.
>
> We have concluded that the public silence of the Cuban authorities as to this information in its possession is related to its continued investigation into the financial backers of the N68100 exploit.

Come now. Two years later, Ernst would have us believe that the Cuban Government knew Gerry had landed there on the crucial day but withheld the information from the United States Government. In 1956 Batista and the United States maintained friendly, cooperative relations. Certainly the Cuban Government at that time would have turned over any information it had in its possession to United States officials. If the Cuban Government has indeed provided Ernst with such a story, it is plainly the quid pro quo to Trujillo from Batista for armaments to conduct his campaign against the Castro forces, armaments the United States later had denied him.

I would like to comment briefly on several other aspects covered by Morris Ernst. "We find not a scintilla of evidence connecting Galindez with Murphy's plane," concludes Ernst. The FBI found otherwise.

Ernst attempts to break down the story that the night watchman at Zahn's Airport told his daughter, Mrs. Virginia Wulfing, about a sick man being loaded on the plane. Ernst has an affidavit from her stating that her father did tell her that he had helped an invalid onto a plane, but that to the best of her recollection, he laid this incident in April or May.

ORIGINAL STATEMENT REAFFIRMED

This affidavit, according to Mrs. Wulfing, was obtained under false pretenses. She knew of no notary public present. She was led to believe she was signing a release. She didn't even read all the statement. The men who obtained the affidavit told her they were reporters from the New York Daily News. She emphatically reaffirms her original statement that her father told her a cancer patient was flown out of Zahn's Airport the night of March 12, 1956, the very time Galindez disappeared and Gerry flew to the Dominican Republic from that airport.

The Justice Department also has another witness. The watchman who relieved Mrs. Wulfing's father when he went off duty recalls he placed the incident "a few days before the big snow." The big snow, Mr. Speaker, occurred on March 17, 1956.

Then there is the matter of Ernst's weaseling on the de la Maza suicide note. The FBI declared it to be a forgery. On the strength of such a report, our Department of State sent a note to the Dominican Government, so stating. It is inconceivable that the FBI would move without great caution in so touchy an international matter.

Yet Ernst on page 53 tries to leave an impression that the FBI's findings were in error. Working hard for his client, Ernst states:

> We noted that unlike Mr. Torres [the Spanish expert hired by Trujillo] who found the confession to be genuine, there was an implication by our Government that there was some question as to its authenticity. We are informed that our Government made such observations without having examined the original of the confession or of other documents indisputably written by de la Maza. It saw only photostatic copies.

Implication indeed. The FBI branded the note a forgery and the State Department acted accordingly.

AN OBJECTIVE OPINION

One interesting sidelight. Mr. Gullickson, the handwriting expert of the Washington Metropolitan Police, did me the favor of examining my copy of de la Maza's note, which appears to be only a photographic copy of some sort. Mr. Gullickson tells me it is a better specimen than he frequently has to work from, and what is more, appears to be written by an American and not even by a Latin American. According to Mr. Gullickson, who has examined many suicide notes in his time, the contents also betray it as a hoax. A man bent on suicide, he told me, doesn't think in the terms in which the note is phrased.

But then, Ernst had to earn his fee.

There are many other points in the Ernst report which are ridiculous. Enough has been covered here, I hope, to make clear Ernst's flimsy case, clumsy advocacy and apparent character deterioration.

The Galindez-Murphy case encompasses two enigmas: What happened to Jesus de Galindez? What happened to Gerald Lester Murphy?

Now we have another question: What happened to Morris Ernst? Where is the great liberal and keen lawyer of yesteryear? Why did he prostitute his talents for Trujillo?

Did he do it just for excitement? Or, simply, did he need the money? I do not know. I do raise these questions because they have all been raised many times to me by his friends. They don't know either.

His own explanation is that he wanted his investigation to dispel "confusion resulting from charge and countercharge"—his letter to Sydney Baron, July 16, 1957—which was hurting United States-Dominican relations and impeding "the furtherance of democratic institutions" in the Dominican Republic.

CONFUSION COMPOUNDED

His report compounds confusion with its innuendos, its incompleteness, its misrepresentations and twisting of facts. Why? I repeat, I do not know. Maybe Morris Ernst himself does not know his own motivations.

What about "the court of public opinion"? People now know that Morris Ernst's report "cleared" Trujillo. A freshman Congressman from Oregon, who practiced law for 5 years and never tried a murder case, disagrees with a famous civil liberties lawyer of 40 years' trial experience.

A free press makes the difference. The Ernst report and this refutation will be compared. Appraisals will be made.

Here is a jury whose verdict I will accept. The facts about the disappearances are far more complex than Ernst's foolish and sickening lapses in logic, morality or fact-finding.

You really do not need the damning bill of particulars partially set out in these remarks. You can read his conclusions on page 92 of his report. First, he says that Trujillo—the Dominican Republic or any of its officials—is not connected with the disappearance of Galindez. Secondly, he says they found not a scintilla of evidence connecting Galindez with Murphy's plane, N68100, or any flight of the plane.

TRY COMMON SENSE ON THIS

But his third conclusion requires no knowledge of the facts, just a smattering of common sense. Listen:

The clarity of the Murphy plane operation, through interviews and exhibits as attached, contrasts strongly with the obfuscation, designed or otherwise, of the Galindez money operations.

Now what in the world does that mean? Murphy's plane operation was clear. Galindez' money operations were not. There was a contrast. Even if this were true, which is certainly nowhere demonstrated, so what? Accepting his premises, Murphy planned the plane operations, Galindez the money operations, so what follows from the contrast? Pure hokum and doubletalk—that is my opinion.

Where do we go from here? How do we shed more light on what actually happened to Dr. Galindez and Gerry Murphy? How do we change our foreign policy so that Trujillo and his ilk will never again have the audacity to kidnap their enemies from our streets and murder our citizens and insult us with fantastically false explanations?

I do not have all the answers by a long shot, but here are some of the things we can do:

SOME RECOMMENDATIONS

First. The State Department should allow the Justice Department to question Espaillat, the former New York Dominican consul general, in the Dominican Republic. Trujillo will not let him come here, but he has agreed to let Espaillat answer questions in his own country.

Second. Appropriate Congressional committees should delve into the entire matter because it is directly connected with our policy of coddling dictators. Ernst, Baron, their staff, and John Frank, the Washington lawyer who was convicted as an unregistered Dominican agent, could be questioned. If any of them took cover behind the fifth amendment, immunity could be granted under the compulsory testimony statute. I agree with Justice Department lawyers who believe that John Frank could, if he would or could be forced to, clear up much of the mystery in both disappearances.

Third. The President should publicly endorse the Vice President's strong recommendations about the formal handshake for dictatorships and the warm embrace for democracies.

BOOMERANG

Rafael Trujillo Molina depends, like other chiefs of police states, on the use of cold terror or cold cash to accomplish his ends. He hires criminals to intimidate, kidnap, and kill his enemies. He hires lawyers to assassinate the characters of enemies who are already dead or who cannot protect themselves.

Morris Ernst, great defender of civil liberties, is now character assassin for a fee from Trujillo. The characters of the intended victims of his venal and unworthy report emerge, when the facts are known, unscathed, and triumphant. The character of one unintended victim, however, is smashed perhaps beyond repair.

This victim's name? Morris Ernst.

Mr. Speaker, I just received the following letter on Monday from Mr. and Mrs. Lester G. Murphy, the parents of Gerry Murphy, explaining the matter of the fluctuating bank account mentioned in the Ernst report. As you can see from the letter, there was never any mystery in the first place. Any of Ernst's high-priced investigators could have cleared it up with a couple of telephone calls:

JUNE 28, 1958.

DEAR MR. PORTER: We just received and read your report. We are excited and I don't know how clearly I can write to you now, but must let you know about the large deposits mentioned in Gerry's bank account. I can, with time, substantiate this message with the cancelled checks—also from Mr. Marshall, manager of Queen Anne branch of the National Bank of Commerce, 9 Mercer Street, Seattle, Wash.

We turned over to Gerry amounts totaling about $7,000 to buy lumber for United States Millwork Corp. (Lester owned stock in this company). As the lumber was manufactured and sold, the price of the lumber was returned to Gerry's account and used again as a revolving fund. We eventually got it all back as the fund was to be used only in this way. Gerry had no gain or profit from it but looked after it for us as he was in Seattle then.

This must surely be where the deposits ($25,000) came from.

If we can clear this up any more please ask us, as this fund was common knowledge to the other stockholders too.

Hastily and in deep appreciation.

LESTER and EMMA MURPHY.

NEW YORK, N. Y., *June 24, 1958.*

Representative CHARLES O. PORTER,
House Office Building,
Washington, D. C.:

Thank you for your offer to make the Gerald Murphy papers which you previously released to the press available to me for examination in your office. This material was previously known to me and is referred to in various parts of my report. None of this material is new and I see no constructive purpose in meeting with you now in view of our prior awareness of its contents.

Frankly, I am at a loss to comprehend your apparently passionate desire to establish in the public mind that the son of your clients and constituents was a kidnaper. All of my investigation indicates to the contrary and I find not a scintilla of evidence that Murphy was in any way connected with the Galindez disappearance.

In your ardent attempt to destroy the reputation of Gerald Lester Murphy, you have released what you purport to be evidence linking Murphy to Galindez. Why this so-called evidence was withheld from the public for 18 months is a question which you have not yet explained, as you haven't explained why you now release it in order to prove that Murphy kidnaped Galindez.

If we are to believe what you say, then Gerald Murphy either was a kidnaper or was unwittingly engaged in a kidnaping. Nevertheless Murphy at no time informed any American official either of this alleged crime or of his having been duped, although he was in the United States many times since the Galindez disappearance, and as late as December 2, 1956, according to the so-called new evidence which is apparently new to you. Murphy was in the very least particeps criminis and it seems to me that in the light of the overwhelming proof to the contrary you owe his parents a very solemn and humble apology.

The simple truth is that Murphy made these notes apparently after he had read the Westbrook Pegler column and that these notes were consistent with statements he had made to others, wherein he went much further than these notes would indicate, actually claiming to have kidnaped Galindez.

If you are interested in the truth you will admit that Murphy undoubtedly made these notes and statements as a cloak for other of his operations with which you are familiar and which show that he received $25,000 about 6 months previous to the Galindez disappearance and that he also deposited an additional $10,000 in one of his three bank accounts around the date of Galindez' disappearance. You fully know that the real significance of the material which you have now released is that it was drawn by Murphy as a coverup for his activities.

I see no rational basis for supporting your position that your constituent was engaged in the horrible crime of a kidnaping, resulting in a death, and I would suggest that you use your high office of United States Representative to determine where Galindez obtained a million dollars, what he did with that million dollars, and why he disappeared or went underground. Galindez' books of accounts make clear that practically none of this money came from Basque supporters and surely you cannot ignore the fact that the contributions ceased the day Galindez vanished.

The most regrettable aspect of all this is that you know that everything which I now say, and which my report says, is the unrefuted truth and that for reasons best known to yourself you choose to ignore the real mystery; namely, the million dollars which he collected and the sources from which it came. Instead you have chosen to devote your efforts to bringing undeserved agony and shame to the family of Gerald Lester Murphy.

MORRIS L. ERNST.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 24, 1958.

Mr. MORRIS L. ERNST,
New York, N. Y.

DEAR MR. ERNST: I still think you ought to see these papers. Justice Department assures me you have not seen them. I still gasp over your repeated assertion that you find not a scintilla of evidence connecting Murphy with Galindez. What about these papers, Sergeant French's sworn statements and the testimony in the Frank trial? Existence of evidence is one thing, weight is another.

I have never tried to establish in the public mind or in any other way that Gerry Murphy was a kidnaper. The evidence is that he piloted the plane carrying Galindez to the Dominican Republic and that at the time he did not realize the unconscious Galindez was going against his will.

My efforts to date for Gerry's parents, Mr. and Mrs. Lester G. Murphy of Eugene, Oreg.,

have met with their appreciation and gratitude. My primary motive has been and is, to help them find out what actually happened to their son. They have never been clients of mine and you know it. Justice Department held these papers pending possible further indictments by the grand jury. You as a lawyer must understand this. I released them as soon as I received custody of them

Gerry was preparing to tell his story publicly when he disappeared. You would realize this if you would consent to come and look at the papers, many of which have not appeared in the press. Gerry, it appears, realized that he had become involved far more deeply than he ever anticipated. I know his parents, his sisters, and some of his friends. He was not a kidnaper or murderer.

I am not familiar with Gerry's alleged operations with which you say I am familiar. Perhaps you could produce your evidence as to these alleged operations and then demonstrate their relevance to the issue of Gerry's flying Galindez to the Dominican Republic at the contrivance of Trujillo.

The President of the Basque Government-in-Exile, an honorable and widely respected man, told me that the accounts of Galindez were in order and that the money came from Basques throughout the Western Hemisphere. I have seen no reason for doubting this.

It is ridiculous for you to say that I know your statements in your telegrams and in your report to be the unrefuted truth. The contrary is true. My detailed refutation is almost ready. Your comments, if any, will be most welcome.

The last time we met you ended the conference by refusing to discuss the reasons why I thought you were acting in bad faith. I would still like to hear your explanations of those matters I brought to your attention at that time, as well as for matters which have come up since that time. I hope you will decide to come to see the papers and talk with me.

Perhaps together we cannot shed any more light on what actually happened to Dr. Galindez and Gerry Murphy, but maybe we can explore what happened on the Morris Ernst we once thought we knew and whom we respected. If a full investigation and the truth interest you, do come and see the papers.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

NANTUCKET, MASS.,
June 26, 1958.

Congressman CHARLES O. PORTER,
House of Representatives,
Washington, D. C.:

In reply to your letter of June 24 indicating that you released to the press only a part of the Murphy papers now held by you, I strongly urge that you make all such papers in your possession immediately available to the public. At the same time you should also make public all the information you have about Murphy's bank accounts, and more particularly, the source of the $25,000 deposited by him before March 1956 as indicated in exhibit No. 25 of my report.

It might also be helpful if you made public Murphy's income-tax return for 1955, as it should identify the source of this money. Likewise you can clarify Gerry's position by making public all his other bank accounts not available to us. I now assume you are not acting under the historic privilege of a lawyer. I am confident that you must realize that there is at least an inference that Murphy's money receipts are related to his airplane trip of March 12, 1956.

It is certainly an odd world when you, speaking for the Murphy interests, wrap Gerry into the kidnaping, while my report points in the opposite direction. The full facts about why the Galindez million-dollar flow stopped on March 12, might help your constituents clear their son's name of an evil charge.

We will only distract the public from the real objective—finding the source of the Galindez reported million-dollar fund—by suggesting that either you or I are at all relevant in the much-needed solution of the Galindez money mystery.

Cordially,

MORRIS ERNST.

MORRIS ERNST,
New York, N. Y.:

Just talked again with Mrs. Murphy. She repeats that the Murphy family has no faith in you. All papers have been released and are still available to press and to you. Suggest we postpone further discussion until next week when you have seen my answer to your report.

CHARLES O. PORTER,
Member of Congress.

[From the New York Times of June 24, 1958]

GALINDEZ, MURPHY, ERNST

The extraordinary mystery of the disappearance from New York in March 1956 of the Spanish-Basque scholar, Jesus de Galindez, now emerges as more sinister but a little less mysterious than before. Impressive evidence, reported yesterday in this newspaper in a Washington dispatch by Anthony Lewis, links Galindez to the murdered young American pilot, Gerald Murphy, and in so doing more than ever points the finger of suspicion at the Dominican Republic.

For 3 weeks the issue had been confused by a skillful lawyer's brief prepared at great expenditure of time and money for Generalissimo Trujillo by Morris Ernst and a staff. The Ernst report took the published accusations against the Dominicans, threw confusion and doubt upon them, and strove mightily to depict the Dominican dictator as unjustly accused by enemies.

It is now obvious that the Ernst report is open to the most serious challenge. The belief that Gerald Murphy was linked to the Galindez case is now proved. The possibility of his having flown Galindez dead or alive to the Dominican Republic is now clear.

All the same, the mystery of the disappearance of Jesus de Galindez remains deep and terrifying. It cannot be left at this stage. The Washington authorities, the grand jury, the New York police, the American press must go on and never give up until the case is solved.

[From the New York Times of June 25, 1958]

WITNESS DISAVOWS GALINDEZ AFFIDAVIT

(By Peter Kihss)

The Columbia Broadcasting System announced last night that a Long Island woman had in effect repudiated an affidavit attributed to her in the Morris L. Ernst report on the disappearance of Dr. Jesus de Galindez.

The radio network made public a statement in which the daughter of a now-dead watchman at Zahns Airport in Amityville said she had been induced to sign the Ernst document by misrepresentations. The Ernst affidavit would have knocked out one prop for a theory that Dr. Galindez was kidnaped; the repudiation would reinstate this.

Mr. Ernst, a New York lawyer, had made an investigation of the disappearance here March 12, 1956, of Dr. Galindez, a Basque scholar. His report June 1, absolved Generalissimo Rafael Trujillo and his Dominican dictatorship of any role in the case, and also said there was no evidence to link a now-missing American pilot, Gerald Lester Murphy, to it.

Yesterday Mr. Ernst made public a 600-word telegram to Representative CHARLES O. PORTER, rejecting the Oregon Democrat's invitation to study newly released documents belonging to Mr. Murphy.

Mr. Ernst said he had previously been aware of their contents. He denied they were any evidence that Mr. Murphy might have flown a plane taking a kidnaped Dr. Galindez to the Dominican Republic.

Instead, Mr. Ernst suggested that Mr. Murphy undoubtedly made these notes and statements as a cloak for other of his operations with which you are familiar and which show that he received $25,000 about 6 months previous to the Galindez disappearance and that he also deposited an additional $10,000 in 1 of his 3 bank accounts around the date of Galindez' disappearance.

CUBA LANDING CHARGED

The Ernst report had contended that Mr. Murphy's plane landed in Cuba March 13, 1956, instead of in the Dominican Republic. It also recalled the pilot's reported statements that he had flown arms and funds to Cuba for opponents of President Fulgencio Batista.

The CBS announcement involved Mrs. Virginia Wulfing of 211 North Utica Avenue, Massapequa, Long Island, daughter of the late Anthony Frevele, Zahns Airport watchman. In a transcription on a broadcast by Edward R. Murrow, May 20, 1957, she said her father had told her on March 12, 1956, about having helped to put aboard a plane a reported millionaire cancer victim who was being flown to Florida.

The Murphy plane had taken off that night, the same night on which Dr. Galindez, an opponent of the Trujillo regime, vanished after lecturing at Columbia University. Mr. Ernst had rejected a theory that Dr. Galindez might have been abducted and flown away on the Murphy plane.

In the Ernst report, an affidavit from Mrs. Wulfing said she believed her father had told her about the reported sick man only in April or May 1956, adding the incident occurred a couple of days earlier, instead of on March 12.

"She attributed the inaccuracy of her previously reported remarks," the report added, "to constant pressure by interviewers. According to Mrs. Wulfing, the interviewers were indeed most anxious for her to remember the incident, but they wanted it remembered as of a specific date."

CBS made public a new statement by Mrs. Wulfing dated June 12. In this she said the Ernst document had been "brought to my home by three men who represented themselves as being reporters from the New York Daily News." She said they told her it was a release to enable the newspaper to quote the CBS recording, and she signed it "without reading it carefully."

Now, the statement went on, she had found "it contains statements that I will not support." She said she had been in a hospital in the last 2 weeks of April and early May 1956, so the talk with her father "could not have taken place then."

The alleged reporters, she went on, noted her father could not have told her about the incident "on March 12, because my father didn't come home from Zahns Airport until after midnight, which would have made it March 13."

She said she had agreed and had inserted the number "12th" after a reference to March in the paper, but didn't realize that the paper then put the incident "in April or May." She also asserted she had not seen the affidavit being notarized.

CBS said William Richter, a notary, had verified his signature, but declined to answer any further questions which might shed some light on the circumstances under which the affidavit was procured. The Daily News was quoted as denying it assigned anyone to interview Mrs. Wulfing.

Representing Mr. Ernst, who was in Nantucket, one of his associate counsels, Alan U.

Schwartz, said yesterday that "to the best of my knowledge, nobody from our office ever represented himself to Mrs. Wulfing as a reporter for the Daily News."

Mr. Schwartz asserted that "Mrs. Wulfing's statement that she hadn't read the affidavit when she signed it is incredible, not only because it is most unlikely that anyone would swear to something she did not read," but also because she initialed two corrections.

The Ernst-Porter exchange revolved about Mr. Murphy's flight log and an apparent chronicle in which the pilot wrote the name of Dr. Galindez and others who have been mentioned in the kidnaping theory.

Mr. Ernst said he was at a loss to comprehend Representative PORTER'S "apparently passionate desire to establish in the public mind that the son of your clients and constituents was a kidnaper."

"All of my investigation," Mr. Ernst wrote, "indicates to the contrary, and I find not a scintilla of evidence that Murphy was in any way connected with the Galindez disappearance."

[From the New York Times of June 26, 1958]

NEW DENIAL HITS GALINDEZ REPORT—BASQUE AID-IN-EXILE HERE SAYS HE WAS MISQUOTED ON FUNDS BY ERNST

(By Peter Kihss)

The present Basque representative-in-exile here asserted yesterday that he had been misquoted in the Morris L. Ernst report on the disappearance of Jesus de Galindez.

Juan Oñatibia, the Basque exile, insisted that the $1,024,418 raised by Dr. Galindez as delegate of the Spanish Basque government-in-exile before his disappearance here March 12, 1956, had all come from Basques in the Western Hemisphere. It all had been used for Basque purposes, Senor Oñatibia added.

Mr. Ernst made public a Dominican-financed report June 1 absolving the Dominican regime of Generalissimo Rafael L. Trujillo of any role in the disappearance. The report quoted Senor Oñatibia as saying that at least half the money had been collected by and for agents of the parent Spanish Republican government-in-exile.

Yesterday Mr. Ernst sent a telegram to the mother of a now-missing pilot suspected of helping kidnap Dr. Galindez. In this the New York lawyer again referred to "the mystery of the million dollars" and contended that "the people who put up the money can easily explain the Galindez disappearance, and thus your son will be absolved from this alleged crime."

LAWYER DEFENDS AFFIDAVIT

Meanwhile, William Richter, a lawyer, defended an Ernst report affidavit he had notarized, which had been repudiated Tuesday by its signer, Mrs. Virginia Wulfing of Massapequa, Long Island.

Mr. Richter said he, as special counsel for Mr. Ernst, had got the affidavit with Francis X. Grottano, an Ernst investigator. He insisted that Mrs. Wulfing had known who they were and what she had signed.

Mrs. Wulfing had been quoted in the report as saying that an incident in which her late father, as watchman at Zahns Airport in Amityville, Long Island, reported helping put a supposed sick man on a plane had occurred in April or May 1956 instead of on March 12, 1956. March 12 was the night Dr. Galindez disappeared and the plane piloted by Gerald Lester Murphy took off.

Señor Oñatibia told a reporter the Ernst quotation from him was "not accurate." He said he had told an Ernst representative that Dr. Galindez did handle money for the Spanish Republicans and some private organizations, but that this was in addition to his Basque work.

Señor Oñatibia said Mr. Ernst's "intention is to make believe Galindez was collecting so much money, and I am not doing so, so he was receiving some money of extra and unknown origin, and he tries to make a mystery of it."

Basque delegations in exile engage in political, cultural, and welfare activities, supporting themselves by voluntary fund raising. Their regime was granted autonomy by the Spanish Republic in 1936.

He added that he believed that the Basque exile regime, with headquarters in Paris, was raising as much funds as before, but was not receiving contributions directly from agents in Mexico, Venezuela, and Argentina, previously funneled through Dr. Galindez. His own collections, he said, were only from the United States.

Mr. Ernst's telegram yesterday was to Mrs. Emma L. Murphy, of Eugene, Oreg., whose pilot son disappeared in the Dominican Republic December 3, 1956. The lawyer recalled her "kind cooperation with our inquiry."

"Have faith," he added. "No matter what Gerry did, he had nothing to do with the Galindez matter, even though your attorney and Congressman are trying to prove that Gerry was either involved in or had knowledge of a kidnaping expedition."

[From the New York Times of June 30, 1958]

CUBAN INTELLIGENCE REPORTS NO DATA ON MURPHY FLIGHT AS CITED BY ERNST

(By Peter Kihss)

Cuban military intelligence has disclaimed knowledge of a landing in Cuba by Gerald Lester Murphy, an American pilot, at the time of the disappearance of Jesus de Galindez. Such a landing was alleged in the Morris L. Ernst report on the Galindez case after reports that Mr. Murphy had spirited Dr. Galindez to the Dominican Republic in his plane.

An inquiry citing the New York lawyer's report has brought a reply from Col. L. Perez y Coujil, chief of the military intelligence service in Habana, that "a search of our files does not reveal any information regarding the subject you mentioned, and we regret we cannot be of service to you."

Mr. Ernst absolved the Dominican dictatorship of Generalissimo Rafael L. Trujillo of any role in the March 12, 1956, disappearance here of Dr. Galindez, an anti-Trujillo Basque scholar. The lawyer's report, released last June 1, was financed by the Dominican Republic.

Mr. Murphy, who in turn vanished in the Dominican Republic December 3, 1956, had flown from Amityville, Long Island, on the night of Dr. Galindez' disappearance. The pilot landed at West Palm Beach, Fla., in a chartered Beechcraft, N68100. His log has recorded the flight as continuing to "MC," which one theory interprets as Monte Cristi Airport in the Dominican Republic, and then returning to Miami.

Mr. Ernst reported his investigators had "conferred with responsible officials of the Cuban Government." He added that "the Cuban authorities have reliable reports from their own confidential sources" that the Murphy plane actually arrived in Cuba March 13, 1956, and left the same day.

"We have concluded," the report said, "that the public silence of the Cuban authorities as to this information in its possession is related to its continued investigation into the financial backers of the N68100 exploit."

The Ernst investigators went to Cuba February 26, 1958. The report said that "after April 1, 1958, several responsible American correspondents sent cables from Cuba indicating that N68100 had arrived in Cuba on March 13, 1956, and returned to Florida the same day." It added that such stories were carried in Latin American newspapers.

While the Ernst report insisted Mr. Murphy "was not a kidnaper," it asserted that "in fact Murphy was engaged in an illegal operation for hire." It quoted him as having told other persons that "he flew arms and agents to Cuba for the revolutionaries" there.

Elsewhere it has been understood that the Federal Bureau of Investigation has found nothing thus far to link Mr. Murphy with Cuban rebels. A Federal court grand jury that has been investigating the Galindez-Murphy cases is due to expire today, unless extended.

FOREIGN AID

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD], is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, once again the proponents of foreign aid, both here on the floor and in the executive branch, are making the point that billions of dollars spent on foreign aid are actually increasing the defense and security of the United States itself. The belief tends to pervade a good part of their testimony that we had better step up the aid program if we intend to win the race with Russia for the friendship of uncommitted areas.

I have supported foreign aid in past years and I am not today opposed to foreign aid that is wisely conceived and well executed. But today our foreign-aid program does not measure up to either of these standards.

Foreign aid is only 1 of the many instruments we have used to achieve the goals of our foreign policy in the past decade, but foreign aid is not a policy in itself; it is only 1 instrument by which foreign policy is carried out. Foreign aid will not even be an effective instrument unless there is a clear, vigorous and realistic foreign-policy leadership from the President and the State Department.

We do not have that kind of foreign policy. It has remained the policy of the Marshall plan era with but few additions. What we need is a new policy of effective American leadership to provide the framework within which a foreign-aid program, one which is properly and efficiently administered, and may I say parenthetically that our present foreign-aid program is not being so administered, can work as an effective instrument for the security of our Nation.

Mr. Speaker, the American eagle, for decades the symbol of American power and greatness, will become a pinfeathered, bedraggled bird unless we have an immediate firming of policy by the Eisenhower administration.

The headlines tell a sad story of the decline of American prestige. American airmen are made prisoners in Eastern Germany—9 other American airmen are forcibly detained by the Soviets after their plane was forced down in Armenia—30 American Navy men are kidnaped by Cuban rebels. What a sickening recital of insult and injury to America and Americans.

All of this comes in the wake of calculated affronts to Vice President and Mrs. Nixon in Latin and South America where bodily harm was plotted for the second highest American official, and the Stars and Stripes were desecrated. What has happened to our national honor and pride? A nation that cannot protect

its nationals and flag does not encourage respect.

What of the hundreds of Americans who have yet to be accounted for from the Korean war? What is their fate? Why does our Government fail to get an answer? If our Government has the answer, the public should be informed.

What are the neutral nations of the world to think when they see American nationals humbled, imprisoned, committed, in many instances, to a living death?

Independence Day is a good time for the American people to dwell on these matters. It is a good time for the Eisenhower administration to adopt as a firm policy—a policy of no compromise with honor.

To submit to shameful abuses against our American citizens and our flag is not serving the cause of peace. It is only encouragement to aggressors to increase their provocations.

I call on the Eisenhower administration to reinaugurate the policy of firmness, strength, and insistence upon American rights that marked the birth and growth of the American Republic. When it does this I will again favor a foreign-aid program if it is realistic, well conceived and efficiently executed. I maintain that foreign aid will not achieve its purpose unless carried out as a part of a larger foreign policy which is sound and realistic. We do not now have such a foreign policy, and I am against any further authorization of American taxpayers' dollars to other countries, some of which countries are giving their own people tax relief, until a program can be devised to reduce inefficiency and the utter waste of money and equipment, until a program can be formulated which is directed toward the assistance only of those countries that are dependable allies, and until we have a foreign policy that will be effective against the increasing Communist peril that confronts us.

IT IS IMPERATIVE TO AMEND PUBLIC LAW 480 SO AS TO STOP HURTING OUR FRIENDS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, last week—CONGRESSIONAL RECORD, June 24, 1958, pages 12111–12113—I called to the attention of the Members the fact that the Agricultural Trade Development and Assistance Act of 1954—Public Law 480—because it contains no provision requiring the taking of reasonable precautions in our surplus disposal program to safeguard the usual marketings of friendly countries, has caused much harm to our foreign policy. Many friendly countries such as Canada, Australia, Argentina, New Zealand, Denmark, Mexico, Uruguay, Peru, Burma, and Italy, have complained that our surplus-disposal program has displaced them from their normal world markets, with great damage to their economies. I served notice that I would offer an amendment to the measure which will come up very shortly to extend Public Law 480 for an additional 2 years as follows:

> It is further the policy of Congress to take reasonable precautions to avoid displacing usual marketings of friendly countries.

Yesterday the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], expressed on the floor his concern, which I fully share, lest Public Law 480 hurt our relationships with some of the best friends we have in the world. Unfortunately, the State Department has not sufficiently informed the Congress of the harm done our foreign policy by the absence of a provision against displacing the usual marketings of friendly countries.

SOME OF OUR BEST FRIENDS

The State Department has been mouselike, indeed, in passing on to the Committees on Agriculture the complaints of friendly countries. However, before the House Committee on Agriculture on May 9, 1958, Assistant Secretary of State for Econmic Affairs Thomas C. Mann did say, in response to a question whether the State Department had heard complaints from foreign countries about the operation of Public Law 480:

> I think (the list of countries complaining) would include a great majority of the nations of the Free World. They have complained at one time or another on some particular barter arrangement.

A predecessor of Assistant Secretary Mann was even more to the point. Thorsten V. Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, told the Senate Committee on Agriculture and Forestry last July that:

> Title I of Public Law 480, however, and the barter provisions of title III, cause us serious foreign-relations problems with virtually all other exporters of any of the agricultural products included in title I agreements. The basic problem, of course, is to insure that title I sales or title III barter operations do not displace, or appear to displace, commercial sales at world market prices which we or some other Free-World country would otherwise have made. Most other nations which export agricultural products are greatly dependent upon such exports for the bulk of their foreign-exchange earnings. They are not able, as we are, to sell for foreign nonconvertible currency at prices unrelated to either the cost of production of the commodity concerned or to the level at which the price of the commodity is supported domestically. * * * We have not been completely successful in preventing all injury, and some of our best friends abroad have apparently been hurt the worst. * * * What I have been trying to say in my statement is that Public Law 480 is not an unmixed blessing; that it does have disadvantages as well as its good points. One of our basic objectives is to keep our relations with other exporting countries on an even keel.

HARM TO CANADA, MEXICO, ARGENTINA

There are many examples of injury to friendly countries by our disposal program.

For example, Canada's wheat exports declined from 310 million bushels in 1956 to 260 million bushels in 1957, while United States wheat exports, largely as a result of Public Law 480, were increasing during the same period from 345 million bushels to 550 million bushels. The Canadian Government blames Public Law 480 almost entirely for this damage to its export position.

Again, Mexico's No. 1 export crop, cotton, which constitutes 30 percent of her exports, declined by more than one-third since 1955. Meanwhile, United States exports of cotton under title I of Public Law 480 went from 365,000 bales in 1955 to 845,000 bales in 1956, to 1,051,000 bales in 1957. Mexico's protests have gone unheeded.

A third example is Argentina. Argentina's exports of wheat to Brazil declined from 1,265,278 tons in 1955, to 998,477 in 1956, and 823,261 in 1957. Meanwhile, the United States, spurred by Public Law 480, was increasing its 107,891 tons of wheat exports to Brazil in 1955 to 500,780 in 1956, and 487,448 in 1957. Argentina is naturally disturbed at this displacement.

WHAT PUBLIC LAW 480 REALLY SAYS

Instead of warning Congress of the pitfalls of Public Law 480, the Department of State in its official statement before the Senate Committee on Agriculture and Forestry on February 5, 1958, said:

> The Department of State is responsible for negotiating Public Law 480, title I, sales and loan agreements with foreign governments. We must insure that the resulting programs are effectively coordinated with other United States activities abroad, that they are in accord with our overall foreign policy objectives, and that surplus sales do not interfere with the normal marketing of the United States and other friendly exporting countries.

This last completely mistates the law. Public Law 480 does indeed contain a mandate that surplus sales must not interfere with the normal marketings of the United States. Its predecessor law, section 550 of the Mutual Security Act of 1953, did indeed contain a Congressional directive that the President, in negotiating agreements for the sale of surplus commodities, should take reasonable precautions to safeguard the usual marketings, not only of the United States, but of friendly countries. Identical language applying the policy against cannibalism not only to the usual marketings of the United States, but to those of friendly countries, was contained in the bill, which later became Public Law 480, as it was reported out on the floor of the House in 1954. During debate in the House, however, the bill was unfortunately amended to take out this language, and thus to limit the application of brotherly love to ourselves.

If the State Department were doing its job, it would be begging Congress to put into Public Law 480 a provision that the usual marketings of friendly countries must be safeguarded. Instead, it lulls Congress into a state of complacency by representing that the law does contain what it should contain, but in fact does not.

The State Department is not alone in giving the erroneous impression that Public Law 480 safeguards the usual marketings of friendly countries. Secretary of Agriculture Ezra Taft Benson, having heard how we were losing Canada's friendship by our administration of Public Law 480, went up to Winnipeg

on May 20, 1958 to explain all to the Winnipeg Chamber of Commerce. Here is what he told the chamber of commerce:

One of the continuing questions that Canada raises regarding United States economic policy has to do with these special export programs. I would like to clarify our position.

Our principal means for expanding consumption of farm products over and above commercial sales is contained in the Agricultural Trade Development and Assistance Act of 1954—commonly called Public Law 480. This law was enacted in recognition of the fact that if our exports were confined to cash-on-the-barrelhead dollar transactions, our surpluses would accumulate in a wasteful manner. Moreover, millions of world consumers in dire need of food would be denied access to our abundance. The act provides for additional ways of transacting business, some of them unorthodox by economic textbook standards. It provides for selling our farm products for foreign currencies. It provides for bartering them for strategic materials. It provides for donations.

But written throughout this program—and I want to emphasize this—are safeguards to protect and to increase commercial marketing.

SECRETARY BENSON IN WINNIPEG

The assembled banqueters of the Winnipeg Chamber of Commerce might reasonably have inferred that the commercial marketings protected by good old Public Law 480 included those of friendly countries like Canada. What Secretary Benson neglected to tell his audience was that the protective language applicable to friendly countries such as Canada was amended out of the law back in 1954, from which all the trouble stems. In view of the dependence of the Winnipeg area on wheat exports, it was perhaps as well for Secretary Benson that he made this slight elision in his speech.

Just a few days before, on May 5, 1958, Mr. Benson's spokesman, Administrator Walter C. Berger, of the Department of Agriculture's Commodity Stabilization Service, told the House Committee on Agriculture that:

I began to find that the barter program was creating in these countries in which we were selling this 70 percent or 80 percent of our materials through out regular exporting channels a competition against our own sales to people who were buying from us for cash. In other words, if we were selling into, using an illustration, West Germany, who has a currency, a very good, sound currency today—if the exporter was selling into Germany, he was selling at a little discount. Now that discount everyone thought at first was merely a discount against our competitors in the other world, the rest of the world, such as in the case of wheat against Canada, the Argentine, Australia. However, it was against ourselves, and as executive vice president of CCC that is when I began to get alarmed.

I BEGAN TO GET ALARMED

In other words, a policy of "beggar-thy-neighbor" that hurts Canada, Argentina, or Australia, is a trifle scarcely worthy of notice. But when it hurts our own commercial marketings—well, "that is when I began to get alarmed."

The harm caused by Public Law 480, without an amendment requiring the taking of reasonable precautions to safeguard the usual marketings of friendly countries, is no laughing matter. The Report of the Special Study Mission to Canada, comprising the Honorable BROOKS HAYS, of Arkansas, and the Honorable FRANK M. COFFIN, Maine, of the Committee on Foreign Affairs, published on May 22, 1958, found that "there is ample evidence of an erosion in the traditionally excellent relationships between the United States and Canada." Representatives HAYS and COFFIN, discussing the displacement of normal Canadian wheat exports due to the operations of Public Law 480, said:

During our visit to Canada, concern over this problem was apparent on every side. We have learned that the United States Government has undertaken to reassure the Canadians as to our intentions and as to our practices. Such reassurances, however, are scant solace to the Canadian farmer who has a surplus of wheat on hand. Obviously, if Canadian exports were to grow, concern over this problem would decrease.

There is no doubt that the United States serves a real humanitarian purpose by the furnishing of surplus agricultural commodities abroad. It would seem somewhat hard-hearted to say that we should deprive needy people of food and other assistance because it might disturb a normal commercial channel. On this point the Canadians have no objection. On the other hand, they have a perfectly legitimate grievance to the extent that it can be said that the United States is exporting its own farm problem. In the Canadian view, the way to solve the problem is by some means other than subsidizing United States Government sales abroad."

THE HAYS-COFFIN RECOMMENDATIONS

In their recommendations, Representatives HAYS and COFFIN have this to say:

Prior to and while carrying out the sales for local currencies of surplus agricultural commodities such as wheat to foreign governments, the United States should pay particular attention to Canada's interests. In view of her heavy dependence on wheat exports, careful consideration should be given by our Government to the effects of any sales on the Canadian economy. Not only should the executive department proceed with this awareness, but Congress should also realize that a temporary solution of a United States farm problem could create serious problems for Canada. Commercial markets, capable of making payments in dollars, should not be approached through the mechanism of Public Law 480. In short, a certain amount of forbearance is indicated. The possibilities, advantages, and hazards of a joint United States-Canadian wheat marketing corporation should be explored.

These recommendations point clearly to the necessity of amending Public Law 480 so as to require "reasonable precautions so as to avoid displacing usual marketings of friendly countries." Such an amendment will help our relations with not only Canada but with every other exporting country of the Free World.

Mr. Speaker, this House cannot afford to ignore the plain evidence that some of the best friends we have in the world are deeply aggrieved by the operation of Public Law 480. It may well be that the State Department has been remiss in not presenting with more vigor the harm done to our foreign policy by the law as it now stands. Its failure to do so is one of the reasons why I am not an unqualified admirer of the State Department.

WE SHOULD NOT DISREGARD PROTESTS SIMPLY BECAUSE THEY ARE GENTLEMANLY

Nor should we become complacent because in Canada, Australia, Argentina, New Zealand, Denmark, Mexico, Uruguay, and in other countries hurt by Public Law 480, the protests have been gentlemanly and restrained. God forbid that the only protests against our foreign policy that we are capable of noting are a Vice President spit upon, an Embassy sacked, American servicemen kidnaped.

The stoic attitude of friendly countries hurt by Public Law 480 should not blind us to the dangerous nature of the game we are playing. It is said of the philosopher Epictetus, founder of the stoic creed, that he patiently admonished a cruel neighbor who was maliciously twisting his leg beyond endurance, "If you continue twisting my leg, you will break it." A moment later, as the bone snapped, Epictetus turned reproachfully and said, "You see, I told you not to continue twisting my leg."

Mr. Speaker, I hope that we will not allow our friends' forbearance to encourage us to twist their economies to the breaking point.

I sincerely hope that the House Committee on Agriculture in presenting to the House the extension of Public Law 480, will attach an amendment requiring "reasonable precautions to avoid displacing usual marketings of foreign countries."

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. REUSS, for 20 minutes, today, and to revise and extend his remarks.

To Mr. BYRD for 10 minutes today and tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and also to revise and extend his remarks made today under special order and include extraneous matter.

Mr. WIGGLESWORTH to revise and extend his remarks made today and include extraneous matter.

Mr. FORD, the remarks he made in the Committee of the Whole today and to include a report from the Library of Congress on United States aid to Communist countries for the period July 1, 1945, to June 30, 1957.

Mr. WESTLAND (at the request of Mr. SCHWENGEL).

Mr. BROOMFIELD (at the request of Mr. SCHWENGEL).

Mrs. DWYER (at the request of Mr. SCHWENGEL).

Mr. ANFUSO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. MCINTOSH (at the request of Mr. SCHWENGEL) in three instances and to include extraneous matter.

Mr. WILSON of California (at the request of Mr. SCHWENGEL) and to include extraneous matter.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 181. Joint resolution extending the special school milk program for 2 months; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union; and

H. R. 12716. An act to amend the Atomic Energy Act of 1954, as amended.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 2, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2078. A letter from the Secretary of the Interior, transmitting the report of the Department of the Interior on the proposed Molokai project, Territory of Hawaii, pursuant to the act of August 23, 1954 (68 Stat. 773) (H. Doc. No. 415); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2079. A letter from the Assistant Secretary of Agriculture, transmitting the first monthly report of the General Sales Manager concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, dated April 1958; to the Committee on Agriculture.

2080. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Post Office Department for "Operations," for the fiscal year 1959, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

2081. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Post Office Department for "Transportation," for the fiscal year 1959, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

2082. A letter from the Deputy Manager, Development Loan Fund, relative to the establishment of a loan of not to exceed $2,500,000 from the Development Loan Fund to the Government of Paraguay has been authorized, pursuant to title II of the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

2083. A letter from the Deputy Manager, Development Loan Fund, relative to the establishment of a loan of not to exceed $1,750,000 from the Development Loan Fund to the Port Authority of Thailand has been authorized, pursuant to title II of the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

2084. A letter from the Deputy Manager, Development Loan Fund, relative to the establishment of a loan of not to exceed $4,200,000 from the Development Loan Fund to the Pakistan Industrial Credit and Investment Corp. has been authorized, pursuant to title II of the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

2085. A letter from the Comptroller General of the United States, transmitting a report on a survey made by the General Accounting Office of the progress and trend of development and use of automatic (electronic) data processing in the business and management control systems of the Federal Government covering the period to December 1957; to the Committee on Government Operations.

2086. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "a bill for the relief of Forrest E. Decker"; to the Committee on the Judiciary.

2087. A letter from the Chairman, United States Tariff Commission transmitting the 10th Annual Report of the United States Tariff Commission on the operation of the trade agreements program pursuant to section 3 of the Trade Agreements Extension Act of 1955, and Executive Order No. 10082 dated October 5, 1949; to the Committee on Ways and Means.

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. MILLS: Committee on Ways and Means. H. R. 13130. A bill to extend for 2 years the existing authority of the Secretary of the Treasury in respect of transfers of distilled spirits for purposes deemed necessary to meet the requirements of the national defense; without amendment (Rept. No. 2061). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. S. 1732. An act to readjust equitably the retirement benefits of certain individuals on the emergency officers' retired list, and for other purposes; with amendment (Rept. No. 2063). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth, N. H., Naval Shipyard; without amendment (Rept. No. 2064). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 471. A bill relating to the retired pay of certain retired officers of the Armed Forces; with amendment (Rept. No. 2065). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 7706. A bill to entitle members of the Army, Navy, Air Force, or Marine Corps retired after 30 years' service to retired pay equal to 75 percent of the monthly basic pay authorized for the highest enlisted, warrant, or commissioned grade in which they served satisfactorily during World War I, and for other purposes; with amendment (Rept. No. 2066). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 7902. A bill to authorize travel and transportation allowances in the case of certain members of the uniformed services; with amendment (Rept. No. 2067). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 11504. A bill to amend title 10 of the United States Code to permit enlisted members of the Naval Reserve and Marine Corps Reserve to transfer to the Fleet Reserve and the Fleet Marine Corps Reserve on the same basis as members of the regular components; with amendment (Rept. No. 2068). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 11626. A bill to amend section 6911 of title 10, United States Code, to provide for the grade, procurement, and transfer of aviation cadets; without amendment (Rept. No. 2069). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 11636. A bill to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest; without amendment (Rept. No. 2070). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 13170. A bill to amend title 10, United States Code, to provide for a permanent professor of physical education at the United States Military Academy; without amendment (Rept. No. 2071). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. S. 628. An act to direct the Secretary of the Army to convey certain property located at Boston Neck, Narragansett, Washington County, R. I., to the State of Rhode Island; without amendment (Rept. No. 2079). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. House Resolution 600. Resolution providing for sending the bill H. R. 9392 and accompanying papers to the United States Court of Claims; without amendment (Rept. No. 2080). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. J. Res. 228. Joint resolution to provide for the honorary designation of St. Ann's Churchyard in the city of New York as a national historic site; with amendment (Rept. No. 2081). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 8249. A bill to cede to the State

of Michigan civil and criminal jurisdiction over certain land situated within Fort Custer, Mich.; with amendment (Rept. No. 2082). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 8627. A bill directing the Secretary of the Navy to convey certain lands situated in the State of Virginia to the Board of Supervisors of York County, Va.; with amendment (Rept. No. 2083). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURNS of Hawaii: Committee on Armed Services. H. R. 10173. A bill to provide for the transfer of title to certain land at Sand Island, T. H., to the Territory of Hawaii, and for other purposes; without amendment (Rept. No. 2084). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 11125. A bill to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.; with amendment (Rept. No. 2085). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 12670. A bill to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes; without amendment (Rept. No. 2086). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKER: Committee on Armed Services. H. R. 11700. A bill to authorize civilian personnel of the Department of Defense and certain personnel of the National Advisory Committee for Aeronautics to carry firearms; with amendment (Rept. No. 2087). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H. R. 9932. A bill to provide for the conveyance of certain land of the United States to the State board of education of the State of Florida; with amendment (Rept. No. 2088). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 3683. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; with amendment (Rept. No. 2099). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee of Conference. H. R. 11451. A bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; without amendment (Rept. No. 2100). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 614. Resolution for consideration of S. 1832. An act to authorize the appointment of one additional Assistant Secretary of State; without amendment (Rept. No. 2101). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 615. Resolution for consideration of House Joint Resolution 424. Joint resolution to improve the administration of justice by authorizing the establishment of institutes and joint councils on sentencing for the development of objectives, standards, procedures, and policies to be followed in the sentencing of persons convicted of offenses against the United States; without amendment (Rept. No. 2102). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 616. Resolution for consideration of S. 3506, an act to authorize the transfer of naval vessels to friendly foreign countries; without amendment (Rept. No. 2103). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 617. Resolution for consideration of H. R. 13015, a bill to authorize certain construction at military installations, and for other purposes; without amendment (Rept. No. 2104). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. S. 655. An act for the relief of Brig. Gen. Chester W. Goble, without amendment (Rept. No. 2062). Referred to the Committee of the Whole House.

Mr. KILDAY: Committee on Armed Services. H. R. 9299. A bill to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army; without amendment (Rept. No. 2072). Referred to the Committee of the Whole House.

Mr. KILDAY: Committee on Armed Services. H. R. 9300. A bill to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army; without amendment (Rept. No. 2073). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 3147. A bill for the relief of Fredrich A. von Hoyningen-Huene, Michael Andreas von Hoyningen-Huene, Christian Berend Johann von Hoyningen-Huene, and Brigitte Anita Peck (nee von Hoyningen-Huene); without amendment (Rept. No. 2074). Referred to the Committee of the Whole House.

Mr. DONOHUE: Committee on the Judiciary. H. R. 1435. A bill for the relief of John I. Strong; with amendment (Rept. No. 2075). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7124. A bill for the relief of Lester R. Loomis; without amendment (Rept. No. 2076). Referred to the Committee of the Whole House.

Mr. ASHMORE: Committee on the Judiciary. H. R. 8688. A bill for the relief of Monroe Woolley; without amendment (Rept. No. 2077). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 604. Resolution providing for sending the bill H. R. 7686 and accompanying papers to the United States Court of Claims; without amendment (Rept. No. 2078). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6589. A bill for the relief of Elizabeth C. Garner and Charles P. Garner; without amendment (Rept. No. 2089). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7417. A bill for the relief of Col. John T. Malloy; without amendment (Rept. No. 2090). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 9180. A bill for the relief of Mr. and Mrs. John R. Hadnot; without amendment (Rept. No. 2091). Referred to the Committee of the Whole House.

Mr. MONTOYA: Committee on the Judiciary. H. R. 9808. A bill for the relief of E. L. Terry, W. A. Ward, and G. S. Maness; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 10263. A bill for the relief of Francis M. Haischer; without amendment (Rept. No. 2093). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 10419. A bill for the relief of North Counties Hydro-Electric Co.; with amendment (Rept. No. 2094). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 11611. A bill for the relief of McCune C. Ott; without amendment (Rept. No. 2095). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12063. A bill for the relief of Gerald Early; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 12204. A bill for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6970. A bill for the relief of C. A. Nolan; with amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAWSON of Illinois (by request):

H. R. 13230. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to promote the utilization of excess property and to simplify the reimbursement procedure for transfers of such property; to the Committee on Government Operations.

By Mr. IKARD:

H. R. 13231. A bill to provide for the erection of a Federal and post office building in Denton, Tex.; to the Committee on Public Works.

By Mr. MITCHELL:

H. R. 13232. A bill to establish the United States Study Commission on the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee, and Coosa-Alabama River Basins, and intervening areas; to the Committee on Public Works.

H. R. 13233. A bill to amend the Servicemen's Readjustment Act of 1944 to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THOMSON of Wyoming:

H. R. 13234. A bill to approve a repayment contract negotiated with the Heart Mountain Irrigation District, Wyoming, and to authorize its execution; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H. R. 13235. A bill to provide for the construction of sewer and water facilities for the Reno-Sparks Indian colony, Nevada, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Illinois:

H. R. 13236. A bill to authorize the Secretary of the Army to conduct a flood control survey of the Stoney Creek watershed, Illinois; to the Committee on Public Works.

By Mr. DEROUNIAN:

H. R. 13237. A bill to authorize the repurchase and preservation of the U. S. S.

Enterprise; to the Committee on Armed Services.

By Mr. DIXON:

H. R. 13238. A bill providing for the reconveyance to Salt Lake City, Utah, of the Forest Service fire warehouse lot in that city; to the Committee on Agriculture.

By Mr. KARSTEN:

H. R. 13239. A bill to provide for the extension of certain special provisions relating to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. REUSS:

H. R. 13240. A bill to amend the Railroad Retirement Act of 1937, as amended, so as to eliminate certain deductions from a spouse's annuity; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H. R. 13241. A bill to provide assistance to the States for area vocational education programs, and for other purposes; to the Committee on Education and Labor.

By Mrs. SULLIVAN:

H. R. 13242. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on House Administration.

By Mr. KARSTEN:

H. R. 13243. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on House Administration.

By Mr. CURTIS of Missouri:

H. R. 13244. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on House Administration.

By Mr. PRICE:

H. R. 13245. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on House Administration.

By Mr. GRAY:

H. R. 13246. A bill to amend the act of May 17, 1954 (68 Stat. 98), providing for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., and for other purposes; to the Committee on House Administration.

By Mr. ELLIOTT:

H. R. 13247. A bill to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes; to the Committee on Education and Labor.

By Mr. WAINWRIGHT:

H. R. 13248. A bill to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes; to the Committee on Education and Labor.

By Mr. BAILEY:

H. R. 13249. A bill to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes; to the Committee on Education and Labor.

By Mr. HASKELL:

H. R. 13250. A bill to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLER of Nebraska:

H. R. 13251. A bill to provide that certain penalty charges against lands on Federal reclamation projects shall be nonreimbursable; to the Committee on Interior and Insular Affairs.

By Mr. McGOVERN:

H. R. 13252. A bill to encourage expansion of teaching and research in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies; to the Committee on Education and Labor.

By Mr. ROGERS of Colorado:

H. R. 13253. A bill referring to the United States Court of Claims certain matters relative to the War Production Board Limitation Order L-208; to the Committee on the Judiciary.

By Mr. WILLIAMS of Mississippi:

H. R. 13254. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Guam, memorializing the President and the Congress of the United States relative to expressing the views of the Fourth Guam Legislature upon the income-tax structure of the Territory of Guam; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H. R. 13255. A bill to provide compensation for the relocation of the Bestwall Gypsum Co., acquired by the United States for the Tuttle Creek Reservoir project, Kansas; to the Committee on Public Works.

By Mr. BROWN of Ohio:

H. R. 13256. A bill for the relief of John E. Doyle; to the Committee on the Judiciary.

By Mr. DIXON:

H. R. 13257. A bill to authorize the Secretary of Agriculture to exchange lands comprising the Pleasant Grove administrative site, Uinta National Forest, Utah, and for other purposes; to the Committee on Agriculture.

By Mr. GUBSER:

H. R. 13258. A bill for the relief of Kim Mi Soo; to the Committee on the Judiciary.

By Mr. SCOTT of Pennsylvania:

H. R. 13259. A bill for the relief of Kim Fukata; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. R. 13260. A bill for the relief of Tin Fan Lin and his wife, Mary Fang K. Lin; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 13261. A bill for the relief of Martin Pysz; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Additional District Judgeship for the Eastern District of Michigan

EXTENSION OF REMARKS

OF

HON. ROBERT J. McINTOSH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. McINTOSH. Mr. Speaker, the following is the statement which I recently presented to subcommittee No. 5 of the House Committee on the Judiciary in support of H. R. 3813, the bill which creates an additional judgeship for the eastern district of Michigan:

Mr. Chairman and distinguished members of the subcommittee, I appreciate very much the opportunity to present this statement in support of the bill, H. R. 3813, which authorizes the appointment of an additional district judge for the eastern district of Michigan.

Michigan, as you know, is divided into two judicial districts, the eastern and the western. The United States District Court for the eastern district of Michigan has six judgeships, and the court is held regularly at Detroit and Bay City. The sixth judgeship was created by the act of February 10, 1954, which also reduced the size of the district by transferring 5 counties to the jurisdiction of the western district. Prior to 1940 and until the creation of the sixth judgeship in 1954, the eastern district had been provided with only 5 judgeships. At the same time, since 1940 the population of Michigan has increased by over two million. Obviously, this rapid and phenomenal growth is also reflected in the judicial caseload. In 1957 there were 639 private civil cases filed—104 more than the 535 private civil cases filed in the district in 1953, the year before the last judgeship was created. It is anticipated that between 650 and 700 private cases will be filed in the district by the end of 1958.

Since March 1955 the Judicial Conference of the United States has recommended the creation of a seventh judgeship. As a matter of fact, the need for an eighth judgeship was considered by the Conference at its meeting in March 1958, at which time the matter was referred to a special committee for further study. The matter will again be considered by the Judicial Conference at its next meeting in September. This recommendation certainly points up the urgency of making permanent provision for a seventh judgeship.

The statistics show, Mr. Chairman, that in each of the last 6 years the time intervals for getting cases to trial and disposed of in the eastern district have exceeded the national median intervals. For example, in 1957, the median time interval in the eastern district from filing to disposition for civil cases terminated by trial was 16.5 months, as compared to the national median of 14.2 months. The median interval from issue to trial was 10.5 months, as compared to the national median of 9 months. Generally, a period of 6 months between filing and trial is regarded as the desirable norm. In 1957 this time interval in the eastern district was 14.4 months.

The creation of an additional seventh judgeship for the eastern district of Michigan has also been recommended by the bench and bar in Michigan. In this connection, I wish to submit for the record the letter which I have received from Mr. Frank H. Boos, chairman of the Special Committee on the Federal Judicial System for the State bar of Michigan. As past president of my county

bar association, I can testify of my own personal knowledge and experience that this additional judgeship is needed.

For these reasons, I respectfully urge that you and the committee take favorable action on the pending legislation to provide an additional district judge for the eastern district of Michigan.

Medicare Free Choice Need Cited by Defense Department

EXTENSION OF REMARKS

OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. WILSON of California. Mr. Speaker, recent action by the House of Representatives in cutting the Defense Department recommendation on the medicare program by $10 million will have a drastic effect on the morale of the military services. This cut will eliminate the free choice which has been the prerogative of military dependents.

My District, the 30th Congressional District of California, is heavily populated by the military. This group needs and wants to continue the medicare program as originally intended. The free choice of medical facilities, particularly with respect to maternity cases, is important to all affected and is without question vital to our military.

The Senate Appropriations Committee is presently holding hearings on this matter. I trust, that should the Senate approve the recommendations of the Defense Department and restore the money, the House of Representatives will look with favor on this action.

Following are significant comments based on a Department of Defense survey:

MEDICARE FREE CHOICE NEED CITED BY DEFENSE DEPARTMENT

As Congress is considering limiting the free choice provisions of medicare, the Defense Department this week released results of a survey on why military dependents use civilian hospital facilities and doctors.

The House of Representatives cut the medicare budget by more than $10 million in the amount that can be used for civilian facilities and doctors.

The Defense Department has asked the Senate Appropriations Committee to restore the money.

The survey is contained in the first annual medicare report.

The reasons given for choosing civilian facilities are given below:

1. Reside too far from a military facility, 43.6 percent.
2. Stated type of care required was not available at the military facility, 14.9 percent.
3. Preferred civilian facilities for divers reasons, 13.8 percent.
4. Stated military facility was inadequate or overcrowded, 12.8 percent.
5. Preferred the service of a particular civilian physician or hospital, 7 percent.
6. Received emergency care, 5 percent.
7. Stated merely that civilian facility was more convenient.

The report says the "first two categories can be combined, making a total of 58.5 percent who stated that a military facility could not be used either because the required type of care was not available, or because the patient lived too far away."

The Defense Department said that admissions of dependents to civilian hospitals totalled more than 125,550 in the first year.

Furthermore, the DOD said "information gathered during the first year's operation of the program supported an earlier estimate that about 40 percent of all dependents were separated from their sponsors because of the exigencies of service and that, inferentially most of this group apparently had no uniformed service medical or hospital facilities available to them. Actually, several studies showed that of the persons receiving care, some 43 percent were separated from their sponsors."

The annual report had this to say about the morale effect of cutting back free choice. "A restriction of free choice would require dependents in restricted areas to apply for and receive special authority for civilian care and if not administered most wisely, could conceivably result in an extremely adverse morale reaction among troops."

Results of Questionnaire in the Second Congressional District of Washington

EXTENSION OF REMARKS

OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. WESTLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the results of my third annual questionnaire which I sent to 75,000 voters in my District. The return has been excellent, amounting to 10 percent of the total. This, I believe, indicates the interest of the people in the Second District in national and world affairs.

The returns have been grouped into six categories. These categories are self-explanatory. They include labor, white collar, farmers, professional, business and miscellaneous. The last category includes unsigned questionnaires, students, housewives, retired persons, and others who cannot be easily classified into one of the other groups.

I am greatly encouraged by the substantial thought given to the issues covered by the questionnaire. Many persons took the trouble to present detailed comments on the most important issues, and I have been able to use these comments to help form within my own mind the path to follow in representing my district.

Here are detailed results by percentages:

First. Please number in order of importance the six issues you think most important today: Education, social security, civil rights, national defense, agriculture, power, foreign affairs, budget and finance, labor, taxation, civil defense, other.

Labor: National defense 30; education, 25; labor, 9; social security, 7; foreign affairs, 7; taxation, 6.

White collar: National defense, 44; education, 16; foreign affairs, 11; budget and finance, 8; taxation, 7.

Farmer: National defense, 28; education, 21; agriculture, 17; budget and finance, 8; civil rights, 7; social security, 4; labor, 4.

Professional: National defense, 41; education, 26; foreign affairs, 11; budget and finance, 5; civil rights, 3; taxation, 3.

Business: National defense, 46; education, 14; taxation, 9; budget and finance, 8; foreign affairs, 6; civil rights, 4.

Miscellaneous: National defense, 48; education, 21; budget and finance, 6; foreign affairs, 6; social security, 5; taxation, 3.

All groups: National defense, 41; education, 21; foreign affairs, 8; budget and finance, 6; taxation, 5; labor, 6.

Second. In view of possible sharply increased defense expenditures, check the program you think is the best solution: (A) Balanced budget at all costs with no tax increase, (B) deficit spending with no tax increase, (C) increase taxes to cover any deficit.

	A	B	C
Labor	28	35	37
White collar	34	30	36
Farmer	45	26	29
Professional	30	24	46
Business	43	27	30
Miscellaneous	37	30	33
All	34	30	36

Third. Do you favor a program of Federal scholarships?

	Yes	No
Labor	67	33
White collar	69	31
Farmer	47	53
Professional	65	35
Business	55	45
Miscellaneous	54	46
All	60	40

Fourth. Do you favor my dairymen's self-help bill, H. R. 9741, approved by the Grange and the National Milk Producers Federation, which would end the need for price supports and take the Government out of the dairy business by turning it over to the dairymen?

	Yes	No
Labor	93	7
White collar	94	6
Farmer	94	6
Professional	94	6
Business	97	3
Miscellaneous	92	8
All	93	7

Fifth. Do you favor increasing the social security benefits with a corresponding increase in individual and employer contributions?

	Yes	No
Labor	78	22
White collar	59	41
Farmer	56	44
Professional	51	49
Business	46	54
Miscellaneous	69	31
All	64	36

Sixth. Do you favor specific tax relief for small business?

	Yes	No
Labor	75	25
White collar	71	29
Farmer	73	27
Professional	69	31
Business	82	18
Miscellaneous	75	25
All	74	26

Seventh. Do you favor my bill, H. R. 10364, to grant up to $1,000 tax deduction to parents for each dependent attending college?

	Yes	No
Labor	72	28
White collar	73	27
Farmer	70	30
Professional	81	19
Business	77	23
Miscellaneous	72	28
All	74	26

Eighth. Do you favor continuation of the mutual security program with regard to (A) military assistance, (B) economic assistance?

	A		B	
	Yes	No	Yes	No
Labor	61	39	66	34
White collar	73	27	68	32
Farmer	58	42	66	34
Professional	73	27	74	26
Business	66	34	61	39
Miscellaneous	66	34	66	34
All	66	34	62	38

Ninth. Do you favor a crash program for development of (A) space satellites, (B) missiles?

	A		B	
	Yes	No	Yes	No
Labor	32	68	62	38
White collar	41	59	57	43
Farmer	26	74	45	55
Professional	35	65	50	50
Business	29	71	63	37
Miscellaneous	35	65	53	47
All	36	64	56	44

Tenth. Do you favor President Eisenhower's recommendation for labor legislation?

	Yes	No
Labor	62	38
White collar	88	12
Farmer	76	24
Professional	81	19
Business	71	29
Miscellaneous	78	22
All	74	26

Eleventh. Do you favor diplomatic negotiations with the U. S. S. R. for a summit meeting?

	Yes	No
Labor	63	37
White collar	61	39
Farmer	62	38
Professional	67	33
Business	71	29
Miscellaneous	58	42
All	62	38

Twelfth. Do you believe the President's $40 billion request for defense is enough?

	Yes	No
Labor	73	27
White collar	76	24
Farmer	85	15
Professional	76	24
Business	84	16
Miscellaneous	77	23
All	77	23

It is obvious from these results that national defense and the security of this country are of primary importance to the people of my District. The fact that education ranked next was of great interest to me. For years the people of my district consistently have seen fit to pass bond issues to the limit of their capability in order to build schools for our rapidly increasing population. My constituents will support any sensible approach to our educational problem.

The people I represent also want this Congress to pass adequate labor legislation. They believe the President's recommendations on labor legislation are good. I trust that this Congress will pass legislation along these lines.

Setting the Record Straight at the Request of J. Edgar Hoover

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

UNITED STATES DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D. C., June 16, 1958.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: I noted in the CONGRESSIONAL RECORD of June 9, 1958, that you extended your remarks to include an open letter which appeared in The New Republic of June 9, 1958, written by one Manuel Rivera-Torres. This letter indicated that representatives of this Bureau were harassing Latin American refugees and that Manuel Rivera-Torres, like many others, was being shadowed by myriads of policemen.

We are unable to identify an individual by the name of Manuel Rivera-Torres as having been the subject of any investigation conducted by this Bureau. I thought you might like to know this for the purpose of setting the record straight.

Sincerely yours,

J. EDGAR HOOVER,
Director, Federal Bureau of Investigation.

JUNE 28, 1958.

Hon. J. EDGAR HOOVER,
Director, Federal Bureau of Investigation, United States Department of Justice, Washington, D. C.

DEAR MR. HOOVER: Thanks for your letter of June 16. I'm glad you are concerned about the matters raised by Manuel Rivera-Torres in his letter to The New Republic. I'm not quite sure what you mean by setting the record straight. Mr. Rivera-Torres does not say that he was harassed by the FBI and you do not say that you are not harassing Latin American refugees, although I would assume you are not. Whether he is being shadowed by other policemen, I, of course, do not know, but I trust he has not been made the object of an FBI investigation because of this letter which was included in the CONGRESSIONAL RECORD because of his comments on Mr. NIXON's tour and not because of the matters which caught your attention.

With best wishes,

Sincerely,

CHARLES O. PORTER,
Member of Congress.

The Rose Should Be Our National Flower

EXTENSION OF REMARKS

OF

HON. ROBERT J. McINTOSH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. McINTOSH. Mr. Speaker, the following is the statement which I presented on June 30, 1958, to the Subcommittee on Enrolled Bills and Library of the Committee on House Administration in support of my resolution—House Joint Resolution 625—to designate the rose as our national flower:

Mr. Chairman and honorable members of the subcommittee, I appreciate the opportunity to present this statement in support of House Joint Resolution 625, the resolution which I introduced for the purposes of designating the rose as the national flower of the United States and which is identical to the resolutions introduced by my colleagues, Representatives RALPH J. SCOTT and JAMES C. DAVIS.

Our country, Mr. Chairman, stands out as the only major power in the world that lays claim to no national flower. I am not acquainted with the circumstances under which other countries have made such designations, but I am confident that, among the reasons, there prevailed the feeling that a national flower could function as a symbol of the country—similar to the primary symbol, the flag. And this is the reason why I introduced my resolution.

The rose is found the world over. Americans, wherever they may travel throughout the world, will find the rose, and it will remind them of their country. A national flower will serve as an inspiration to the young generation—and what could be more proper than to identify the blooming strength of our country with the queen of all flowers, the rose.

In selecting the rose for this purpose, we honor the oldest and fairest of flowers. It has been associated with the earliest history of our country. When the *Mayflower* landed at Plymouth on a lovely June day, it was recorded that "the shore was fragrant like the smell of a rose garden, and the happy children gathered strawberries and single wild roses." An early visitor noted their presence in New Amsterdam, and they were also grown in the gardens of old Virginia, New England, and South Carolina. In his Book of Physics, William Penn writes about the 18 rose bushes he brought back from England. He told of their beauty and medicinal virtues. To this day, his heirs annually accept a single red rose in payment for rent on certain Pennsylvania properties.

George Washington was one of the earliest rose hybridizers in America. There are plants at Mount Vernon, named Martha

Washington and Mary Washington. Rose hybridizing got an early start in America. A South Carolinian named John Champney created Champney's Pink Cluster in 1810, and the Reverend William Harrison of Trinity Church in New York originated Harrison's Yellow about 20 years later.

By the Civil War, hybridizing techniques had improved, and Robert Buist published a Manual of Roses which listed some 900 varieties. Another author contributing to the literature on roses was the noted Francis Parkman who wrote the Book of Roses about his hobby.

Today, the rose is by far the favorite flower of Americans. A national poll made a few years ago indicated that Americans preferred the rose by almost 21 to 1. More than 40 million Americans grow and display roses each year. I take pride in the fact that the city of Mount Clemens in my District is the largest producer of roses under glass in the United States; the 20 million blooms per year make it the fifth largest rose producer in the United States.

Mr. Chairman, no other flower, in my opinion, could better symbolize the greatness and strength and energy of our country. I, therefore, hope it will be possible for your committee to give favorable consideration to the resolutions that have been introduced for the purpose of designating the rose as the national flower of the United States.

Veterans' Burial Allowances

EXTENSION OF REMARKS

OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mrs. DWYER. Mr. Speaker, the pending bill, H. R. 11801, is a very minor bill, indeed, in terms of cost or of impact upon the economy of the United States. But it is a most important bill in terms of human welfare and of its impact upon the households of deceased veterans whose relatives must often sacrifice beyond their means to provide a simple, decent burial for one who, in his turn, sacrificed much for his country.

The present bill aims to ease the burden on veterans' survivors caused by the substantial increase in the cost of burials and funerals during the 12 years since the present burial allowance of $150 was set.

It would do so by raising the present allowance to $250. It would be payable, as at present, only in the case of a veteran who had served during a period of war, or who had been discharged in the service with a service-connected disability, or who was receiving compensation.

There is no question whatever that this bill is needed. The costs of the various components of funeral and burial arrangements have increased to the point where most funeral firms would refuse to do the work for $150. This figure, then, is completely unrealistic, as the facts presented to our committee very clearly demonstrated.

For this reason, and because the principle of assuring decent burial for those who served their country during war or who became disabled in the line of duty is unchallenged, the committee received favorable testimony from all the veterans' organizations and from the Veterans' Administration.

This is important, necessary, and eminently worthwhile legislation.

United States Should Demand Release of Americans in Cuba

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. ANFUSO. Mr. Speaker, I have today sent a telegram to Secretary of State John Foster Dulles urging him to demand the release, within 48 hours and without strings attached, of the Americans kidnapped by the Cuban rebels. The action of the Cuban rebels, to my mind, follows the Communist pattern throughout the world which is designed to embarrass the United States and to lower its prestige among the nations.

The full text of my telegram to Secretary Dulles is as follows:

JULY 1, 1958.

Hon. JOHN FOSTER DULLES,
Secretary of State,
Washington, D. C.:

In the kidnaping of 42 Americans, including servicemen, the United States has been insulted by a would-be dictator not yet in power. Suggest you inform rebel leader that this Government will never recognize him nor anyone connected with him now or in the future because of this action. Whatever justification there may have been for his revolution has been dissipated by his uncivilized behavior. His actions have all the earmarks of following a Communist pattern throughout the world designed to embarrass the United States. Demand from both rebels and legal Government of Cuba the release of our citizens within 48 hours with no strings attached, or we will treat banditry for what it is and take such action as may be necessary to protect our citizens and preserve our national prestige.

VICTOR L. ANFUSO,
Member of Congress.

Approval of Statehood for Alaska

EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. BROOMFIELD. Mr. Speaker, it is a great pleasure to note Senate approval of statehood for Alaska. The overwhelming vote for the admission of this 586,400 square miles of new territory to the Union assures us of a 49th State in the very near future.

Both political parties have included statehood for Alaska in their platforms for a number of years. Until this year, Congress has not seen fit to live up to its promises to the people of Alaska to give them equal representation with their brothers and sisters to the south.

Alaska has made great progress since the United States bought the so-called Seward icebox from Russia in 1867 for the sum of $7,200,000. Last year, Alaska mined gold worth more than its total purchase price.

In addition, 31 out of the 33 strategic minerals termed necessary for our Nation's defense have already been found in Alaska. And only 2 percent of Alaska has been surveyed so far.

Alaska has a wealth of nature's blessings above ground as well as below. Timber and tourism promise to be great industries in the future in this last great frontier on the North American Continent. Farming also will become an ever-increasing business in this potential new State. Out of some 3 million tillable acres, only 20,000 are now under cultivation.

At present, Alaska has to import 95 percent of its food from the mainland. All its machinery, clothing, and appliances must be brought into Alaska by either plane or ship. Costs are high, but so are wages.

Alaska—twice the size of Texas—is a welcome addition to our Union of States. its opportunities are limited only by human ingenuity, hard work, and foresight. Nature has been lavish with its supply of the necessities and raw materials of life. It is up to the people of Alaska to turn these natural advantages to good use.

My compliments to the Alaska delegation and to Gov. Mike Stepovich on the excellent job they have done in acquainting the Members of Congress with the facts about our newest State.

Social-Security Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT J. McINTOSH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 1, 1958

Mr. McINTOSH. Mr. Speaker, the following is the statement, which I presented to the House Committee on Ways and Means during the course of the current hearings, covering proposed amendments to the Social Security Act:

Mr. Chairman and members of the committee, I am grateful for the opportunity to present this statement in support of legislation to amend and improve our present social-security system. Permit me, first, to commend your distinguished committee for undertaking at this time a review of social-security legislation. The progress our social-security system has achieved can be credited, in major part, to the work of this committee. I sincerely hope that these hearings will enable the committee to recommend to the Congress additional improvements that are needed and necessary at this time.

Although I should like to comment favorably on the many proposals that have been presented during the course of these hearings, I shall limit this statement to a discussion of my bills, H. R. 12503, H. R. 12504,

and H. R. 12505. My bills would accomplish the following:

(1) Lower the retirement age to 62 for men and women.

(2) Repeal the age limitation for disability insurance benefits.

(3) Clarify the meaning of the term "disability" in establishing entitlement to disability insurance benefits.

(4) Increase the amount of outside annual earnings from $1,200 to $1,800.

Mr. Chairman, by lowering the general retirement age from 65 to 62, we would be bringing the Social Security Act in line with other progressive government and private retirement plans. The retirement age provision in the Social Security Act is not a mandate to the individual to retire at that age. It is permissive only. Such an amendment, however, would permit some 4 million individuals in the 62–65 age group to enjoy the benefits of retirement, if they so desire, and it would also provide more employment opportunities for younger workers.

The 1956 amendment, which created the new benefit for totally and permanently disabled persons, is limited in application to such persons who are 50 years of age. Such a limitation is unrealistic. Illness or injury can come at any time, and the younger man needs this benefit for himself and his family every bit as much in his earlier years.

The strict administrative interpretation that has been given to the meaning of the term "disability" should be overcome. An individual who is totally and permanently disabled for his profession or trade may be denied benefits because he might be able to sell shoelaces on a street corner. There are instances in which an individual will be recognized as totally and permanently disabled for the purposes of some Federal or State statute but not under the Social Security Act. I recall a case in which a constituent of mine, 64 years of age, was accidentally shot in the right arm while deer hunting. Some of the muscles were torn out of his arm, and his right hand became paralyzed. His claim for disability insurance benefits under the Social Security Act was denied on the ground that he was capable of other employment, such as, a watchman. This individual's work experience was totally unrelated to watchman duties, and, to me, it seems unlikely that someone would hire as a watchman a person, 64 years of age, who had always been right handed but had now lost all use of his right hand.

I realize, of course, that a great step was taken in 1956 when Congress inaugurated the program of disability-insurance benefits. I believe, however, that the definition of the term "disability" should be amended, so that disability-insurance benefits will not be denied to such a person who is unable to engage in an occupation or employment that is the same or similar to that last performed by him. Likewise, an individual should be considered to be totally disabled and eligible for benefits under the act if he has furnished a formal declaration of his permanent and total disability, made by any other Federal or State agency.

The economic problems of retired workers receiving social-security benefits are becoming increasingly apparent. No one will dispute the fact that social-security benefits are inadequate to meet the minimum needs of retired workers and their dependents. Today's high living costs have forced many annuitants into supplemental, part-time employment to augment their social-security payments. The act presently limits the amount of such outside annual earnings to $1,200. My bill would increase this amount to $1,800, a modest amount when it is noted that the average monthly benefit is under $70. Moreover, those who are receiving additional income from rents, dividends, and other sources are not penalized for this unearned income, while those who are forced to supplement their benefits through employment are restricted in the amount they may earn.

Mr. Chairman, we have made great strides during the past 23 years in improving our social-security system and extending its coverage. It has become an accepted program, but the present system is far from adequate to meet the present needs of millions of our citizens. In studying the changes that are necessary at this time, I am hopeful that your committee will be able to recommend an increase in benefit amounts. I realize, of course, that any changes that are made should be on a sound actuarial basis, and I am confident that our people appreciate this policy. Within this limitation, I trust that the Congress can fulfill its obligation to our older citizens to see to it that they do not live out their lives in poverty without being able to purchase even the barest necessities.

SENATE

WEDNESDAY, JULY 2, 1958

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

God of our fathers, we give Thee thanks for the daring resolves and for the deathless words of the Founding Fathers who, after their labors in building our ship of state, snapped the bonds of tyranny and launched their noble experiment dedicated to the freely expressed will of all the people.

As sacred memories of those dark and doubtful days will again stir the Republic on the birthday of the Nation, give to those who through the treacherous seas of these days pilot the Nation's course a revealing remembrance of the altars at which the founders knelt, the ideals to which they were committed, the human rights to which they gave their fealty for freedom's greatest venture.

Make us, we pray, fit vessels to receive the glory and the good Thou desirest to give to us and, through us, to all the waste places of this stricken earth: In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 1, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 1, 1958, the President had approved and signed the act (S. 3342) to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools.

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 a concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, in which it requested the concurrence of the Senate.

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 Vice President:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11424. An act to extend the authority of the Secretary of Agriculture to extend special livestock loans, and for other purposes;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to reconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 346) commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1958, was referred to the Committee on the Judiciary, as follows:

Whereas the debate between Abraham Lincoln and Stephen A. Douglas at Freeport, Ill., in the Illinois senatorial contest of 1858 was one of the great and important events in the history of the United States; and

Whereas the centennial anniversary of the Lincoln-Douglas debate is to be appropriately commemorated at Freeport in August of 1958: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States joins the city of Freeport in commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858.

SEC. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of Illinois, and the president of the Lincoln-Douglas Society, Freeport, Ill.