wisely and well. I am convinced that the greatest days for this hospital and for other comparable institutions throughout our Nation lie ahead of us. Never before, I am convinced, have men and women been as willing to give of their time, energy, and resources to serve others. More and more men and women want to join that great company of "do-gooders." This is why, personally, as I look to the future, I do so not with a feeling of pessimism, but with a feeling of optimism. I am convinced that as more and more join the great company of "do-gooders" that we are setting into motion those spiritual forces throughout this world that will ultimately provide us with the kind of spiritual breakthrough that will lead us into the pathway of peace.

# HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 13, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., pastor, Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

The Psalmist has said, Psalms 34: 3: *O magnify the Lord with me, and let us exalt His name together.*

Merciful and omniscient God, we do thank Thee for Thy great and tender mercy.

We know that even when a sparrow falls to the ground Thou art mindful of it.

We thank Thee, therefore, Heavenly Father, for the routine necessities of life, food, shelter, clothing, and all that enters into our daily existence. May we never accept these gifts nonchalantly; but remember that they come through Thee.

We thank Thee for wisdom and solicit Thy continued guidance for this great law-forming body of men and women.

These thanks we give, and requests we make, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law.

## EXPENSES OF CONDUCTING STUDIES AND INVESTIGATIONS INCURRED BY COMMITTEE ON AGRICULTURE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution, House Resolution 156, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That, effective January 3, 1959, the expenses of conducting the studies and investigations authorized by H. Res. 93, Eighty-sixth Congress, incurred by the Committee on Agriculture, acting as a whole or by subcommittee, not to exceed $50,000, including expenditures for the employment of accountants, experts, investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings, if not otherwise officially engaged.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

## BASIC COMPENSATION OF EXPERT TRANSCRIBERS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution, House Resolution 197, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That the basic compensation of the eight expert transcribers, office of the official committee reporters, and the seven expert transcribers, office of the official reporters of debates, shall be at the basic per annum rate of $3,450 each, effective March 1, 1959.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

## COMMITTEE ON BANKING AND CURRENCY

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 198), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That, effective January 3, 1959, in carrying out its duties during the 86th Congress, the Committee on Banking and Currency is authorized to incur such expenses (not in excess of $5,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. When did all this start?

Mr. FRIEDEL. The $5,000 for the Committee on Banking and Currency?

Mr. GROSS. Yes.

Mr. FRIEDEL. In the 85th Congress they received $5,000 also.

Mr. GROSS. Were these bills on the whip notice to come up today?

Mr. FRIEDEL. Yes; it was cleared with the leadership.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, not on the whip notice, because they are preferential matters. They are not included in the whip notice because they have a preferential status.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## COMMITTEE ON WAYS AND MEANS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 206) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That the expenses of conducting the studies and investigations authorized by House Resolution 182, Eighty-sixth Congress, incurred by the Committee on Ways and Means, acting as a whole or by subcommittee, not to exceed $300,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, effective January 3, 1959, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the committee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## CODE OF ETHICS FOR GOVERNMENT SERVICE

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Con. Res. 15) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring),* That there shall be printed as a House document the "Code of Ethics for Government Service" as adopted by the Congress in H. Con. Res. 175, Eighty-fifth Congress. Such code shall be run in two colors and gold from letterpress plates reproducing engrossed artwork, hand lettered and appropriate for framing and office wall display. Stock for prints shall be one hundred and sixty pound white, size twelve and one-quarter inches by sixteen and one-quarter inches flat. Prints shall be inserted in white envelopes inside mailing brown envelopes of twenty-eight pound brown kraft, flaps sealed or tucked in with one corrugated board protector. In addition to the usual number, there shall be printed a sufficient number of extra copies to provide twenty-five copies for use and distribution by each Senator and each Representative. For the purposes of this resolution, the Delegate from Hawaii and the Resident Commissioner from

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Puerto Rico shall be considered as Representatives.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Mr. Speaker, I asked for this time because I am going to have to oppose this resolution, and I do so with some reluctance. I have talked to the author of the resolution. The Congress did adopt this code of ethics at the last session. The reason I feel disposed to oppose the resolution is that this is just one instance of many in which the Congress has authorized the printing of many things which have little value. Many of these projects like this start as a very small item. I think this one calls for maybe $2,900, which, of course, is a very small amount. It does set another precedent. We print so many things around here and order a limited distribution to Members that are never used and are sold as waste paper. Now, this code of ethics had been circulated among many departments of Government and among many employees by those departments of Government. This proposal here today calls for a very attractive piece of printing. It is a rather expensive piece of printing. As I say, it is with some reluctance that I oppose this resolution, but I am going to have to do it, and from time to time I expect to oppose other proposals like this. Somewhere along the line we are going to have to accept some responsibility and to give more attention to the use to which this printing is made. We are spending several million dollars here in the Congress for reports and other pieces of printing that to me is entirely a waste of the taxpayers' money.

As another example we have, for instance, a calendar. I think the distribution is something like 10 to 25 calendars to each Member of Congress. Actually, to many of us it is more of a nuisance than a help, because they do not come in sufficient quantity to do a great deal of good. We could save I do not know how much money; I do not know what they cost. But this item before us I think we could dispense with, and for that reason I am going to vote against the resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. For a question.

Mr. GROSS. Was a sample of this proposed printing sent around to the various offices?

Mr. HAYS. I believe so, yes.

Mr. GROSS. Then it is a rather expensive piece of printing, is it not?

Mr. HAYS. I believe the gentleman said that it was going to cost $2,976.

Mr. GROSS. I know; for how many copies?

Mr. HAYS. The regular printing plus 25 copies for each Member.

Mr. GROSS. So it is an expensive piece of printing. What we need around here is not to print copies of a Code of Ethics, but to do something about the so-called ethics that we practice, in view of some of the things that have happened recently. I want to join the gentleman from Missouri [Mr. JONES] in opposing this sort of thing.

Mr. HAYS. Now that the gentleman has joined with him, I might say that in my opinion this is a document which might do some good. The gentleman has raised the point that there is some need for some ethics. Maybe this document will promote some. I hope so. I might say to him that the Committee on Printing has 3 resolutions here this morning and has turned down 6 others. So it has been rather selective about what is to be printed.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## HOUSE REPORT NO. 41, COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution, House Resolution 187, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That there be printed for the use of the Committee on Un-American Activities eleven thousand five hundred additional copies of House Report Numbered 41, current session, entitled "Communist Legal Subversion."

Mr. HAYS. Mr. Speaker, I should like to make a brief statement on this resolution. This resolution was the object of some comment by a columnist some time back in February. I think his column appeared somewhere around the 20th of February. In that column he said that no copies of this document could be obtained because the Committee on Printing was dragging its feet, and he intimated, if not alleged, that we were trying to keep any documents about communism from being printed.

This column appeared, as I have said, around the 20th of February. Actually the resolution for the printing of this document was only introduced by the gentleman from Pennsylvania [Mr. WALTER] on March 2. It was heard by the subcommittee of which I have the honor to be chairman on the 5th of March, and reported out of the full committee the day before yesterday, and is up for consideration here today. I consider that rather expeditious handling.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I am very much surprised that anybody should make the sort of attack on the gentleman from Ohio that he has just described because, actually, he has been most cooperative. It is because of his interest in the work of the Committee on Un-American Activities that we have been able to supply the tremendous demand for these pamphlets. I wish to take this opportunity to thank the gentleman publicly for his cooperation.

Mr. HAYS. I thank the gentleman for his statement.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## GOVERNMENT PROGRAMS IN INTERNATIONAL EDUCATION

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 175 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That there be printed with certain minor editorial, grammatical, and typographical changes, two thousand five hundred additional copies for the use of the Committee on Government Operations of House Report Numbered 2712, Eighty-fifth Congress, entitled "Government Programs in International Education."

The resolution was agreed to.

A motion to reconsider was laid on the table.

## MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Foreign Affairs, and ordered to be printed:

*To the Congress of the United States:*

A year ago in concluding my message to the Congress on the mutual security program I described it as of transcendent importance to the security of the United States. I said that our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces. I stated my conviction that for the safety of our families, the future of our children, and our continued existence as a nation, we cannot afford to slacken our support of the mutual security program.

The events of the intervening year have vividly demonstrated the truth of these statements. In this one year there have been crises of serious proportions in the Middle East, in the Far East, and in Europe. In each of these the strength built by our mutual security program has been of immeasurable value.

At the time of the difficulty in Lebanon the uneasy balance of the Middle East would have been far more seriously endangered if it had not been for the stability of other Middle Eastern countries which our mutual security program had helped build. Without our mutual security aid, Jordan, under severe pressures, would have faced collapse, with the danger of flaring conflict over her territory.

In the Far East, the firm stand of the Republic of China against the Communist attack on Quemoy would not have been possible without the arms and training furnished by our mutual security program and by the high morale promoted by the economic progress we have

helped forward on Taiwan. This successful local defense blunted an aggression which otherwise could have precipitated a major conflict.

In Europe today the Soviet Union has made demands regarding the future of Berlin which, if unmodified, could have perilous consequences. The resoluteness with which we and our allies will meet this issue has come about in large measure because our past programs of economic and military assistance to our NATO allies have aided them in strengthening the economies and the military power needed to stand firm in the face of threats.

While our mutual security program has demonstrated a high value in these tense moments, its military and economic assistance to other areas has undoubtedly had an equal value in maintaining order and progress so that crises have not arisen.

REALITIES OF 1959 AND AHEAD

I believe that these events of the past year and the stern, indeed harsh, realities of the world of today and the years ahead demonstrate the importance of the mutual security program to the security of the United States. I think four such realities stand out.

First, the United States and the entire free world are confronted by the military might of the Soviet Union, Communist China, and their satellites. These nations of the Communist bloc now maintain well-equipped standing armies totaling more than 6,500,000 men formed in some 400 divisions. They are deployed along the borders of our allies and friends from the northern shores of Europe to the Mediterranean Sea, around through the Middle East and Far East to Korea. These forces are backed by an air fleet of 25,000 planes in operational units, and many more not in such units. They, in turn, are supported by nuclear weapons and missiles. On the seas around this land mass is a large navy with several hundred submarines.

Second, the world is in a great epoch of seething change. Within little more than a decade a worldwide political revolution has swept whole nations—21 of them—with three-quarters of a billion people, a fourth of the world's population, from colonial status to independence—and others are pressing just behind. The industrial revolution, with its sharp rise in living standards, was accompanied by much turmoil in the Western World. A similar movement is now beginning to sweep Africa, Asia, and South America. A newer and even more striking revolution in medicine, nutrition, and sanitation is increasing the energies and lengthening the lives of people in the most remote areas. As a result of lowered infant mortality, longer lives, and the accelerating conquest of famine, there is underway a population explosion so incredibly great that in little more than another generation the population of the world is expected to double. Asia alone is expected to have one billion more people than the entire world has today. Throughout vast areas there is a surging social upheaval in which, overnight, the responsibilities of self-government are being undertaken by hundreds of millions, women are assuming new places in public life, old family patterns are being destroyed and new ones uneasily established. In the early years of independence, the people of the new nations are fired with a zealous nationalism which, unless channeled toward productive purposes, could lead to harmful developments. Transcending all this there is the accompanying universal determination to achieve a better life.

Third, there is loose in the world a fanatic conspiracy, international communism, whose leaders have in two score years seized control of all or parts of 17 countries, with nearly 1 billion people, over a third of the total population of the earth. The center of this conspiracy, Soviet Russia, has by the grimmest determination and harshest of means raised itself to be the second military and economic power in the world today. Its leaders never lose the opportunity to declare their determination to become the first with all possible speed.

The other great Communist power, Red China, is now in the early stages of its social and economic revolution. Its leaders are showing the same ruthless drive for power and to this end are striving for ever increasing economic output. They seem not to care that the results—which thus far have been considerable in materialistic terms—are built upon the crushed spirits and the broken bodies of their people.

The fact that the Soviet Union has just come through a great revolutionary process to a position of enormous power and that the world's most populous nation, China, is in the course of tremendous change at the very time when so large a part of the free world is in the flux of revolutionary movements, provides communism with what it sees as its golden opportunity. By the same token freedom is faced with difficulties of unprecedented scope and severity—and opportunity as well.

Communism exploits the opportunity to intensify world unrest by every possible means. At the same time communism masquerades as the pattern of progress, as the path to economic equality, as the way to freedom from what it calls "Western imperialism," as the wave of the future.

For the free world there is the challenge to convince a billion people in the less developed areas that there is a way of life by which they can have bread and the ballot, a better livelihood and the right to choose the means of their livelihood, social change and social justice—in short, progress and liberty. The dignity of man is at stake.

Communism is determined to win this contest—freedom must be just as dedicated or the struggle could finally go against us. Though no shot would have been fired, freedom and democracy would have lost.

This battle is now joined. The next decade will forecast its outcome.

The fourth reality is that the military position and economic prosperity of the United States are interdependent with those of the rest of the free world.

As I shall outline more fully below, our military strategy is part of a common defense effort involving many nations. The defense of the free world is strengthened and progress toward a more stable peace is advanced by the fact that powerful free world forces are established on territory adjoining the areas of Communist power. The deterrent power of our air and naval forces and our intermediate range missiles is materially increased by the availability of bases in friendly countries abroad.

Moreover, the military strength of our country and the needs of our industry cannot be supplied from our own resources. Such basic necessities as iron ore, bauxite for aluminum, manganese, natural rubber, tin, and many other materials acutely important to our military and industrial strength are either not produced in our own country or are not produced in sufficient quantities to meet our needs. This is an additional reason why we must help to remain free the nations which supply these resources.

The challenge that confronts us is broad and deep—and will remain so for some time. Yet our gravest danger is not in these external facts but within ourselves—the possibility that in complacent satisfaction with our present wealth and preoccupation with increasing our own military power we may fail to recognize the realities around us and to deal with them with the vigor and tenacity their gravity requires.

We have the national capacity and the national program to surmount these dangers and many more. We have the strength of our free institutions, the productivity of our free economy, the power of our military forces, a foreign policy dedicated to freedom and respect for the rights of others, and the collective strength of our worldwide system of alliances.

The effectiveness of all these in meeting the challenge confronting us is multiplied by our mutual security program—a powerful and indispensable tool in dealing with the realities of the second half of the 20th century.

I should like to outline how the principal elements of this program will serve the vital interests of our country in fiscal year 1960.

THE MUTUAL SECURITY PROGRAM FOR FISCAL YEAR 1960

The mutual security program which I propose for fiscal year 1960 is in the same pattern and has the same component parts as the program which the Congress enacted at the last session. To carry forward this program I ask $3,929,995,000.

I ask these funds to attain the two basic objectives of the mutual security program: military security and economic and political stability and progress.

THE MILITARY SHIELD

In view of the maintenance by the Communists of armed force far beyond necessary levels and the repeated evidence of willingness to use a portion of that force where the Communist leaders believe it would be a successful means to a Communist end, it is rudimentary good sense for the peoples of the free

nations to create and maintain deterrent military strength. We do this not through choice but necessity. It is not in our nature to wish to spend our substance on weapons. We would like to see these outlays shifted to the economic benefit of our own Nation and our friends abroad striving for economic progress.

Because the need for military strength continues, we seek to build this strength where it can most effectively be developed, deploy it where it can most effectively be used and share the burden of its cost on as fair a basis as possible. To this end, we and over 40 other nations have joined together in a series of security pacts. Some of our allies and close friends have joined in other supporting agreements. We have also made certain individual undertakings such as the Middle East resolution.

Each of the free nations joined in this worldwide system of collective security contributes to the common defense in two ways: through the creation and maintenance of its individual forces; through the support of the collective effort.

For our own military forces, which form a major element in the total security pattern, I have asked the Congress to make available $40.85 billion, to which must be added approximately $2.8 billion for atomic programs, largely for defense purposes. For our contribution of military materiel and training assistance to the collective security effort, I now ask the Congress to make available $1.6 billion. This amount is far below that needed for our share of the cost of improving, or even providing essential maintenance for the forces of our allies. It is a minimum figure necessary to prevent serious deterioration of our collective defense system.

These two requests, one for our own defense forces, the other for our share in supporting the collective system, are but two elements in a single defense effort. Each is essential in the plans of the Joint Chiefs of Staff for our national security. Each is recommended to you by the same Joint Chiefs, the same Secretary of Defense, and the same Commander in Chief.

Dollar for dollar, our expenditures for the mutual security program, after we have once achieved a reasonable military posture for ourselves, will buy more security than far greater additional expenditures for our own forces.

Two fundamental purposes of our collective defense effort are to prevent general war and to deter Communist local aggression.

We know the enormous and growing Communist potential to launch a war of nuclear destruction and their willingness to use this power as a threat to the free world. We know also that even local aggressions, unless checked, could absorb nation after nation into the Communist orbit—or could flame into world war.

The protection of the free world against the threat or the reality of Soviet nuclear aggression or local attack rests on the common defense effort established under our collective security agreements. The protective power of our Strategic Air Command and our naval air units is assured even greater strength not only by the availability of bases abroad but also by the early warning facilities, the defensive installations, and the logistic support installations maintained on the soil of these and other allies and friends for our common protection.

The strategy of general defense is made stronger and of local defense is made possible by the powerful defensive forces which our allies in Europe, in the Middle East, and the Far East have raised and maintain on the soil of their homelands, on the borders of the Communist world.

These military forces, these essential bases, and facilities constitute invaluable contributions of our partners to our common defense. On our part we contribute through our military assistance program certain basic military equipment and advanced weapons they need to make their own military effort fully effective but which they cannot produce or afford to purchase.

As we move into the age of missile weapons, this plan of collective security will grow in importance. Already intermediate range ballistic missiles are being deployed abroad. Our friends on whose territory these weapons are located must have the continued assurance of our help to their own forces and defense in order that they may continue to have the confidence and high morale essential to vigorous participation in the common defense effort.

The funds I now ask for military assistance are to supply to these partners in defense essential conventional weapons and ammunition for their forces and the highly complex electronic equipment, missiles, and other advanced weapons needed to make their role in the common defense effective.

As already pointed out these funds are asked on a minimal basis. Continuation of a sufficient flow of materials and of sufficient training for the year can be attained only by some additional cannibalizing of the pipeline, already reduced to a point where flexibility is difficult.

To summarize, through the mutual security program our friends among the free world nations make available to us for the use of our forces some 250 bases in the most strategic locations, many of them of vital importance. They support ground forces totaling more than 5 million men stationed at points where danger of local aggression is most acute, based on their own soil and prepared to defend their own homes. They man air forces of about 30,000 aircraft of which nearly 14,000 are jets, 23 times the jet strength of 1950 when the program started. They also have naval forces totaling 2,500 combat vessels with some 1,700 in active fleets or their supporting activities.

Over the years of our combined effort, these allies and friends have spent on these forces some $141 billion, more than 6 times the $22 billion we have contributed in military assistance. During calendar year 1958 they contributed $19 billion of their own funds to the support of these forces. On our part we have created and maintain powerful mobile forces which can be concentrated in support of allied forces in the most distant parts of the world. We know it would be impossible for us to raise and maintain forces of equal strength and with the immeasurable value of strategic location. Without the strength of our allies our Nation would be turned into an armed camp and our people subjected to a heavy draft and an annual cost of many billions of dollars above our present military budget.

Because the military assistance program is a vital part of our total defense, and to be certain that it serves its intended purpose fully and effectively, I have appointed a bipartisan committee of prominent Americans of the highest competence to examine this program and its operation thoroughly. I have asked them to make a report of their findings on the program, including its proper balance with economic assistance. Since its formation in late November of last year, the Committee has been vigorously pursuing its study, including personal visits to all major areas where military assistance is being rendered. The committee has already indicated to me that it will recommend an increase in the level of commitments for vital elements of the military assistance program, primarily for the provision of weapons to the NATO area. I expect to receive its written interim report shortly. I will, of course, give this report my most careful attention and will then make such further recommendations as are appropriate.

MAINTAINING ECONOMIC STABILITY

While our own and our allies' military efforts provide a shield for freedom, the economic phases of our mutual security program provide the means for strengthening the stability and cohesion of free nations, limiting opportunities for Communist subversion and penetration, supporting economic growth and free political institutions in the newly independent countries stimulating trade, and assuring our own Nation and our allies of continuing access to essential resources.

Two of these programs, defense support and special assistance, are specifically directed toward helping maintain order, stability, and, in certain countries, economic progress, where these are of material importance to the welfare of the United States itself.

Defense support: For most of our allies and friends the cost of the share which they bear of the common defense effort constitutes a heavy burden on their economies. Our NATO allies in Western Europe bear this entire economic burden themselves, receiving from us only advanced weapons and other essential items of military equipment and certain training. But for others the burden of defense vastly exceeds their limited resources. They, therefore, are forced to turn to us for economic help in maintaining political and economic stability.

We supply this assistance through our defense support program to 12 nations in which we are helping to arm large military forces. Eleven of these nations—Greece, Turkey, Iran, Pakistan,

Thailand, Laos, Cambodia, Vietnam, the Philippines, the Republics of China and Korea—lie along or are narrowly separated from the very boundaries of the Sino-Soviet bloc, subjected daily to the pressures of its enormous power. Several of them are also the sites of major U.S. military installations. The twelfth, Spain, is the strategically located site of other bases used by the United States. Together, these 12 nations are supporting 3 million armed forces—nearly one-half of the total forces of the free world.

Despite their proximity to Communist forces, most of these nations have pledged themselves to the worldwide collective defense plan. Greece and Turkey are among our NATO allies. Pakistan, Thailand, and the Philippines are among our SEATO allies and Cambodia, Laos, and Vietnam are protected through SEATO. Turkey, Iran, and Pakistan are active members of the Baghdad Pact which forms a connecting link of free world defenses between NATO and SEATO. Korea, the Republic of China, and the Philippines are joined with us in special mutual defense agreements.

For defense support, to make possible the needed contributions of these 12 nations to the common defense, I ask $835 million. I ask the Congress to recognize these economic needs of our partners and to provide the full amount I request.

Over two-thirds of this sum will be used for Turkey, Vietnam, Taiwan, and Korea. These courageous and strategically located nations—three of them the free areas of divided nations—are directly faced by heavy concentrations of Communist military power. Together they contribute nearly 2 million armed forces in the very front lines of the free world's defenses. These nations depend for survival on our defense support program. The remaining third of the funds will be for the eight other nations which rely on this help to enable them to make their valuable contributions to the common defense without serious harm to their economies.

These nations are contributing heavily to the defense effort in keeping with their abilities. Reducing the defense support we provide them will compel a reduction in the forces we wish them to maintain in our common defense or place a heavy additional burden on the already low standards of living of their people.

Special assistance: There are a number of other nations and areas of the world whose need is so great and whose freedom and stability are so important to us that special assistance to them is essential. In North Africa, for example, the newly independent Arab nation, Tunisia, is struggling to improve the economic and social conditions of its people while under strong external pressures. Its neighbors, Morocco and Libya, are also striving to build economic progress upon their newly acquired political independence. Another new nation, the Sudan, is an important link between the Arab world and rapidly growing central Africa and is intently working to maintain its independent course of progress in the face of strong Communist and other outside pressures. These nations are all new outposts of freedom in whose success we are deeply interested.

During the last year, as I have mentioned, Jordan has been subjected to severe pressures. Should Jordan be overwhelmed, the peace and stability of the Middle East would be endangered. But with its very limited internal resources, Jordan desperately needs continued substantial outside help.

West Berlin is a solitary outpost of freedom back of the Iron Curtain. In addition to the firm support which we and our NATO allies have assured West Berlin in the face of current Soviet threats, it is important that we show our support of its people by continuing our economic assistance to the beleaguered city.

Programs for health: I have on several occasions during the recent past sought to focus public attention on the great opportunity open to the United States in the field of health. The United States will continue to support and promote the accelerating international fight against disease in the coming fiscal year. The great campaign to eradicate the world's foremost scourge, malaria, is moving into its peak period of activity and need for special assistance funds. Of more than a billion people formerly exposed to the disease, half have now been protected and the movement is gaining strength and momentum as a true international effort. The substantial progress of this campaign as well as modern medical potential generally have opened new vistas of the conquest of mass disease through pooling of efforts.

I ask the Congress to make available funds to continue the program for development of medical research programs begun last year by the World Health Organization with the help of a grant from the United States. I also propose that the United States explore whether practical and feasible means can be found whereby progress can be made toward equipping those nations whose needs are greatest to provide in a reasonable time pure drinking water for their people as a method of attack on widespread waterborne diseases.

Added to the health programs now being carried on by our bilateral programs and through our voluntary contributions to the United Nations, these new programs will raise the health activities proposed for fiscal year 1960 under the mutual security program to a total value of some $84 million, exclusive of loans by the Development Loan Fund in this field. The total effort of the United States in the field of international health, including among other activities those conducted by the Department of Health, Education, and Welfare, will approximate $100 million.

For the nations I have mentioned and several others, for West Berlin, for such programs as those for health, for support to certain of our American sponsored schools abroad and for our contribution to the United Nations Emergency Force I ask $272 million in special assistance funds. I believe that the close examination which I expect the Congress to give each of these special needs will show that this request is conservative.

AIDING ECONOMIC PROGRESS

The request for funds for defense support and special assistance which I have outlined thus far are directed primarily at maintaining political and economical stability. But in our dynamic world of multiple revolutions this is far from enough.

In many nations of Asia and Africa per capita incomes average less than $100 a year. Life expectancies are half those of the more advanced nations. Literacy averages 25 percent. Affected by the revolutionary drives which are sweeping their regions, the peoples of the areas will tolerate these conditions no longer—and they should not. They are intently determined to progress—and they deserve to do so. If they cannot move forward, there will be retrogression and chaos, the injurious effects of which will reach our own shores. These newly independent peoples look to their present generally moderate governments for leadership to progress. If they do not find it, they will seek other leadership, possibly extremists whose advent to power would not only endanger the liberties of their own people but could adversely affect others, including ourselves.

Above all, these people must have hope that they can achieve their economic goals in freedom, with free institutions and through a working partnership with other citizens of the free world.

The leaders of the Soviet Union and Communist China are intently aware of the great revolutionary surges in these less developed areas, many of which are on the borders of the Communist bloc. Seeing in these new trends a historic opportunity, they have reversed their attitude of hostility to all nations not under their direct control. Five years ago they entered on a great diplomatic and economic campaign of wooing the new nations of Asia and Africa, even attempting to push their drive into Latin America. I reported on this campaign of trade and aid in my message to the Congress last year. It has increased in intensity in the intervening time. Communist bloc military and economic credits to 17 selected nations exceeded a billion dollars in 1958 alone, bringing the present total to $2.4 billion. The number of technicians supplied to 17 countries of Asia and Africa rose from 1,600 in 1957 to 2,800 in 1958.

Our own programs of technical cooperation and capital assistance are not mere responses to Communist initiatives. The reverse is true. This year will mark the 10th anniversary of our point 4 program. Capital assistance for development has been flowing to nations needing our help for many years. Even if the Communist bloc should revert tomorrow to its previous icy treatment of all free peoples, we would continue the warmth of our interest in and help to their determined efforts to progress.

Nevertheless, it is imperative that we understand the real menace of the Communist economic offensive. The great contest in half the globe, the struggle of a third of the world's people, is to prove that man can raise his standard of living and still remain free—master of his individual destiny and free to choose those who lead his government. The

Communist economic offensive presents the grave danger that a free nation might develop a dependence on the Communist bloc from which it could not extricate itself. This must not happen. We and other nations of the free world must provide assurance that no nation will be compelled to choose between bread and freedom.

The United States is determined to do its part in providing this assurance. For this purpose, in addition to channels of private investment and existing financing institutions, we have created two carefully designed instruments of national policy: the technical cooperation program and the Development Loan Fund.

Technical cooperation: To carry on our technical cooperation program some 6,000 skilled American men and women are now working in 49 countries and 9 dependent territories which have asked our help. They are advising high officials on problems of administering new governments. They are helping farmers raise their incomes by teaching them better methods of cultivation, irrigation, and fertilization and by introducing more productive seeds, poultry, and livestock. They are planning with local scientists for uses of atomic power and isotopes. They are attacking disfiguring and debilitating diseases and helping to increase the health and vigor of untold millions. They are helping to organize the educational systems which will bring literacy and the knowledge which is the power for progress.

In order to transfer our modern technical knowledge even more effectively, we will bring next year over 10,000 of the rising leaders of the less developed areas to study in the United States or in specially developed training programs in other countries.

To provide for the work of our technicians abroad and for these training programs I ask $179.5 million for fiscal year 1960. The increase in this sum over the current year is to expand programs recently begun in the newly independent and emerging countries of Africa, to intensify activity in Asian nations and to augment substantially cooperative programs with countries of Latin America.

I also ask $30 million to be available for our contribution to the companion technical cooperation and special projects programs of the United Nations, initiated by our own Government. I anticipate that increasing contributions by other members in the year 1960 will call for this increased contribution on our part.

As in recent years, I believe we should continue our annual contribution of $1.5 million to the technical cooperation program of the Organization of American States.

The Development Loan Fund: Administrative and technical skills, though essential to economic growth, cannot of themselves make possible the rate of progress demanded of their governments by the peoples of the newly independent nations. For this progress they must have capital—capital for the roads, telecommunications, harbors, irrigation, and electric power which are the substructure of economic progress and for the steel mills, fertilizer plants, and other industries which are fundamental to general economic growth.

Just as in the early decades of our own national development we depended upon the more highly developed nations of that period—England, France, and others—for capital essential to our growth, so do the new nations of this era depend on us and others whose economies are well established.

Two years ago the Congress, the executive branch, and several distinguished private organizations reexamined the needs of the newly independent nations for outside development capital and of the then existing sources. The independent but unanimous conclusion of these studies was that existing sources were and for the foreseeable future would be inadequate to meet even the most pressing needs. They recommended that there be established a new institution to provide long-term credits on flexible terms.

In the light of these findings, I recommended to the Congress and it established the Development Loan Fund, an agency of the U.S. Government especially designed to advance loans on a business-like basis for sound projects which cannot find financing from private or established governmental sources.

The Development Loan Fund in its little more than a year of active operation has established the sound and useful position that was foreseen for it. In this short time it has taken under consideration $2.8 billion in screened requests for loans. It has later determined that some $600 million were unacceptable or more appropriate for private or other public financing. Of its total capital of $700 million thus far made available by the Congress, it had by mid-February 1959, committed $684 million for loans to projects in 35 countries. For all practical purposes it is now out of funds for further loan commitments and has before it applications totaling over $1.5 billion with more being received almost daily.

In order that the Fund may continue to meet the most urgent needs of the nations depending on us, I have asked the Congress for a supplemental appropriation of $225 million to be available in the fiscal year 1959. This appropriation is under authorizations previously made but not used.

When I made my original recommendation to the Congress in 1957 for the establishment of the Development Loan Fund I urged that it be provided with capital for 3 years of operation and stated that based on observation of its progress within that period I would ask for longer term capitalization commencing in fiscal year 1961. The Congress chose to authorize capital initially for 2 years of operation. I now ask that the Congress authorize and appropriate $700 million to become available in fiscal year 1960, the third year of the fund. This sum will allow the Fund a level of activity no higher than it established in its first year of operation.

Consideration should continue to be given to capitalization procedures that will allow better long-range planning.

Private investment: These governmental programs of technical cooperation and capital financing of course only augment the investment in progress which comes from private sources. But they are indispensable and probably will be for a number of years because private investment, though very significant in the Western Hemisphere, does not and cannot in the near future be expected to supply more than a fraction of the capital needed by the new nations of Asia and Africa.

In order to encourage increased private investment in these areas, our Government has already undertaken a system of guarantees against loss from nonconvertibility of foreign currency receipts and from expropriation, confiscation, and war. To further stimulate such investment, I now request that legislation be enacted to allow similar guarantees against risks of revolution, insurrection, and related civil strife. I propose also that the Congress double the availability of such guarantees.

CONTINGENCY FUND AND OTHER PROGRAMS

The experience of this year has shown, as in the past, that there will arise each year contingencies for which funds will be urgently needed—but which cannot be foreseen at all or with sufficient clarity to program in advance. For the current year I asked $200 million for such eventualities. Heavy demands, arising from the crises in the Middle East and from needs elsewhere, have already been made on the $155 million appropriated—with several months of the fiscal year remaining. I still believe that $200 million is the smallest sum which safety and prudence recommend and I ask that this sum be provided for fiscal year 1960.

I recommend that we continue our support of the United Nations Children's Fund, our help in the resettlement of refugees from communism, our program of atoms-for-peace, and certain other small programs we are now engaged in. The International Cooperation Administration will need an increase in its administrative funds, particularly to help obtain more persons of high qualifications for service abroad and to strengthen our representation at key posts in Africa and Latin America. For all these purposes I ask $112 million.

SOME FISCAL CONSIDERATIONS

The total sum I request for the mutual security program for fiscal year 1960, $3,929,995,000 is slightly less than I asked last year. Each category and item in it has been weighed in terms of the contribution it will make to the achievement of the important objectives the program is designed to serve. The total amount is well under 1 percent of the gross national product our country will enjoy in the coming year. It is approximately 5 percent of our national budget. The greater part will go for military equipment to our allies and for economic support directly related to defense. The remainder, for aid to the economic growth we are most anxious to promote amounts to less than 2 percent of our national budget, under one-third of 1 percent of our national production. At the end of the present fiscal year the military assistance pipeline will be at the

lowest level in its history and will be further reduced by next year's expenditure which will substantially exceed the new appropriation I am now asking. The economic assistance pipeline will, as in recent years, be barely enough to keep the program flowing without serious interruption.

The true measure of this national security program is what we have gotten and will get for our expenditures and what the cost would be without it. Over the years we have received returns many times the value of our investment.

Our first great work, the Marshall plan, cost less than projected, ended on time, and revived Western Europe from the destruction of the war to a group of thriving nations, now among our best customers and strongest allies, many of whom are now joining with us in assistance to the newly independent nations.

Our military and economic aid has been indispensable to the survival and gradual progress of nation after nation around the perimeter of Asia from Greece to Korea and others in Africa and our own hemisphere. When I hear this program described as a giveaway or aid to foreigners at the expense of domestic programs, I wonder what sort of America we would have today—whether any funds would be available for any domestic programs—whether all of our substance would not today be devoted to building a fortress America—if we had not had such a program: if the key nations of Europe had been allowed to succumb to communism after the war, if the insurrectionists had been allowed to take over Greece, if Turkey had been left to stand alone before Soviet threats, if Iran had been allowed to collapse, if Vietnam, Laos, and Cambodia were now in Communist hands, if the Huks had taken control in the Philippines, if the Republic of Korea were now occupied by Communist China.

That none of these tragedies occurred, that all of these nations are still among the free, that we are not a beleaguered people is due in substantial measure to the mutual security program.

CONCLUSION

The realities of this era indicate all too clearly that the course of our country will be deeply affected by forces at work outside our borders. These forces if left to exploitation by extremists will inevitably lead to changes destructive to us. Yet with wisdom and tenacity it lies within our power to frustrate or to shape these forces so that the peoples directly concerned and our own Nation may be benefited.

We cannot safely confine Government programs to our own domestic progress and our own military power. We could be the wealthiest and the most mighty Nation and still lose the battle of the world if we do not help our world neighbors protect their freedom and advance their social and economic progress. It is not the goal of the American people that the United States should be the richest Nation in the graveyard of history.

In the world as it is today—and as it will be for the foreseeable future—our mutual security program is and will be both essential to our survival and important to our prosperity. It not only rests upon our deepest self-interest but springs from the idealism of the American people which is the true foundation of their greatness. If we are wise we will consider it not as a cost but as an investment—an investment in our present safety, in our future strength and growth, and in the growth of freedom throughout the world.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 13, 1959*.

## COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report, including any supplemental views, on the bill H.R. 5640.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## ON THE QUESTION OF SUBSIDIES

Mr. JONES of Missouri. 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 Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Speaker, we hear a lot about subsidies these days, and most of the criticism appears to be directed at the so-called subsidies to farmers. Some of those who have been most vocal in their criticism appear to have little conception of what a subsidy is, and have confused loans which are repaid with interest as being subsidies.

I have just read, Mr. Speaker, where the Federal Maritime Board has announced that the American Export Lines will get a construction subsidy of 48.3 percent of the cost of four new cargo vessels. According to the announcement, the subsidy is based on comparative costs in Japanese shipyards for vessels of similar size and speed.

To be specific, this one company will receive a subsidy in excess of $20 million for four ships which will be constructed by a California shipbuilding corporation, the low bidder on four ships costing $10,894,997 each, whereas the Board determined that vessels of the type planned for American Export Lines would cost approximately $5,555,000 each if built in Japan.

At the same time that one department of this administration is approving a subsidy of more than $20 million for just one company of an important and widespread industry, another branch of the Government, with the approval of the Secretary of Agriculture has approved the manipulation of the parity index in such a way as to take from one segment of American agriculture, namely the cotton producers of this Nation, some $60 million.

Without criticizing the Federal Maritime Board for looking after the interests of those it has the responsibility of representing, I would like to ask who in this administration is looking after the best interests of the farmer? Certainly, it is not the Secretary of Agriculture.

## DAIRY PRICE SUPPORTS

Mr. BYRNES of Wisconsin. 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 Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, everyone in the Nation's dairyland will be pleased at the announcement of the Secretary of Agriculture yesterday that current dollar support prices for manufacturing milk and butterfat will be continued through the marketing year which begins on April 1.

It is particularly pleasing to note that this action was based upon a decided improvement in the dairy picture during the current marketing year. Milk production is down. Total use of milk products has increased, and Government purchases have been substantially less.

The support prices announced by the Secretary represent an increase in the support rate to 77 percent, based on the March parity price, from the current 75 percent level.

This action by the Secretary gives the lie to those who have so loudly been proclaiming that his only interest is in driving farm prices lower. The Secretary's goal is to develop markets for farmers by moving farm products into consumption rather than Government warehouses, and his action yesterday is thoroughly consistent with that objective.

## DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 1, with Mr. SISK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Minnesota [Mr. BLATNICK] had 44 minutes remaining, and the gentleman from Washington [Mr. MACK] had 44 minutes remaining.

The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. COOK].

Mr. COOK. Mr. Chairman, I am opposed to the passage of H.R. 1, princi-

pally because of its effect on navigation. Coming from a district which borders Lake Erie and contains some of the largest industrial ports on the Great Lakes, any proposal which would result in a decrease in the shipping so vitally necessary to our economy must be vigorously fought.

I am sympathetic with the needs of the Chicago area for the proper disposal and treatment of sewage wastes but it is not fair for one city to use the natural resources of the Great Lakes to solve a problem when no other city does so.

H.R. 1 would provide for a diversion of 1,000 cubic feet per second at Chicago in addition to the present diversion of 1,500 cubic feet per second plus domestic pumpage. This amount may not sound very large to the layman but measured in terms of gallons it would amount to 236 billion gallons per year. The present diversion alone is about 3,300 cubic feet per second made up of the 1,500 cubic feet per second permitted under a court decree and the estimated average annual domestic pumpage which amounts to about 1,800 cubic feet per second. Adding the additional 1,000 cubic feet per second which would be legalized by H.R. 1 would make the total diversion 4,300 cubic feet per second, or more than 1,000 billion gallons a year. There is no question in my mind but that 1,000 billion gallons a year taken from Lake Michigan would cause an appreciable lowering in the lake levels.

Although the bill provides for temporary diversion of 1 year only, there is no question in the minds of those who oppose it that this would be a "foot in the door." In fact, even the last sentence in the bill states that—

> The report * * * shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway.

In fact, there would be no point in making a study with an actual diversion unless it were to form the basis of a permanent diversion, which might even be of greater amount.

If we are to have an additional diversion of 1,000 cubic feet per second, with a subsequent lowering of lake levels, experts have stated that the carrying capacity of the United States and Canadian Great Lakes fleet would be reduced by more than 1 million tons a year with a direct economic loss to the vessel industry of better than $2 million per year. This is not hard to understand when we are told by shipping experts that 1 inch of difference in lake levels represents 100 tons of cargo per vessel. I have no breakdown as to what this loss would be for the three major harbors in my district, Ashtabula, Fairport Harbor, and Conneaut, but I am sure it could represent a substantial blow to the economy. The situation becomes particularly paradoxical when it is considered in the light of the tremendous sums of money which are being spent to provide for the St. Lawrence Seaway and to deepen the connecting channel of the Great Lakes. The U.S. portion alone of the cost of the St. Lawrence Seaway is $140 million and the cost of dredging the connecting channels is about the same, making a total of almost $300 million without even considering the proposed deepening of the various harbors of the Great Lakes to accommodate the deeper draft traffic. The total investment for navigation might easily run into the neighborhood of a half a billion dollars. Should this huge investment be jeopardized by permitting the diversion of water for the use of one city?

I have not mentioned the losses in hydroelectric power production which the experts have testified will occur on the St. Lawrence River and at Niagara to both the Canadian and U.S. plants, since they do not directly affect my district, but they certainly should be taken into account in reaching a decision on H.R. 1.

As a final argument, I understand the Canadian Government has recently expressed its opposition to this diversion. It would be most unwise, in my opinion, for the United States to permit unilaterally such a diversion without first negotiating with the Canadian Government and arriving at some equitable arrangement for payment of damages to Canada.

For the foregoing reasons, I am obliged to oppose the passage of H.R. 1.

Mr. MACK of Washington. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, my opposition to H.R. 1 is based on the following letter dated February 9, 1959, from Attorney General Anne X. Alpern, of the Commonwealth of Pennsylvania, which I should like to read at this time:

> COMMONWEALTH OF PENNSYLVANIA,
> DEPARTMENT OF JUSTICE,
> *Harrisburg, February 9, 1959.*
>
> DEAR CONGRESSMAN: I wish to call to your attention the very serious adverse effects upon Pennsylvania of H.R. 1, introduced into the House by Mr. O'BRIEN of Illinois and referred to the Committee on Public Works. This bill would permit the Metropolitan Sanitary District of Chicago to divert out of the Great Lakes 2,500 cubic feet per second of water for a period of 12 months.
>
> At the present time, the Metropolitan Sanitary District diverts 3,500 cubic feet per second from the Great Lakes Basin pursuant to a decree of the U.S. Supreme Court, in addition to diverting an unknown quantity of water for domestic pumpage. The right to divert domestic pumpage is now being tested before the U.S. Supreme Court by the Commonwealth of Pennsylvania and the other Great Lakes States.
>
> The additional diversion which would be authorized by this bill would lower the level of Lake Erie 1½ to 2 inches. While this may appear to be but a slight matter, it would affect adversely all riparian landowners and seriously interfere with the operations of the Port of Erie. Much effort and money have been expended to maintain a deep channel at this port. The lowering of the lake level vitiates this work.
>
> Moreover, the lowering of the lake level would result in a loss of 1 to 1½ million tons of shipping each year for each inch by which the lake level is lowered. The Great Lakes barges, which carry so much of the commerce of this region, are loaded to the nearest inch. Consequently, the maintenance of lake levels is of utmost importance to the shipping industry and the commerce of the Great Lakes area. This commerce is a significant factor in Pennsylvania's economy.
>
> The lowering of the lake level also affects the power potential at Niagara. Since a large section of Pennsylvania will be among the preferred users when the hydroelectric power is developed, this potential loss of cheap power also affects Pennsylvania adversely.
>
> The diversion of water, one of our most precious natural resources, out of its watershed area in order to benefit some other area, constitutes a new and dangerous principle of law.
>
> Very sincerely yours,
>
> ANNE X. ALPERN,
> *Attorney General.*

Mr. Chairman, as Attorney General Alpern states, if H.R. 1 is enacted the level of Lake Erie would be lowered from ½ to 2 inches and the loss to harbors, utilities, shipping, and so forth, would run into millions and millions of dollars. Since these losses represent a significant factor in Pennsylvania's economy, as a member of the Pennsylvania delegation in Congress I am unable to support H.R. 1.

Mr. MACK of Washington. Mr. Chairmain, I yield such time as he may desire to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise in opposition to H.R. 1, and ask unanimous consent to revise and extend my remarks. This bill would authorize the diversion of additional waters from the Great Lakes, St. Lawrence system. I have voted against this bill when it was previously before the House, and it is my intention to vote against it again. As a Representative from the great State of New York, I feel it is incumbent upon me to vigorously oppose any legislation which would deprive the people of the State of New York of their full and established rights in the natural resources of the Great Lakes, of Lakes Erie and Ontario and the Niagara and St. Lawrence Rivers. I cannot favor legislation that is designed to help the Metropolitan Sanitary District of Greater Chicago with its problem of sewage at the expense of the people of New York State or of the other Great Lakes States.

The Corps of Engineers has conducted a thorough study of this matter and has reported its findings. The corps' study shows clearly that increased diversion would have a very definite and harmful effect on navigation and power.

I would like to point out, Mr. Chairman, that the Government of the United States and the Government of the Dominion of Canada have both expended, and are expending, large sums of public funds in the development of the St. Lawrence Seaway. I believe that this development will be considerably injured if existing lake levels are impaired.

Further, diversion of water from the Great Lakes to other areas would not only materially injure the interests of 50 million people who today reside in the Great Lakes area and who are today the beneficiaries of this great natural resource, but would also reduce the amount of water available to the New York State Power Authority, which has recently put into operation its project on the St. Lawrence River and commenced construction of its project on the Niagara River to use all of the waters at Niagara Falls made available to the United States for power development under the 1950 treaty with Canada.

As Governor Rockefeller pointed out in his statement presented to the Public Works Committee, the New York State Power Authority is financing the abovementioned projects by borrowings without State or Federal credit. Its bonds are backed by the revenue it receives from the sale, at no profit, of electric power. These projects were financed on the basis that the power authority was entitled to use the flow of the Niagara and St. Lawrence Rivers undiminished, except as provided in the 1930 decree of the Supreme Court. Any reduction in the amount of water available for power will reduce the revenue to the power authority which necessarily will increase the cost of electricity to consumers. Thus, the monetary benefits which H.R. 1 will give to the Sanitary District of Greater Chicago will be paid in part by the people of the State of New York and this cost will exceed the entire benefit received by the Sanitary District of Chicago.

The Supreme Court has jurisdiction over water diversion. It can grant permanent or temporary relief to Chicago when the need is shown, and has done so. The Court, as recently as 1956, granted Chicago temporary increases in diversion. Obviously, only lack of merit keeps Chicago from going to the Court for the diversion authorized in this bill.

Mr. Chairman, in the interests of the people of New York State and the people of the Great Lakes States, I urge the defeat of H.R. 1. It is an unconstitutional deprivation of the rights of the people of those States. If there is a need for further sewage treatment by the city of Chicago, it is the responsibility of that great municipality.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, although because of the position taken by the Canadian Government, I feel it is necessary for me to oppose this bill. I want to be among those who recognize the very fine and diligent efforts that have been carried on by the gentleman from Illinois [Mr. O'BRIEN], the author of this bill. I would like also to recognize the diligent and able efforts by the gentleman from Illinois [Mr. KLUCZYNSKI] in our committee in pressing for enactment of this bill. As was pointed out yesterday, the Canadian Government has taken a position in opposition to this measure. There was some discussion yesterday as to whether the position of the Canadian Government was taken in good faith and whether it was stimulated by the Department of State. However, it seems to me, we have to accept the objection of the Canadian Government on its merits. It is a sovereign government and we have to consider that if it registered its objections in a proper message to our Government, these objections must be considered as being in good faith. There was some question raised yesterday as to whether under the treaty of 1909, the Canadian Government has the right, that is the legal right, to register objection to any diversion of water from Lake Michigan. Perhaps, the best way to determine the position of the Canadian Government on this point is to quote from its own message. I would like to quote one paragraph which appears on page 15 of the committee report. This is the second paragraph in the message submitted by the Canadian Government on February 20, 1959, to our State Department. This is what they say:

> While recognizing that the use of Lake Michigan water is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

These are the basis upon which the Canadian Government has founded its case in recording its objection to this bill. We are now, Mr. Chairman, at a period of time in our history when our relationship with other governments is very important to us. Last year we had some vivid demonstrations in South America of what happens when we neglect to some extent proper relationships with our sister countries in this hemisphere. These sister countries when they have found that they are neglected, have reacted adversely to us. That was demonstrated by numerous riots and other demonstrations last year during the trip of the Vice President of the United States to South America. Now we have had some of the same kind of things happen with Canada in the last year. We have had Canada pointing out that we have not given very careful consideration to their needs by some of our steps relative to tariffs. This bill is another case where Canada in good faith is reporting to us their views on an issue on which they feel that they are properly concerned. So the question is: Are we going to ignore these views or are we going to give proper consideration to a friendly nation immediately to the north of us whose good will in the years to come is very, very important to us.

I realize the interest of the city of Chicago in this bill, and they are rightly interested in it; they have a real problem; there is no question about it. I do not think we should minimize it.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. In just a moment, as soon as I complete my statement.

I do not think we should minimize that problem. At the same time we are at a critical stage of world problems, and the friendship of neighboring nations on this continent is extremely important to us. For these reasons it seems to me that the position of the Canadian Government, as far as my own personal vote is concerned, must prevail. I therefore feel I must vote against this bill.

I now yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. I wonder if the gentleman would inform me whether our State Department regards the Dominion of Canada as part of the American hemisphere or as part of Europe; does the gentleman know?

Mr. BALDWIN. I am not a member of the State Department. I have never asked them that question.

Mr. O'HARA of Illinois. I think the gentleman would find out and it might interest him to learn that our State Department regards Canada as part of Europe, even to such an extent that in our Committee on Foreign Affairs the Inter-American Subcommittee does not have jurisdiction of Canada; Canada is under the jurisdiction of the European Subcommittee. With that knowledge perhaps the gentleman will begin to understand a little better the shifting position of Canada as regards what Chicago desperately needs at this time. The spirit of hemispheric solidarity, which would prevail if divorced from European influences, certainly would not permit Canada to be put in the position of blowing hot and cold on something so vital to the health and welfare of the people of Illinois and which if not done might result in a frightful plague of disease.

Mr. BLATNIK. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Chairman, a moment ago my distinguished friend, the gentleman from Pennsylvania [Mr. VAN ZANDT], referred to a letter from the attorney general of Pennsylvania in which it was stated that the enactment of this legislation would result in a significant lowering of the level in Lake Erie. I asked for this time for the purpose of ascertaining whether or not the statements made by the attorney general of Pennsylvania are well founded.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman.

Mr. YATES. As I remember the statement that was made by the attorney general of Pennsylvania it was to the effect that the proposed study would result in lowering the level of Lake Erie by at least 2 inches.

Mr. VAN ZANDT. One to two inches.

Mr. YATES. This statement is an example of the misinformation which is being spread by opponents of the bill. It seeks to convey the impression that a permanent diversion is sought in this bill. That is not true.

The Corps of Army Engineers is an objective body and certainly has no ax to grind in connection with this bill. I now read from the report of the Corps in Washington dated May 1, 1958, entitled "The Effect on the Great Lakes and the St. Lawrence River of an Increased Diversion of 1,000 Cubic Feet Per Second by the City of Chicago for 1 Year," and from that report, paragraph 2, which is headed "Effects on Lake Outflows and Levels," I read the following: "Lakes Michigan-Huron, one-fourth of an inch," would be the resulting maximum lowering of the level.

"Lake Erie, three-sixteenths of an inch"—less than one-quarter of an inch.

"Lake Ontario, three-sixteenths of an inch."

There is no effect at all on Lake Superior.

You will remember the debate in the House both yesterday and today on what effect this will have on navigation be-

cause of the lowering of the levels. The Corps of Army Engineers in the same report states that the effects on navigation would be as follows:

The effect on navigation of lowering the levels of Lakes Michigan, Huron, and Erie would be small. The levels of Lakes Michigan and Huron would be lowered between 0.01 and 0.02 foot during two and a fraction navigation seasons; those of Lake Erie would be lowered by the same amount during one and a fraction navigation seasons.

These small temporary lowerings of lake levels, although they would tend to adversely affect navigation except during very high lake stages are not considered to have any measurable effect on Great Lakes navigation.

Mr. WALTER. I thank the gentleman.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 3 minutes.

Mr. BLATNIK. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. FLYNN].

Mr. FLYNN. Mr. Chairman, it is with mixed emotions that I arise on behalf of the cities of Racine and Kenosha in the State of Wisconsin and on behalf of the State of Wisconsin as a whole to discuss with you the question of the request of the city of Chicago to divert 1,000 cubic feet of water per second from Lake Michigan into their sanitary canal.

My emotions are mixed because I know from firsthand experience, from observation and not from hearsay the disastrous effects upon Wisconsin that the present water diversion is having and I know the calamity that will befall my home State if Chicago is permitted to divert further water from the Great Lakes. On the other hand, there are in this body from the city of Chicago, Representatives appearing in favor of the diversion for whom I have the highest respect and admiration. Chicago being as close to my hometown as it is, I have a tendency to lovingly look upon it as my foster home. I have enjoyed many good times there. I have many friends and relatives living in that city. So it is with deep concern that I rise to protest to my friends and to point out to them that their proposal would cause lasting and irreparable harm running into untold multimillions of dollars to my home district and to the people living in the other congressional districts of Wisconsin and the Great Lakes States.

Instead of talking of the anticipated future damage as so many of my colleagues have done or about the Canadian objection which has been so emphatically stated in the record, or about whose pressure is affecting whom, let me discuss with you the untold and serious damage that already exists from present diversion. Damage which will be multiplied many times if further diversion were to be permitted. In this regard I might state that the city of Chicago already diverts 1,500 cubic feet of water per second for industrial use and 1,800 cubic feet of water per second for human consumption. This, with the consent and permission of the Supreme Court of our land. The Court through referees has studied the problem and realized that further water cannot be diverted without causing serious and irreparable harm to Chicago's neighbors. Chicago is now in effect appealing to this Congress from an adverse decision of the Supreme Court. This is an old trick that many astute lawyers have often tried. Today we even see reckless people who would abolish the Supreme Court in order that they might accomplish their end on matters where the Court does not agree with them. Fortunately the vast majority of Americans have full faith and confidence in the integrity, the ability, and the sincerity of the Highest Court in our land and they are willing to give full credence to its decisions and they are not willing to permit its authority to be weakened by those who would avoid its mandates.

The existing water diversion of 3,300 cubic feet per second in my home district, the First of Wisconsin, and in particular in the cities of Kenosha and Racine, has caused great damage. In Racine the deep river inlet of the harbor which should be used by deep-draft oceangoing vessels operating through the St. Lawrence Seaway has been lowered a total of 21 feet. Twice already existing pilings and piers have had to be driven further down for the reason that as originally installed with the drop in the water level, the pilings were exposed and as a result were deteriorating and the piers were so far above the water level that they could not be used. At the present rate, it will not be long until we again have to drive our pilings and piers along our river harbors and inlets further into the ground. The result is that nothing but the shallowest of boats could possibly navigate our harbor and we will not be able to accommodate deep-draft oceangoing vessels. This will be a tremendous loss in the years ahead for the reason that our greatest leaders have envisioned the St. Lawrence Seaway as a source of commerce, wealth, and new prosperity for the American heartland.

The entire concept of the waterway is based upon a deep-draft navigable channel to the sea. The channel, however, cannot be used unless we have harbors to load and unload our ships and 1 inch in the middle of the lake means many feet in the river inlets and harbors and means ruination of the harbor for shipping.

This is just one of the many losses it has caused. The rivers of my area, where, as a boy, I went swimming in 8 to 10 feet of water, have been caused to dry up in the summertime to a point where in many places you can walk across the creeks and river bottoms without getting your shoes wet. This is not an idle statement. It is a fact that exists largely because of existing diversion of water by Chicago.

In Kenosha where the city harbor authority built ramps along the river inlet to the harbor for the use of pleasure craft, we see today an awesome sight, and I can produce pictures to back this up, of boat ramps set high on the banks resting many feet above the water level of the harbor; absolutely no use to the boatowner. While this exists the water level continues to get ever lower. Imagine what will happen when another thousand cubic feet per second is removed from the Great Lakes by the city of Chicago.

Even these damages to my home district, which I presume are multiplied many times over in the other lake cities, are insignificant when compared to the damage that is caused by the inability to use these inland rivers for either commerce, shipping, or pleasure and because of the fact that the lowering of the water level in the rivers, in the harbors, and in the Great Lakes results in a general lowering of the water table for the entire area. Water cannot rise above its source, and after the water level goes down, so goes down the water table and I need not explain to those farmers among you the effect of an ever-lowering water table on agriculture.

Time does not permit me to protract into the future the many severe economic losses upon my district that the further diversion of water will make but may I close by admonishing you that the ramifications of Chicago's request are varied, are many and are serious, that it is a matter already in the hands of the Supreme Court of our Nation. A Court which has already granted Chicago all that she is entitled to and all that can be granted without irreparable harm being caused surrounding cities and foreign nations. Does this body want, under circumstances such as these, to reverse the decision of the Supreme Court, and in addition to the lawmaking power with which this Congress is vested to take over the law interpreting powers which is vested in the courts of our land.

In closing may I say that we of Wisconsin value deeply our friendship and our social and economic intercourse with Chicago and its citizens, but we find ourselves much in the position of the farmer who living peacefully side by side with his neighbor for 40 years and who regarded the neighbor's children as his foster children, finally after many years found himself in court with his neighbor fighting over a lot-line dispute over where the fence belonged on the back 40 acres. We find this dispute with Chicago most distasteful and we ask you in the interests of both Chicago and the Great Lakes' States and Canada, to give this matter your serious, your deep, your honest consideration, and do unto us as you would that we, under similar or like circumstances, would do unto you.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman from Illinois.

Mr. YATES. Does the gentleman attribute this drop entirely to the diversion at Chicago?

Mr. FLYNN. Not entirely, but the great bulk of it is due to diversion at Chicago.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman from Ohio.

Mr. SCHERER. The gentleman just stated that there is a diversion of 1,800 cubic feet per second for domestic pumpage at Chicago.

Mr. FLYNN. That is my understanding.

Mr. SCHERER. That is right. There is a 1,500 cubic feet per second diversion for navigation purposes.

Mr. FLYNN. That is correct.

Mr. SCHERER. If this additional 1,000 cubic feet per second is granted, that will make a total diversion for the city of Chicago of 4,300 cubic feet per second.

Mr. FLYNN. That is right.

Mr. SCHERER. Does the gentleman know how much that is in gallons per day? That is 286 million gallons per day, which is twice the flow of the Delaware River.

Mr. FLYNN. I thank the gentleman for his contribution.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, this is the fourth time that I have risen in this House to express the need not only of the city of Chicago but of what we call the Chicago urban area, and even farther, for this 1,000 cubic feet per second additional, which would result in an almost infinitesimal lowering of the lake level, as attested by the Army Engineers.

I am not first of all going to review the history of the legislation or of our efforts; I am not going into the technical points that are involved, though I think that we have them on our side; but I am going to speak first about one feature that has bothered me yesterday and so far today. I could understand that Ohio, a large part perhaps of Indiana, and New York State might be able to claim that the sanitation involved is a matter of so-called local interest to Chicago and its immediate environs.

But, as one whose district runs from the northern limits of the city of Chicago up to Wisconsin, it is incredible to me that any Congressman who has a district bordering on Lake Michigan, either in Michigan or Wisconsin, should fail to see the difficulties, the dangers, the dire effect that would come to his district, also, if pestilence hits Chicago because necessary and sufficient water is not allowed. Such danger, at the present moment, is not imminent, I hasten to say. I, too, have a district, I remind you, north of Chicago. There were one or two people in the northern part who once felt, perhaps, that this legislation was not needed; but they were soon converted when they realized that the population along the southern and southwestern end of Lake Michigan is contiguous and that the effects of anything that happened in Chicago would spread up right through my district to Wisconsin and even to Michigan, where so many Illinois people already own summer homes. I would like to say to the gentleman from Wisconsin that pestilence does not stop at the State line. If it should hit Waukegan, Zion, and Winthrop Harbor, it would soon be up in Kenosha and Racine. In addition, I have had close personal experience with varying lake levels of Lake Michigan. It has not been lake diversion which has caused the present lower level of Lake Michigan. I have been up in Wisconsin within the last 8 years when the lake level was so high that you could not find a mooring post for small boats in the harbors, that was not under water. I definitely feel, gentlemen, that we should keep this contest on a basis of fact and not on a basis of claiming that 1,000 cubic feet per second more could bring terrific damage to an area. Man cannot control nature, when it comes to lake levels; and what controls the level of Lake Michigan is very definitely the progress and the proceeds of natural action. No lake diversion at any spot on the Great Lakes could be held accountable for what has been fortunately a decrease from that recent time of high level during which we had to rescue people, with their goods and chattels, because Lake Michigan was exceeding its normal boundaries.

As I have said, this is the fourth time that I have joined with my colleagues from the Chicago area of the State of Illinois in pressing on this floor for enactment of legislation authorizing the testing of the effect of increased diversion of water from Lake Michigan into the Illinois Waterway. In the 82d Congress—and in each succeeding Congress—I have introduced a companion bill to that introduced by the gentleman from Illinois [Mr. O'BRIEN], the dean of the Illinois delegation; and I have once more this year introduced such companion bill to H.R. 1.

We who know full well the need of the State of Illinois for the proposed action are grateful to this House for its previous votes of approval on this legislation.

The need for this increased diversion has grown over these years during which we have sought enactment of the necessary legislation; and now, more than ever, we need prompt congressional action and prompt Presidential approval of H.R. 1.

As I have done in the past, I would emphasize particularly the need for increased water diversion in order to protect the health and life of the growing population in the Chicago area and along the Illinois Waterway.

The authorized diversion from Lake Michigan into the Illinois Waterway is still limited by law to only 1,500 cubic feet of water per second—despite the fact that there has been a population increase of well over 1 million people in the area since 1933, when the existing limit was originally set. At the time that the 1,500-cubic-feet limitation was set in 1933, it was stated in the report as follows:

> It does not appear possible to arrive at a conclusive determination whether this flow will afford suitable sanitary conditions on the waterway after the sewage purification plants at Chicago have been completed and placed in operation.

Since 1950, the Sanitary District of Chicago has been providing the complete treatment for substantially all of its sewage. However, the Sanitary District now testifies that there is serious pollution in the upper 50 to 60 miles of the Illinois Waterway and that there can be no marked improvement until more fresh water is available.

Competent authorities feel that the enactment of this legislation before us in this 86th Congress would be of great benefit to the people of Chicago and the State of Illinois in permitting an adequate study to be made of the effect of such increased diversion on both sanitation and navigation.

Furthermore, although it has been alleged by adversaries of the program that lake levels will be so materially reduced through such increased diversion as to effect and reduce hydroelectric power, the report sent by Major General Itschner, Chief of Engineers, U.S. Army, to the Secretary of the Army under date of January 29, 1957, stated that a temporary increased diversion of water from Lake Michigan into the Illinois Waterway would have very little if any effect as regards navigation and power production in the Great Lakes area. This opinion was similarly expressed in an earlier report, dated June 14, 1955, of the International Ontario Board of Engineers of the International Joint Commission.

I would point out, moreover, that this particular bill under discussion—H.R. 1—provides at this time only for a 1-year-trial period of actual increased diversion of 1,000 cubic feet per second in water diversion from Lake Michigan, in place of the 3-year period of increased diversion proposed in previous legislation.

I once again join with my colleagues from the Chicago area in hoping and expecting that H.R. 1 will not only receive congressional approval—but Presidential approval as well. I am, of course, hoping that as a first vital step, this House once again will give its prompt approval to this legislation which—I repeat—is vitally needed to help solve the sanitation problems of a rapidly expanding metropolitan area.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DOOLEY], a member of the committee.

Mr. DOOLEY. Mr. Chairman, I regret very much to be at issue with the distinguished chairman of my subcommittee, the gentleman from Minnesota [Mr. BLATNIK], and with the distinguished gentlewoman from Illinois [Mrs. CHURCH], but I rise in opposition to H.R. 1 because of the effect this experiment would have on the Niagara power project and because I believe it represents an imposition on the riparian rights of lake shore communities in this country and in Canada.

As Robert Moses, New York State's most distinguished hydroelectric power authority, said in a statement made through one of his assistants who testified for him before the Public Works Committee, "The diversion is unnecessary." He did not add, but he implied, that since the navigational requirements of the Illinois Waterway were met by the present cubic-feet-per-second flow, the additional flow now sought is actually to take care of sewage in the canal, the treatment of which should be properly provided for by the Sanitary District of Chicago.

Mr. Moses' other arguments are equally convincing. He claims that an additional flow of 1,000 cubic feet per second would deprive the power authority of legal and esential rights and put an unfair burden on the consumers of Niagara and St. Lawrence power.

It would set a precedent for actions which would adversely affect the power authority's interests as well as those of a large area of the Nation.

Also, it is debatable whether Congress has the authority to grant, as this bill would have it do, to the Metropolitan Sanitary District of Greater Chicago—at the expense of other interests in the Great Lakes-St. Lawrence system, including the interests of the power authority, its bondholders and its customers—this special privilege.

It would nullify the decisions of the International Joint Commission which have been approved by the Governments of the United States and Canada.

The power authority as a licensee of the Federal Power Commission for the construction of the St. Lawrence and Niagara power projects is entitled to use all the United States share of the St. Lawrence and Niagara Rivers water available for power. This means that the power authority has the right to use one-half of the available water of the St. Lawrence and one-half of the available water of the Niagara, less 5,000 cubic feet per second. On the basis of its licensed right to use such waters the power authority has constructed the St. Lawrence power project at a cost of $350 million, according to Mr. Moses, and has borrowed from private investors and is in the process of constructing the Niagara project at a cost of more than $700 million. Both projects are being financed without State or Federal credit. The power authority, a nonprofit public corporation, is entirely dependent upon the revenue from the sale of power to pay off its bonds. Any reduction in the amount of water available reduces the power which can be generated and sold and such loss of revenue must be borne by the power users.

In accepting its licenses, in financing these projects and in fixing the rates for the sale of power to cover the costs, the Power Authority relied on the decree of the Supreme Court of April 21, 1930, limiting the amount of water that can be diverted from the Great Lakes-St. Lawrence system at Chicago to 1,500 cubic feet per second in addition to domestic pumpage. That decision in *Wisconsin* v. *Illinois*, 281 U.S. 696, decreed that it was the power authority's licensed right to use the United States' share of the water available for power and the legal right of the State of New York as a downstream riparian State to benefit by the natural flow of the Niagara and St. Lawrence Rivers.

The full effect of the additional diversion at Chicago, which this bill would authorize would not be experienced in the Niagara and St. Lawrence Rivers for at least 4½ to 5 years. Under this bill there would be no increase in diversion for 18 months after it becomes law and it takes about 3 to 3½ years for a temporary diversion to reach its maximum effect after which the effect gradually diminishes over a period of 15 years. By the time such a diversion would reach its maximum effect both of the power authority's projects will be in full operation.

Moreover, under this bill the diversion is not required to be uniform. The only limitations are that the total annual average diversion shall not exceed 2,500 cubic feet per second as stated on page 2 of the bill, and no water shall be allowed to be diverted during times of flood.

This means that great quantities of water can be diverted during the dry season just so long as the total annual average does not exceed 2,500 cubic feet per second and that the maximum effect of such diversion will be felt in the Niagara and St. Lawrence Rivers 3 years later in the dry season when water is most needed for power development.

If, as made plain in the "Aide Memoire," dated January 6, 1958, setting forth Canadian views with respect to this additional diversion, the effect of the diversion is to be offset by diversions into the Great Lakes Basin from the Canadian Long Lac-Ogoki works, but such additional water diverted into the Great Lakes system is to be available only to Canadian interests, the power authority will suffer the full loss of the additional water diverted at Chicago.

The power authority has based its marketing arrangements on the historic flow of the Niagara and St. Lawrence Rivers, and on the sale of virtually all of the kilowatts produced in any one month. If the power authority is deprived of the historic flow of these rivers by a 1-year additional diversion at Chicago of 1,000 cubic feet per second and Canadian power interests do not share the loss, it will suffer a total revenue loss of $1,038,000.

Added diversion at Chicago will not benefit navigation in the Illinois Waterway. It will adversely affect navigation on the Great Lakes. It will benefit the Sanitary District. And it will adversely affect the power authority and its customers to a far greater extent than the benefit to the district. There is, therefore, a serious question whether Congress has the constitutional power to authorize such additional diversion. Proponents of the legislation are well aware of the history of the litigation which preceded and followed the decree of the U.S. Supreme Court on April 21, 1930, in *Wisconsin* v. *Illinois* (281 U.S. 696), which I mentioned previously, and Congress is conscious of the doubt which that litigation casts on the power to enact legislation having such consequences as I have indicated.

If not unconstitutional, it certainly is unfair to deprive navigation and downstream power interests of their rights solely for the monetary benefit of the Sanitary District of Chicago.

On July 2, 1956, the International Joint Commission issued an order setting forth a broad plan for the regulation of flows from Lake Ontario which had been approved by the Governments of Canada and United States. On July 14, 1958, it approved a method of regulation recommended by the International St. Lawrence River Board of Control. The criteria stated in the plan of regulation which had to be met by the method of regulation requires that the levels of Lake Ontario be controlled during navigation season. This criteria was based on the historic flows from the other Great Lakes. If the supplies of water are to be depleted by additional diversions at Chicago these determinations of the International Joint Commission will be nullified. This would give rise to "questions of matters of difference" between the United States and Canada "involving the rights, obligations, or interests of either in relation to the other or to the inhabitants of the other," because it would affect Canadian navigation and power interests downstream from Lake Ontario. Therefore, the question of the effect of an added diversion at Chicago is one which should be referred to the International Joint Commission pursuant to the provisions of article IX of the Boundary Waters Treaty of 1909.

In the light of all the circumstances and particularly in view of the effect additional diversion would have on New York's power project, I vigorously oppose this increase and hope it will meet the same legislative fate as it did on previous occasions. To enact this bill into law will be to impose on the riparian rights of down lake residents, and also to deprive an important power project of waterpower and revenue.

Mr. KLUCZYNSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I would not inject myself into this debate except that I served for many years in Pennsylvania as chairman of the Great Lakes Compact Committee and, therefore, have had some experience with this problem before.

If this were a permanent diversion we were making today I would necessarily have to oppose it, but I think the gentlewoman from Illinois put her finger on the main argument that should be discussed here, and that is the direct need of the city of Chicago at this moment. I doubt very much, and I say this from knowledge of the past, if Chicago will be able to meet the need it will have 1 year from now without some additional diversion; but at this moment it is imperative to the health of the city.

Mr. SCHERER. Mr. Chairman, will the gentleman yield for a question on that point?

Mr. DENT. I yield to the gentleman from Ohio.

Mr. SCHERER. That very question of a possible pestilence facing the Chicago area from pollution was put to the counsel for the committee of the Sanitary District of Chicago. He said that in his opinion if such a situation was faced by the Chicago area, the Supreme Court would grant relief upon application by the city of Chicago.

Mr. DENT. The Supreme Court, if I am not mistaken in past history, did grant relief and granted it in a figure 50 percent greater than the request now made by H.R. 1 in this Congress.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman is exactly correct. The fact the Supreme Court granted such relief does not mean

the Congress cannot also consider the question.

Mr. DENT. That poses a question. I have heard it said we have no right as Members of Congress to give this right of diversion to the State of Illinois.

That, of course, poses the question as to whether the Supreme Court or the Congress, or both have the right, or neither one has the right. I believe that the Congress has the right.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DENT] has expired.

Mr. KLUCZYNSKI. Mr. Chairman, although we are pressed very much for time, the gentleman from Pennsylvania [Mr. DENT] is making such a splendid statement that I must yield him 2 more minutes.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield.

Mr. YATES. Inasmuch as it has been consistently contended by opponents of this bill that the Supreme Court alone has jurisdiction and that the Congress does not, may I read to the gentleman from the decision of the Supreme Court of the United States in the case of *Wisconsin* v. *Illinois*, 281 U.S. 179, in which Justice Holmes said the following:

> All action of the parties and the Court in this case will be subject, of course, to any order that the Congress may make in pursuance of its constitutional powers and any modification that necessity may show should be made by this Court.

So that Congress does have the authority to consider this matter and to act.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield.

Mr. SCHERER. The case that the gentleman cited says that with reference to navigation, Congress does have the power.

Mr. DENT. Well, the question of the relative importance of navigation over sanitation is one that you will have to discuss with someone who is wiser in such matters than I am. Personally, I think that the sanitation angle is of greater importance to the membership of this Congress at this moment than any future profit or nonprofit from the St. Lawrence Seaway or any other navigation project. This is a matter of extreme importance to the whole citizenry of the State of Illinois let alone the city of Chicago or the Great Lakes Compact Commission. It has done a magnificent job meeting the demands on its sanitary canal up to this moment. But the question of economics and time cannot be set aside by any Supreme Court decision or any action of this Congress. We have to give the relief now on the basis of need and the need is as has been testified to over the years in our compact agreements and I, for one, believe this Congress would be derelict if it did not give the city of Chicago this right, a modest request in face of the problem.

Mr. MACK of Washington. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I do not believe in giving preferential treatment to one community to the detriment of the rest of the country.

I am therefore opposed to H.R. 1, the Chicago water diversion bill.

It has been clearly established that this bill would cause serious financial damage. It would injure American and Canadian shipping by about $2 million annually and decrease power output at the Niagara and St. Lawrence hydroelectric plants by over $1 million annually.

Furthermore, the lowering of the water level in the Great Lakes by H.R. 1 would partly negate the costly dredging in connection with the St. Lawrence Seaway and would also multiply damages resulting from the present low water cycle of the lakes.

Besides being harmful to other interests on the Great Lakes, this bill is unnecessary.

Although the only stated purpose of the bill is to study the effect of increased diversion upon navigation, the Corps of Engineers has already testified that increased diversion would not improve navigation upon the Illinois Waterway but would adversely affect navigation upon the Great Lakes. The Supreme Court and recognized authorities have agreed.

Moreover, the Corps of Engineers is now making another study of the effects of Chicago diversion and to my knowledge has never expressed any desire for additional diversion to aid in this study.

Another reason why congressional action is unnecessary is that this issue is now and has always been within the jurisdiction of the Supreme Court and is in fact the subject of litigation at the present time.

If the Supreme Court is overruled and congressional approval is given to one community to drain water from the Great Lakes, then on what grounds can we deny other communities in the basin the same right?

In fact, if this bill is enacted, how are we to answer those who are proposing uses for Great Lakes water outside the basin itself?

And what about those who want to use Great Lakes water for regulatory purposes on the Mississippi? Or those who want it for overcoming salinity in the New Orleans water supply?

It should also be remembered that the passage of this bill would provide a basis for Canada to divert water from the Columbia River into the Fraser River as has been proposed. It has been pointed out that such a diversion would reduce the flow of the Columbia into the United States by 25 percent with consequent serious effects upon the many power projects and shipping and fishing interests on the American end of the river.

We are not against the use of Great Lakes water for any legitimate purpose. That water is being used by many cities and industries right now. However, the important thing is that every user returns the effluent to the Great Lakes with the exception of Chicago which discharges it down the Mississippi and into the Gulf of Mexico.

The real or imagined problems of one community on the Great Lakes should not be permitted to take precedence over the welfare of all of the people dependent on the preservation of the present character of the Great Lakes Basin.

We in the Great Lakes States protest this attempt to deprive us of one of our most precious assets—the waters of the Great Lakes—without our consent and against our will and without giving consideration to all the problems such an action would create.

Of course, it is obvious why Chicago would rather go to the Halls of Congress than argue the merits of her case in the nonpolitical atmosphere of the Supreme Court.

The real reason behind the perennial demand for additional diversion is simply that Chicago wants more water to flush out her sanitary canal. It is a lot cheaper for Chicago to use the free water from the Great Lakes than to construct adequate sewage treatment facilities as every other city must do.

If Chicago is really interested in seeking a solution to her sewage problems, a survey can be conducted without H.R. 1. Additional drainage of water from Lake Michigan is not needed to show what is wrong with Chicago's sewage treatment facilities.

For years Chicago has been demanding Lake Michigan water on nearly every pretext imaginable. She has argued she needs water for recreation, for community use, for agriculture, for restoration of fisheries, for public health, for atomic power, for navigation, and for war production purposes.

This year's demand is for a $545,000 experiment with the Federal Government footing the bill. It supposedly is of a temporary nature, but it doesn't take much insight to know Chicago intends the bill to be an opening wedge. There would be no point in conducting a test unless something permanent were in mind. It is pertinent to give some consideration to the size of the camel which is trying to put his nose into the tent. As damaging as would be 1 year of increased diversion, continued acceptance would be disastrous.

The most important thing about this bill, in my opinion, is that it would open a Pandora's box of dangerous precedents.

I would like to call the attention of the House to a resolution adopted by the Legislature of the State of Wisconsin. It is as follows:

> JOINT RESOLUTION MEMORIALIZING CONGRESS REGARDING THE DIVERSION OF WATER FROM THE GREAT LAKES
>
> Whereas the city of Chicago and its suburbs attempted, prior to 1900, to dispose of their sewage by digging the Chicago sanitary canal across the Continental Divide and diverting water from Lake Michigan to discharge the sewage into the Mississippi watershed; and
>
> Whereas the U.S. Supreme Court restrained this diversion in 1930 and required the area to develop other means of sewage disposal, but since then a veritable parade of other reasons for directing water from the Great Lakes have been proposed, including the desire to reduce the salty content of the lower

Mississippi by diverting water from Lake Michigan; and

Whereas the program of the Great Lakes-St. Lawrence Basin is rapidly shaping up into a plan which will enhance the economic life of that area; and

Whereas the persistent efforts of the advocates of diversion to make inroads into the Great Lakes water supply are disrupting and in fact nullifying any long-range plan for the development of the waterways of the Great Lakes; and

Whereas the U.S. Supreme Court has provided an equitable plan for the allocation of the waters of the Great Lakes which is subject to modification whenever the advocates of diversion can provide the necessary data to cause the Court to modify its order of 1930 and 1956: Now, therefore, be it

*Resolved by the assembly (the senate concurring)*, That Congress be and it hereby is petitioned to refrain from disrupting the longstanding order of the Supreme Court because:

1. The authorization of increased diversion of waters from the Great Lakes must of necessity affect the development of lake ports and lake shipping adversely;

2. The issue which involves engineering decisions and international considerations should be made by means of the judicial process; and

3. The valuable resources contained in the waters of the Great Lakes ought not to be disposed of without the consent of the States abutting thereon; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States; to the Committee on Public Works, U.S. Senate, and to the appropriate committee of the House of Representatives; to Senators and Representatives from the State of Wisconsin; to the attorneys general of the Great Lakes States opposing water diversion; to the Great Lakes Harbors Association; to the Great Lakes Compact Commission; and to the Lake Carriers Association.

——, *President of the Senate.*
LAWRENCE R. LARSEN, *Chief Clerk of the Senate.*
GEORGE MOLINARO, *Speaker of the Assembly.*
NORMAN C. ANDERSON, *Chief Clerk of the Assembly.*

Mr. MACK of Washington. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I appreciate the fact that this controversy has existed for a number of years and has been thoroughly aired in committee and I would like to thank the Honorable RUSSELL MACK for his excellent consideration and treatment of this vital subject.

I am opposing passage of H.R. 1 because State Department witnesses in testimony before the House Public Works Committee have stated that passage and approval of this bill would give Canada an excuse and a precedent for diverting water from the Columbia River in Canada to the Fraser River in that country.

The Bureau of Reclamation, Bonneville Power, and the U.S. Corps of Engineers had invested $1,900 million in facilities along the Columbia River below the Canadian border which would be adversely affected by any diversion from the Columbia in Canada. Such action would cause damage amounting to millions of dollars annually, including power production in the Columbia River Valley of the United States. Any such action would cause untold hardships from which the people of this vast section of the United States could never recover.

If Canada should divert the Columbia River water, thus lowering the level of the river in the lower stretches, navigation would be imperiled and shipping would be seriously crippled.

I believe the people of the United States are concerned over any precedent action such as the Chicago plan, which would give Canada an excuse to divert Columbia River water.

Certainly this is no time to upset our relationship with the people of Canada. The people of the United States and Canada and their chosen representatives must approach the mutual questions involved in the development of the Columbia River Basin in the same spirit, realizing that their problems are mutual and call for wise solutions. Only in this way, can people on both sides of this international boundary be assured of maximum benefits from this great river.

Canada and the United States are dependent upon each other, both militarily and economically. Our people have an estimated $14 billion invested in Canada and its future. Frankly, the United States has unnecessarily irritated our Canadian friends.

The critical time is here for complete and permanent agreement to the end that we may share in friendship the wonderful benefits of these river resources in terms of navigation, hydroelectric power, atomic energy, irrigation and reclamation, fisheries, flood control, and recreation.

Mr. MACK of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, in the few minutes allotted to me I will be unable to give as much time as I would like to a further discussion of the many and compelling reasons why this legislation—H.R. 1—should be defeated or, at the least, returned to committee. I can only summarize those reasons.

As a Representative from the State of New York, I join with my colleague on the committee, the gentleman from New York [Mr. DOOLEY], in asking you to consider the probability that the implementation of this legislation, in its implied, long-range and intended, if not so stated, effect, will place in jeopardy the benefits which will arise not only to the people of the State of New York but to all the American people as a result of the imminent completion of the St. Lawrence Seaway.

The seaway will become a reality in a matter of months. Millions of dollars have been spent in construction of this great project, and millions of dollars have been, are being, and will be spent to deepen the connecting lake channels and the lake ports themselves. As an example, this year's Federal budget includes more than $2 million for further deepening work in Buffalo's harbor. Any lowering of lake levels will add to these costs or nullify such expenditures to the amount of many millions of dollars, as well as inflict an even greater loss upon the navigation interests using these waters.

As for hydroelectric power, the New York Power Authority has completed the so-called St. Lawrence power project at a cost of $350 million, and is now constructing the Niagara project at an estimated cost of $700 million. Both projects are being financed without State or Federal credit. The private investors who have loaned their savings to the authority have done so relying on the good faith of this Government, through the Federal Power Commission, in giving the authority the license right to use all of the historically available U.S. share of the waters of the St. Lawrence and Niagara Rivers. It would, therefore, be manifestly unfair, if not unconstitutional, for this Congress to impair, by this legislative method, the property rights of the authority and of its investors, acquired by virtue of such license.

This body has, I believe, the duty to consider the constitutionality of its acts. To my mind, there is serious doubt that the power given this Congress to regulate commerce between the States gives it the power to destroy such commerce, as might well be done here, as well as a strong possibility that the proposed diversion constitutes a taking of the property of the downstream owners and proprietors in the Great Lakes chain. Should we act in the face of such doubt, when this very matter is now pending before the Supreme Court, the proper body to consider the legal rights impaired and liabilities incurred by the proposed additional diversion?

I recognize that the objections I have been summarizing up to this point are of particular concern to the people of my State, and of the other Lake States. Perhaps we are inclined to overstate them because of our proper provincial concern. But even if so, there is a still more compelling and urgent reason for the defeat or delay of H.R. 1.

I am referring, of course, to the aide memoire handed by the Canadian Government to our State Department under date of February 20, 1959. Some mention was made here yesterday of political influence having been brought to bear, somehow, to induce Canada to file her note of protest, and that the protest represents a change in the heretofore Canadian attitude toward this diversion problem.

It does not seem to me, Mr. Chairman, that we, here, have the right to even speculate about why Canada has protested, or why she has changed her mind, if indeed she has. All we can and should consider is that Canada now says that any authorization for an additional diversion from Lake Michigan at Chicago would, in her opinion, be incompatible with the arrangements for St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

This official protest is fact not fancy. We should not, we cannot ignore it without running the risk of seriously and adversely affecting our relations with our great and good neighbor to the north. Is 1959, Mr. Chairman, the time for us to risk losing even a small measure of the historic Canadian-American friendship? It seems to me that, like human next-door neighbors, friction usually develops between nations, as next-door neighbors, over small incidents, unintentional slights, and inconsiderate behavior. All of us have noted, I presume, with some concern the recent instances when there have been brief periods of strain between our Government and Canada. Let us not add to this situation.

It was also argued yesterday that Canada has no real, no valid basis for her objections. Perhaps that is so, but she has the right to protest, and to have the merits of that protest duly considered, not here in this legislative body, but in a proper tribunal of an international judicial nature, or by the International Joint Commission established by the Boundary Treaty of 1909.

Let us also remember, Mr. Chairman, that irrespective of our treatment of our neighbor, the manner in which we will act here will be watched by the entire world community to see if we are ready to depart from the traditional manner in which we have, heretofore, scrupulously honored our international obligations and good manners to the letter.

I submit there is no reason, no justification for us to be urged to pass this bill today in the face of this international question. Our committee only concluded its hearings on H.R. 1 a few days ago, the committee report was only available yesterday morning, the minutes of the hearings are not yet available for even the members of the committee to study, to say nothing of my colleagues who are not members of the committee and have had little or no opportunity to be advised of or consider the serious implications hidden in this seemingly simple and innocent-appearing legislation. I hope and trust H.R. 1 will be defeated or returned to our committee for further consideration.

Mr. KLUCZYNSKI. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DULSKI].

Mr. DULSKI. Mr. Chairman, the fresh water bodies of the Great Lakes are one of nature's generous gifts to America, and in no way can be considered as municipal in scope, to be exploited, polluted, or plundered, without due regard for the rights of everyone concerned. To cover up for the years of past neglect and poor planning and operation of its sanitary district, Chicago is now attempting to foist its problem onto the backs of all of its neighbors bordering the Great Lakes without as much as a "by your leave" in regard to the damages it may cause.

Mr. Chairman, over 3 years ago Buffalo was instrumental in creating a port authority. The city of Buffalo turned over $28 million worth of assets, extended loans to the authority, and so forth, having faith that we would become a seaport on the St. Lawrence Seaway. The Army Corps of Engineers received appropriations of some millions of dollars for deepening the harbor.

Buffalo, one of the great milling centers in the world, is also known for its huge steel mills and, as a great railroad center, knows that with the St. Lawrence Seaway becoming a reality, it must make some sacrifice. Some of the grain vessels are now being diverted from our port but again there will be other areas of shipping which will be attracted to the Buffalo port.

Our neighbor across the way, Canada, has stated its views as follows:

> While recognizing that the use of Lake Michigan water is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.
>
> The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effect on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

All of the other agencies drawing water from the Great Lakes Basin are thankful for the blessings of this great body of water and have the courtesy of returning the volume of water, after use, back into the same basin of water from which it was drawn—but not Chicago. It wants to take the water from Lake Michigan, use it, and then let it flow into the Illinois Waterway rather than pump it back, after treatment, to Lake Michigan, for this is an economic matter costing money, which is objectionable from the viewpoint of those who benefit from this water diversion, if they are able to pass the bill and its resulting problems along to their neighbors in the way of lower water depths with ensuing navigational problems, receding shorelines, damaged recreational areas, and a reduced water flow over Niagara Falls—all damages which are either irreparable, or of a nature that would take years to overcome.

The people of Chicago who are responsible for sanitary matters in that area have long cast an envious eye upon the great body of fresh water bordering it for a great many years now to the point where, I think, it has destroyed their incentive and initiative to solve their problems by paying their own bills and rendering their neighbors harmless from their depredations.

I say to the Members of this great body in Congress that how well we care for the resources afforded us by the Great Lakes will depend the future happiness and prosperity of the people in the communities bordering these Great Lakes.

I reiterate my firm conviction that as a matter of public policy, any water diverted from a basin should be returned, after use, to the same basin from which it was drawn, to maintain present standards and balances, and to protect and preserve the well-established rights and equities of all parties concerned with the waters of the Great Lakes.

Mr. KLUCZYNSKI. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, as a supporter of H.R. 1, the lake diversion bill, I should like to make the following statement regarding the diversion of water from Lake Michigan by the Metropolitan Sanitary District of Chicago.

It is quite apparent that this question involves several issues which are definitely not pertinent to the purpose of the survey. The question has been before the Congress during several sessions, and as I view the purposes as set out in H.R. 1 and the numerous arguments pro and con as to the effect of the diversion of an additional 1,000 cubic feet of water per second from the Great Lakes, which is primarily requested for the improvement of sanitation conditions and the elimination of pollution from the Illinois Waterway, the engineers have stated, and it is the consensus, that the diversion of water for over a period of 3 years might have a tendency to lower the level of Lake Michigan to the extent of five-eighths of an inch. This, I understand, is definitely theoretical and based on a preliminary survey.

H.R. 1 suggests and recommends a definite survey for a period of 1 year. The first 6 months of this survey will not require the diversion of any additional water from Lake Michigan; also, in the 6 months' period immediately following there will be no increase in the authorized diversion.

I should like to call attention to the great increase in the population in the metropolitan area of the city of Chicago, which, naturally, causes additional sewage passing through the treatment plants in order to remove pollution. This cannot be done without additional water.

The numerous objectors to this survey have only the fear as to what might happen if the diversion actually occurred and should prove to affect the level of the Great Lakes. This, however, is not contemplated and I see no reason, as a matter of public safety and public health, that the immense population living along the Illinois Waterway should not be given the benefit of this survey and the benefits to be derived therefrom.

Representing the Third Congressional District of Illinois in the city of Chicago, and having been affiliated for a number of years in an official capacity with the city of Chicago, I know of where I speak and know how my district has increased in population with the building of many new residential and commercial areas in order to keep abreast of the changing times.

I firmly hope that this survey will be permitted and prove that the additional diversion of water will in no way affect our neighbors from adjacent States.

I further believe that this is predominantly one of the most essential surveys, from the point of public health, that is presently before the Congress and it should not be considered, as some of the

opponents of the bill infer, a matter of personal convenience to the electric power generating stations on the waterway.

Mr. KLUCZYNSKI. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, there has been a great dispute about the effect of diversion on lake levels, and you have heard many conflicting figures cited. I think it is extremely regrettable that the record of the testimony and the hearings are not available to the Committee and will not be available for 10 days. It seems to me that we should save the expense of printing these proceedings since they will serve no useful purpose to this Congress.

Mr. Chairman, I want to express my vigorous opposition to this proposal to legalize the taking of more water from Lake Michigan and the Great Lakes Basin for the purported sanitary needs of Chicago, the navigational needs of the Cal-Sag Canal, and the power facilities at Lockport. By this action Congress is asked to deny and contradict the basic riparian rights of all the States and communities which abut the Great Lakes drainage system and artificially create new rights in these waters all along the Mississippi Basin to the Gulf of Mexico.

Mr. Chairman, the issue involved in this debate transcends the local conflict between the Chicago area and the many communities of the lower lakes which are competing for use of the Great Lakes waters. It also transcends the traditional competition between the seaboard ports and the ports of the Great Lakes. The question is, Should one section of the country, for its own purposes, be permitted to withdraw water from the Great Lakes, which are the property of this Nation, Canada, and the citizens of the several States?

The issues involved transcend personal respect and devotion for the sponsors of this legislation—for whom I have the highest regard. The issue is simply this: Shall the Congress of the United States be used to raid the riparian or waterside rights of all the co-tenants of the Great Lakes Basin?

There have been conflicts in Congress before over water. On this subject no individual Member can feel indifferent to the issues involved. The harmful and wrongful precedents established by this legislation will, at some time or another, or in some way, affect every single Member of this House.

On this issue almost all Ohioans in Congress are joined in opposition. Our attorney general has protested the further withdrawal of Great Lakes water at Chicago. The Governor of the State of Ohio—the widely known and respected Michael V. DiSalle, today renewed his plea in opposition to diversion in the following message:

> The persistent efforts of those who would divert water from the Great Lakes are disrupting and nullifying any long-range plan for the development of the waterways of the Great Lakes.
>
> Ohio is greatly interested in the Great Lakes-St. Lawrence Seaway which is rapidly advancing and expanding the economic life of this area. Ohio will use every resource possible to prevent further diversion of water from the Great Lakes. The State of Ohio is against H.R. 1.

At this point, I want to take opportunity to commend the splendid efforts of my distinguished colleague, the Honorable GORDON SCHERER, of Ohio, for his splendid efforts and leadership in opposition to this proposal.

Mr. Chairman, to the people who constitute the wealth of this land, the freshwater supplies are America's prime asset and must be guarded.

Increasing water needs and falling water table of the several States are rapidly approaching a national crisis. Ohio, Indiana, Pennsylvania, New York, and even Illinois are threatened with reduced water tables, along with an increase in their populations. As a matter of fact, more and more communities as far away as 100 miles from the Great Lakes are looking to the day when they can tap the Great Lakes for a water supply for life, for industry, and for their very sustenance. We can anticipate a tremendous development of urban growth along the New York Thruway and the Pennsylvania, Indiana, and Ohio Turnpikes. Someday three will be one continuous band of cities along these highways. These new communities are going to need water, and the only source for that water is the Great Lakes Basin.

Secondly, the commerce of the Great Lakes cannot be placed in jeopardy by the self-interest of one city. In Cleveland the huge ore-carrying vessels drag their bottoms in the mud of a shallow river in order to reach their unloading berth. We cannot afford any loss of water in this part of the Great Lakes. We have tremendous investments in shipping facilities, and we would be exposed to the adverse effect of a lowered level if this legislation were to become law. It would have a disastrous effect along the entire Great Lakes Seaway, as has been previously indicated.

Chicago's need for water is not for life but for waste. To permit that city to flush its industrial wastes into the lower Illinois and Mississippi downstate areas is a wrongful act, and those people in the lower areas who believe they will enjoy a bonanza of water for commerce will soon discover they have received an increased gallonage of pollution and refuse too dense to sail boats in.

Along with other Great Lakes cities, my city has spent millions of dollars for expanded port facilities. The prospect of lowered lake levels through this contemplated action is disheartening indeed to every Great Lakes city preparing for seaway commerce.

This private bill—and that is what it is—seeks to divide America, attracting seaboard support in the hope that lower lake levels will hurt seaway commerce, luring the South with more water for Mississippi Basin commerce, luring private power support on the promise of more water for private power at Lockport and less for public power in New York. It dissolves the traditional unity and common purpose of the Great Lakes cities in the Great Lakes region.

I hope this legislation is defeated.

Mr. MACK of Washington. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I wish to commend the gentlemen from New York [Mr. ROBISON and Mr. DOOLEY] for the excellence of their remarks and to associate myself with those remarks.

The State of New York has a great deal at stake in this legislation and can be seriously prejudiced by its enactment. However, to me the compelling and overwhelming argument is the one that was made, particularly by the gentleman from California, Mr. BALDWIN, to the effect that where there is a pending protest from a neighboring nation now is not the time to act hastily or precipitously in this fashion.

I would, therefore, vote against the legislation on those grounds alone, quite apart from the position of my own State of New York.

Mr. MACK of Washington. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SCHERER].

Mr. SCHERER. Mr. Chairman, earlier in the debate today on this issue there was some discussion of the testimony of the assistant attorney general from the State of Pennsylvania. It was indicated that this young lady was in error in her testimony.

As has been stated, these hearings are not available, but I have a rather distinct recollection of her testimony before the committee. As I recall, she did not say that the granting of this 1,000 cubic feet per second diversion for 1 year would lower the lake level from 1 to 2 inches, or more. Everybody knows it would not do that. What she did point out in her testimony is that Chicago today has a 3,300 feet per cubic second permanent diversion. That water is never returned to the lakes, and that permanent diversion, to which will be added, if this legislation is passed, an additional 1,000 cubic feet, will cause a lowering of the lakes of more than 2 inches. And, the testimony of the assistant attorney general of Pennsylvania in that respect has been supported by other testimony. Today, with Chicago's diversion of approximately 3,300 cubic feet per second, it has already permanently lowered the lake level approximately 2¼ inches.

Mr. YATES. Mr. Chairman, if the gentleman will yield, does not the testimony show that the diversion by Canada from the Albany region has increased the level by 5 inches, so that the diversion by Chicago of its amount has not affected the Lake Michigan level?

Mr. SCHERER. Will the gentleman from Illinois deny the fact that the permanent diversion that Chicago has now, which no other city or State on the Great Lakes has, namely, 3,300 cubic feet per second, which amounts to more than 2 billion gallons of water a day, has permanently lowered the level of the lake by more than 2 inches?

Mr. YATES. I will say that the testimony shows that Chicago's diversion has been offset by the diversion by the Canadians into Lake Superior. The levels of the lakes are higher as a result

of the Canadians' diversion and the withdrawal of the water by Chicago has not equaled it.

Mr. SCHERER. There is no doubt but that your last statement is right, but Canada can stop that diversion any time she wants to.

Mr. YATES. Can you imagine Canada stopping its diversion?

Mr. SCHERER. Oh, yes.

Mr. YATES. On the contrary, Canada would like more water to feed her powerplants at Niagara and the St. Lawrence.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KLUCZYNSKI. Mr. Chairman, I yield to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I rise in support of H.R. 1. As a member of the Committee on Public Works, I have listened to this argument concerning lake diversion for the past 4 years. I honestly believe that the opposition to this legislation is more traditional than real. The legislation is badly needed by the city of Chicago. It does not affect my district in downstate Illinois therefore I can speak as an impartial observer. Chicago is now diverting water from Lake Michigan without damage to the Great Lakes States or shipping and I cannot possibly see how any damage would result from an additional 1,000-cubic feet-per-second diversion. I also fail to see why my friends from the West fear Canada will be angry and want to divert water from the Columbia River when they already have a precedent set by present diversion if they want to use that as an excuse. I cannot stretch the imagination to believe that lake ports or shipping will be hurt by lowering lake levels one-fourth of an inch by the additional diversion. This is the figure the U.S. Army Corps of Engineers gave us as the amount of affected level. All the bill does anyway, is to study the effects of additional diversion, therefore I cannot see why anyone would want to stop Chicago from getting this valuable information and submitting it back to our committee and the Congress. I urge immediate passage of this legislation.

Mr. KLUCZYNSKI. Mr. Chairman, I yield to the gentleman from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Chairman, the diversion bill incorporates the plea of a hard-pressed community to petition the Congress for help to meet its needs for studying the present precarious problems; for the treatment of sewage and waste, so necessary for the health of millions of people within the environs of Chicago and Cook County.

It is purely a crisis brought about by the increase of services so necessary in a growing community.

The U.S. Supreme Court in a previous ruling set up a 1,500 cubic feet per second diversion. The present act sets up a thousand cubic feet per second for a complete study to be conducted by the Army engineers, such diversion limited to a period of 1 year.

The study will determine navigation and water pollution problems and a systematic analysis of water conservation and the study of the continued lowering of water tables during the past 15 years.

The factors involved may be the answer to flood control and distribution of excess waters.

One thing is certain, no community can afford in its conscience to deny the needs of persons of another community in this great land.

The fresh water facilities and natural water areas belong to all of the people—and just because some communities have no such interest or problems does not dictate to good conscience of the citizenry to disregard and deny people of another community the cooperation to make possible the solution of a problem that threatens the lives and well-being of its people's very lives.

The health of a community is everyone's concern. To obstinately refuse to cooperate to bring about its protection is un-American.

If the Congress refuses to help the people of Chicago—then perhaps the U.S. Supreme Court will, by its own edict, carry out the purposes for which its previous decision was written. Then we may suppose that the same objectors will wail out the old wolf cry that the Supreme Court is legislating again.

The rights of the people of Illinois to take sufficient water to meet their moderate needs is as right as the law of survival—so be it—and with the help of God-fearing Congressmen and Senators who love all Americans equally, this study must be made, the crisis is now, the long-range effects of any experiment is for tomorrow. No great harm can result from this program. At most a lowering of five-eighths of an inch in the Great Lakes Basin can result.

Mr. KLUCZYNSKI. Mr. Chairman, I yield to the gentleman from Illinois [Mr. BOYLE].

Mr. BOYLE. Mr. Chairman, I rise in support of H.R. 1 introduced in the House, in this session of the 86th Congress, by the dean of the Illinois delegation, Congressman O'BRIEN.

The House Public Works Committee has held extensive hearings in the 82d Congress—H.R. 6100—Sheehan bill, 83d Congress—H.R. 3300—Jonas bill, 84th Congress—H.R. 3210—O'Brien bill, and the 85th Congress—O'Brien bill—H.R. 2—on legislation similar to H.R. 1 and said committee has heretofore approved all of the aforesaid bills.

The bill in its present form—H.R. 1—specifically limits the increased diversion to 1 year. The provisions of the instant bill follow the principles approved at the Senate hearing of its Subcommittee on Public Works of the 2d session of the 85th Congress on H.R. 2. They were then approved by the Bureau of the Budget, the Department of Health, Education, and Welfare, the Army Engineers and the State Department. Canada earlier stated it had no objection to a proposed 1 year temporary increase in diversion of 1,000 cubic feet per second.

H.R. 1 specifically divides the 3-year proposed study period into the following four phases or periods:

First phase: A 6-month period of study to develop study plans, and so forth—no increased diversion.

Second phase: A 12-month period of the stream survey in the field to establish existing conditions—no increased diversion.

Third phase: A 12-month study under conditions of the increased diversion—annual average increase of 1,000 cubic feet per second diversion for 1 year.

Fourth phase: Six months required to prepare the final report to the Congress—no increased diversion.

This bill—H.R. 1—authorizes the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the supervision and direction of the Secretary of the Army, to temporarily withdraw from Lake Michigan at Chicago, for a period of 1 year, an additional amount of water of 1,000 cubic feet per second—over the presently authorized diversion of 1,500 cubic feet per second—to enable the Department of Health, Education, and Welfare, in cooperation with the Secretary of the Army—acting through the Chief of Engineers—to study, over a 3-year period as above detailed, the effect thereof in the improvement in navigation conditions and other improvements along the Illinois Waterway resulting from such increased diversion and to report to the Congress the results of such studies and their recommendations before June 1, 1962.

The Illinois Waterway—a Federal navigable waterway—was opened for navigation March 1, 1933, and Colonel Sultan, Army district engineer, Chicago district, in his report on the matter, House Document No. 184, 73d Congress, 2d session, September 1933, stated that the 1,500 cubic feet per second of water diverted from Lake Michigan at Chicago—authorized in the U.S. Supreme Court decree of April 21, 1930, as "necessary for the purpose of maintaining navigation in the Chicago River as a part of the port of Chicago" and subsequently authorized for navigation of the Illinois Waterway by the River and Harbor Act of 1930—plus the Chicago treated sewage, was sufficient for the direct, or flotation needs of the Illinois Waterway, but that there was some doubt whether this would provide decent conditions for workers on or about the waterway.

Colonel Sultan recommended, in his report, that after the treatment plants of the sanitary district were completed and in service, navigation conditions should be observed for about 2 years. He said:

> Then, and then only, can it be determined with reasonable certainty whether any additional diversion is necessary in order to provide decent and healthful living conditions for boat crews and river terminal operators.

This test has never been made. It is the test contemplated in the similar legislation passed by the 83d Congress in 1954—H.R. 3300—and in the 84th Congress in 1956—H.R. 3210. Both measures were vetoed by the President. It was also the test provided in H.R. 2 of the 85th Congress—the O'Brien bill—which passed the House but failed to pass in the Senate in the closing days of the 85th Congress. It is the test now specifically provided in H.R. 1 with the actual

diversion limited to 1,000 cubic feet per second for 1 year.

The entire problem of testing would become a duty of the Army and the Public Health Service, who would have the responsibility, under H.R. 1, of reporting and making their recommendations thereon to Congress.

I have no fear but the sanitary district engineers and those of the Illinois Division of Waterways will cooperate in every way possible in conducting the tests.

FACTUAL AND LEGAL ASPECTS OF DIVERSION

I have no desire at this late hour to impose upon this House a lengthy dissertation on the question of lake diversion. Both the proponents and the opponents have heretofore repeatedly presented their views on this subject and a repetition here would be of no avail.

There is one outstanding engineer of recognized national standing in the field of hydraulics and Great Lakes levels, whose professional views are uniformly respected. He is Horace P. Ramey, chief engineer of the Metropolitan Sanitary District of Greater Chicago. A half century of Mr. Ramey's professional engineering activities have been devoted in this particular field.

Chief Engineer Ramey is therefore amply qualified to speak with unquestioned authority of this subject of diversion. At previous hearings of this House committee his noteworthy paper on "Great Lakes Levels and Their Changes" was submitted. For this study he was awarded the Octave Chanute Medal by the Western Society of Engineers.

On June 20, 1957, Chief Engineer Ramey delivered another scholarly presentation on "Diversion of Water" before the Illinois section of the American Society of Civil Engineers.

Opponents to the various diversion bills heretofore considered have repeatedly stressed that questions as to an increase in diversion or otherwise should be presented to the Supreme Court of the United States and not to the Congress.

Contrary to this view the supporters of H.R. 1, and its predecessors, have always insisted that Congress has plenary power over navigation and navigable waters.

In support of this legal phase, I submit that a brief on this subject filed as amicus curiae in the Supreme Court of the United States by the Chicago Association of Commerce and Industry documents that we have that right. The legislative history of the River and Harbor Act of 1930 further demonstrates that we have the legal right to legislate in this area.

OPPOSITION OF THE LAKE STATES

It is recognized that the consistent opposition of the Lake States to an increase of water from Lake Michigan at Chicago, of any nature or for any purpose, whether temporary or permanent, has not diminished.

In December 1957 the State of New York filed a motion in the Supreme Court of the United States, in the so-called Lake Level cases, asking for a modification of the decree of that Court of April 21, 1930. They sought, among other matters, to require the Metropolitan Sanitary District of Greater Chicago to return to Lake Michigan the water taken therefrom as domestic pumpage.

This was followed by an application of similar effect filed by the States of Wisconsin, Minnesota, Ohio, Pennsylvania, and Michigan, in which the State of New York also joined.

Both actions attempted to require the Chicago area to dump its sewage-treated effluent into Lake Michigan, the same source from which its drinking water is drawn, thereby threatening the pollution of the water supply, instead of emptying such effluent into the canals of the sanitary district and thence into the Illinois Waterway. The latter procedure has been followed since 1900 and is as authorized by the Supreme Court's decree of April 21, 1930, and by the River and Harbor Act of July 3, 1930, for navigation purposes for the Illinois Waterway.

The action instituted in the Supreme Court in December 1957 was also an apparent attempt to frustrate the proposed action by the 85th Congress with regard to the enactment of H.R. 2, as at the time of the above attempt by the Lake States to invoke action by the Supreme Court of the United States, H.R. 2 had been passed by the House of Representatives in the 1st session of the 85th Congress, May 22, 1957, and was then pending before the Senate subcommittee.

The application of the Lake States and the motion of New York were in effect a rehash of their traditional arguments presented previously at the congressional hearings on diversion. They were replete with legal errors, factual misstatements, and unsupported preposterous allegations which have unfortunately ofttimes heretofore characterized their opposition.

Among other matters considered in that action before the Supreme Court, initiated by the Lake States, were the constitutional provisions and the legal authorities—including the decisions in the various Lake Level cases—which we assumed demonstrated the exclusive right of the Congress to act in matters affecting navigable waters, such as those here involved pertaining to a Federal waterway.

The consideration of this problem by the Supreme Court was again made necessary because the Lake States in their application to the Supreme Court sought a presumptuous declaration that legislation such as that proposed by H.R. 2 would be in effect a nullity. This was an attempt to secure an unheard of type of relief, requesting a statement or determination from the Supreme Court that an anticipated action of Congress within its proper sphere would be unconstitutional.

The State of Illinois and the Metropolitan Sanitary District of Greater Chicago filed a joint brief in opposition to the action of the Lake States and the Solicitor General, at the request of the Supreme Court, filed an amicus curiae brief.

After a consideration of the briefs of all the parties, this flagrant attempt of the Lake States, seeking to enlist the aid of the Supreme Court, to interfere with the exercise of congressional jurisdiction or to delay Congress in the proper exercise of its constitutional functions was appropriately disposed of by a summary denial of the relief—with the right to renew their application if substantial facts were later presented—sought by New York and the other Lake States in the order of March 3, 1958, entered by the Supreme Court. This dismissal order, in our judgment, demonstrated the refusal by the Supreme Court to act in such a way as to interfere with the exclusive control by Congress over Federal waterways.

Subsequent to the Supreme Court order of March 3, 1958, however, the Lake States again attempted to frustrate the action of Congress by anticipating the introduction of H.R. 1, now pending before the House Committee on Public Works. They filed, on November 3, 1958, a so-called amended application. This document is essentially a rehash of the earlier documents summarily dismissed, on March 3, 1958, by the Supreme Court of the United States. All of the allegations made in this new amended application and their supporting brief have been answered by the joint brief of the State of Illinois and the Metropolitan Sanitary District of Greater Chicago. Despite the many conflicting speeches and the heat engendered over the years between the advocates and those opposing this legislation, a calm analysis of the actual questions involved should demonstrate to unbiased observers that the issue is, in effect, fundamentally simple. And its solution by the same token, is likewise simple.

The residents of Illinois have demonstrated their good faith and their basic reasonableness, in the compromises which have been suggested from time to time and are now incorporated in H.R. 1. This bill would enable a scientific study to be made. It would be made by trained, impartial men.

The repeated myth as to puffed up anticipated losses to navigation and by the power interests, if any diversion from Lake Michigan is authorized by the Congress, can by no stretch of imagination be applicable to the temporary 1-year increased diversion of 1,000 cubic feet per second authorized by H.R. 1.

On August 1, 1958, Major General Itschner, Chief of Engineers, transmitted to Senator DOUGLAS—pages 373–375, Senate subcommittee hearings on H.R. 2, July 28, 29, and August 7, 1958—the report of the division engineer of the north central division at Chicago, evaluating the effects on lake levels and power of an increase of 1,000 cubic feet per second at Chicago for a period of 1 year. A summary of this study estimated that the maximum resulting lowerings of Lakes Michigan and Huron to be one-fourth of an inch and that it was not practical to evaluate the effects because of the small amount of the lowering. As to estimated losses of dependable hydroelectrical capacity at the Niagara and St. Lawrence plants, the study found that they were of such temporary nature and small magnitude that replacement of the loss or substitution of the gain in capacity would not be justified.

One point, the author of the bill, the gentleman from Illinois, Congressman O'BRIEN, wishes to make abundantly clear and repeats is that the State of Illinois and the Metropolitan Sanitary District of Greater Chicago do not seek the additional temporary diversion provided in H.R. 1 as a substitute for the proper treatment of sewage of Chicago's metropolitan area.

The sanitary district collects and treats to a very high degree, in three modern major sewage-treatment plants and several new smaller plants, more than a billion gallons of sewage daily. No other metropolitan area in the world has equal facilities or performs a comparable efficient operation. The American Society of Civil Engineers in 1955 selected our sewage-treatment system as one of the "seven wonders of American engineering." I respectfully urge that H.R. 1 be passed by this House today.

Mr. KLUCZYNSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, it is with a great deal of personal sorrow that I find myself on the opposite side of any issue with the distinguished gentleman from Illinois [Mr. KLUCZYNSKI] and with the distinguished dean of the Illinois delegation [Mr. O'BRIEN]. We have heard it said that this is a piddling amount of water. It is not. The people of Chicago want to divert from our Great Lakes—and they are ours as much as theirs—what would be the equivalent of a river 10 feet deep, 20 feet wide, and all the way across the United States, in just 15 days. That is just how much water they want to take from the people of the Great Lakes Basin area. They are now taking 3,300 feet per second of water. In addition to that, they propose to add an additional 1,000 cubic feet. For comparison, the whole State of Illinois contributes exactly *500 cubic feet* per second of water to the Great Lakes.

So you can see they are doing far better than any of their neighbors on the Great Lakes Basin, and are taking a resource belonging to all of us to their own sloth in handling their sewage problem.

There is presently pending a proceeding before the Supreme Court of the United States, an open decree subject to Court review on application of any party. If there were any merit in what the Chicago Sanitary District seeks to do, I am sure the Supreme Court would be more than glad to honor their wishes and accord them relief, and would have done so a long time ago if there were any merit to their case. They would take this course instead of coming before the Congress every 2 years to have legislative relief. In due course of time, however, this will be matter vetoed.

I assume that my colleagues from Chicago will recognize the name Frank W. Chesrow. He is president of the Chicago Sanitary District. He was quoted on January 29 of this year as saying:

More diversion of lake water is not needed—

I want to emphasize that word "not"—is not needed for sanitation purposes but solely for navigation purposes on the Illinois Waterway.

This is witnessed by what the Corps of Engineers in the person of General Itschner, Chief of that corps, had to say; and on many occasions he or another person speaking on behalf of the corps has said that there is no necessity for any additional water for navigational purposes. Indeed, they have pointed out that the amount of domestic pumpage plus the present diversion is more than adequate even when the Chicago ship canal or the Illinois Waterway is "double tracked" to handle upbound and downbound traffic in separate canals.

The real situation here is this: The Illinois Waterway is the largest chamber pot in the world, and it is probably the worst smelling.

Mr. Chairman, let me tell you what goes on here. The sanitary district does not properly treat its sewage. They have a two-State system of collection. When it rains Chicago floods their storm runoff together with their sanitary sewerage in one system and dumps the whole volume of sewage, flowing directly into the Illinois Waterway, with little or no treatment. This is why the sad situation in the waterway.

In addition to this, there is no attempt by Chicago or by any of its agencies to meter any of its industry and its industry is not watched at all. As a result, very large amounts of industrial waste go directly into this waterway without any scrutiny or examination by any person whatsoever.

Mr. Ramey, speaking on behalf of the sanitary district, said that its efficiency dropped to 87 percent or less in 1955–56. And he went on to state that—

About 10 tons per day of solids went into the canal in 1955 and more than 18 tons per day in 1956.

This is in addition to 80 tons which go into the waterway in a form which Chicago says is impossible to strain out under existing processes.

This last contention I deny. Milwaukee and other cities treat their waste, municipal and industrial waste to 95-percent purity. Indeed, one may safely drink the sewage effluent of Milwaukee. I challenge any Chicagoan to drink the sewage effluent of that city.

Let me tell you what was said by a Mr. William Dundas, of the Chicago Sanitation District, in an article appearing in the Engineering News Record, a national publication:

The 900-square-mile metropolitan area feeds about 1,200 million gallons of sewage a day into the sanitary district plants for treatment. From 800 to 900 million gallons per day flows to the southwest works, carrying from 600 to 650 tons of solids. Another 100 tons of solids are pumped daily to the southwest plant from the North Side works.

This adds up to 700 to 750 tons of solids to be disposed of daily at the southwest works. Present facilities, however, according to William A. Dundas, general superintendent, can handle adequately only 450 to 500 tons per day. This leaves 200 to 250 tons for disposal by other means.

(Sludge is the consolidated sewage solids settled out of sewage in either the primary or secondary settling tanks.)

Mr. Dundas' other means is simply dumping into the sanitary and ship canal all 200 to 250 tons a day of sewage solids to be flushed downstream on the unfortunate neighbors to the south.

Now let us characterize the state of this miracle of sanitary engineering system by the state of the sanitary and ship canal near the southwest sewage plant. I quote from the remarks of Mr. Milton Adams, nationally known sanitary engineer, member of the President's Pollution Control Board and head of the Michigan Water Resources Commission, who said:

Some of you may wish to learn from Mr. Dundas what he means by those last three words "by other means" and what effect this has on the sanitary quality of waters of the so-called sanitary and ship canal serving the southwest works. Unless sludge handling capacity is balanced to receive solids accumulations from daily sewage flow, either raw or partly treated sewage, or the sludge itself must be bypassed.

May I now submit a personal observation of downtown river conditions indicating inadequacy of the district's collection system or its maintenance. At noon on last Friday, the 13th, I was crossing the river into the Loop on the north sidewalk over the West Jackson Street Bridge. Looking over the rail to the north, I spied three floating objects along the west bank—some seven or eight near the east bank in a pool of suds and broken feces and other flotsam common to raw sewage. It so happens that most sewage and pump station screen rooms collect these objects. The point is these objects are invariably a telltale of the presence of sewage. But here they were in the river bobbing along on a dry day winking at me and catching an occasional ray of sunlight as it came through the clouds.

Now I ask you how these could be in the Chicago River where sewage is all faithfully collected and treated by the district. Another incident, shall we say of a faulty sewage collection system or regulator? Additional diversion from the lake cannot remedy this problem—study or no study.

Finally, as a member of the Federal Water Pollution Control Advisory Board I was called on to discuss the Chicago diversion controversy at their May 1957 meeting in Washington. There was already talk of the Public Health Service being called upon by the Corps of Engineers to make a study in the event H.R. 2 of the 85th Congress was enacted. I told the members our Michigan convictions, the Illinois position as I understood it, and that of the other States.

Following the meeting, I suggested to the Surgeon General's Chief of Water Supply and Water Pollution Control, "Mac, maybe you better have your Chicago boys have a looksee at this Chicago area problem if you can. You may have to make an estimate of a survey for higher authority one of these days and you ought to know what you are getting into."

Now it so happens a single river trip was made early last fall on these waterways and water samples collected and analyzed. This single exploratory trip was all the Division had resources to finance. No written or published report of findings is available. A summary sheet I have been able to examine showed "zero" oxygen and septic condition in the Chicago River north of the Loop. Water coming in from Lake Michigan with its 100 percent saturation of dissolved oxygen dropped almost immediately to zero after reaching the Chicago River. The oxygen continued to drop progressively as the trip

progressed downstream. Little was found below and none in the Calumet Sag Channel samples.

Should this finding be representative of formal survey results, it can mean but one thing to this engineer. The collection and interception of sewage before it reaches the waterway is so far from adequate that septic conditions are created even in the upper waterways despite the amount of sewage intercepted and treated at the district plant.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. DINGELL] has expired.

Mr. MACK of Washington. Mr. Chairman, I yield such time as he may require to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I am opposed to this legislation.

I am vigorously opposed to H.R. 1 which would permit an additional diversion of 1,000 cubic feet of water per second for a period of 1 year into the Illinois Waterway. There is no question but that this additional diversion would set a very dangerous precedent in our relationships with Canada. The Canadian Government contends that such additional diversion would produce material injury to the navigation interests on the Canadian side of the boundary. If we were to enact this legislation permitting additional diversion of Lake Michigan water into the Illinois Waterway our Government would be placed in a most untenable position to resist Canadian efforts to divert additional water from the Niagara River, the St. Lawrence River and the Columbia River Basin. Canada still insists on its right to divert the Columbia River. Canada still reserves its right under the treaty of 1909 with respect to the proposed Chicago diversion contemplated by H.R. 1. Canada, in its most recent aide memoire, has protested against the proposed Chicago diversion on the ground that such diversion would adversely affect navigation and hydroelectric interests in the Great Lakes Basin. Surely, if this proposed diversion were permitted in spite of Canada's protests, and Canadian navigational and hydroelectric interests suffered, Canada might very well take the position that our ignoring their protests would give Canada sufficient justification for diverting water from the upper Columbia River Basin. Those of us from the Pacific Northwest know full well the dangerous effects additional diversion of water from the Columbia River would have on irrigation and hydroelectric projects in our area. These projects are extremely important to the economy of the Pacific Northwest and to my State of Oregon. If their full potential were to be impaired by additional diversion of water from the Columbia River by Canadian interests, it would be a serious blow to the economic welfare of our people in Oregon whose livelihood depends on employment in industries that necessarily must secure their water from the Columbia River.

If this legislation is enacted, Canada might very well use it as an excuse to divert water from the upper Columbia River in Canada to the Fraser River in Canada. If such a diversion is made not only would irrigation and hydroelectric projects on the American side of the Columbia River be adversely affected, but also the level of the lower Columbia River would be lowered which would imperil shipping which uses this river. While I am sympathetic with the sanitation problem confronting the people of Chicago it seems to me that it would be sheer folly to divert water from Lake Michigan to solve their problem thus setting a precedent whereby Canada could divert water from the Niagara, the St. Lawrence, and the Columbia Rivers which would result in tremendous financial losses and jobs to those people employed in industries which utilize the water and waterpower from these rivers. The pollution in the Chicago River can be removed by sewage disposal plants such as are used by nearly every large city in the country. Why should the proposed diversion method be used when it very likely will disrupt our good relations with Canada, set a very dangerous precedent with respect to diversion from other rivers in which both our people and the Canadians have an interest.

I shall vote against this unwise and unsound legislation which if enacted could ultimately have such disastrous effects on the economy of the Pacific Northwest.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BROOMFIELD], a member of the committee.

Mr. BROOMFIELD. Mr. Chairman, it seems as if the matter of draining additional water from the Great Lakes through the Illinois Waterway has become a subject of congressional concern as regular as the first robin of spring.

Quite frankly, I consider this newest plan contained in the provisions of H.R. 1 for the mockingbirds.

We are being asked to toss aside the interests of States bordering the Great Lakes for the selfish gain of one of these States. We are being asked to ignore the protests of a neighboring nation which has been our friend and valiant ally in two world conflicts.

We are asked to set aside the fruits of some 30 years of work in Congress and the Canadian Parliament, of thousands of men who labored through cold, bitter winter weather to construct the St. Lawrence Seaway in order to complete it on schedule this year.

We are asked to narrow our connecting channels and make our lake beds shallower, to pose possible added dangers to navigation and the largest volume of ship traffic in the world.

We are asked to overthrow a decision of our Nation's Supreme Court; to bypass one of its rulings.

All this is sought for the possible gain of one American city and for the possible disadvantage of dozens of others.

Now, this situation would be bad enough if it stopped right there. But very few of the majority members of the House Committee on Public Works appear to have taken into consideration the later repercussions of this bill and its implications. If we can divert water from the Great Lakes, why can't Canada? And if we can divert water from the Great Lakes, why can't Canada divert water from rivers and streams which have their headwaters in her territory and flow into our Northwestern States and our newest State of Alaska?

If it is right for us to tell Canada that she has no business in voicing an opinion on a matter of such great concern to her people, then has not Canada the right to tell us to go soak our collective heads on her own plans for water diversion?

If fair play and international courtesy are not to be considered by the proponents of this bill, then possibly they will yield more readily to self-interest and realize the Pandora's box of mishaps they are opening on our Nation's waterways.

The proponents of this bill are going to say that this is only a proposal for a 1-year test. If their words are slightly muffled and distorted, I imagine it is because they are having difficulty in speaking with their tongues in their cheeks. There is no doubt in my mind that if this bill is passed, we will be asked next year to extend the provisions of H.R. 1 for an additonal 2-year period, so that the full effects of this diversion can be studied.

We are told by the Army Engineers that it will take some 15 years for the Great Lakes to build up to previous levels once diversion is completed. Now, what if this diversion is more serious than our engineers first figured? After all, this is a test, or so the proponents claim. If such is the case, then the results are merely a matter of conjecture at this point. If the results are known, as the proponents of H.R. 1 claim, then there is no need for a test.

But our Army Engineer estimates, for every 1 year of such testing, it will take 5 years to completely undo any ill effects of such tests. That is too great a risk to take with one of the most important waterway systems in the world.

If the Chicago Sanitary District can have its way in this matter of Great Lakes water diversion, then why can't any other city—American or Canadian—have the same privilege?

If the United States can take unilateral action on this issue, then why cannot Canada exercise the same right?

Let us not put one obstacle in the path of the St. Lawrence Seaway and the great benefits our Nation will derive from its completion. Let us not mark the anniversary of the completion of this great engineering project by action which may limit its effectiveness. Let us defeat H.R. 1 and live up to our obligation to the people of the Midwest, the rest of our Nation and our good neighbor, Canada.

Mr. Chairman, as a part of my remarks I include the following article from the Detroit News of February 9, 1959:

NEW ROUND IN CHICAGO WATER STEAL—THE STORY BEHIND SEVEN-STATE BATTLE AGAINST DIVERSION

(By Stoddard White)

Without its water—surrounding seas, inland jewels, lifegiving underground reservoirs—what would the Water Wonderland be?

Alarm over new plans to steal more of one of Michigan's most precious and famed resources has caused State officials to marshal their allies around the Great Lakes in a new battle before the U.S. Supreme Court.

So important is the problem of water supply to the whole Nation that J. Lee Rankin, Solicitor General of the United States, has called a conference for the early part of March.

He will invite Illinois to tell its future plans in the historic Chicago water diversion from Lake Michigan, and the other seven Lake States to state their opposition to what has happened and what might happen.

Led by Wisconsin, the other States have been fighting for almost 40 years to check Chicago's system of turning Lake Michigan water westward without returning any of it.

Chicago uses lake water for its sewage system, sending the result westward toward the Mississippi—and to maintain navigation for barges and tugs on the Illinois Waterway.

MARCH SHOWDOWN

For almost the first time, Illinois' opponents have been placed on the defensive. In March they must reply to a suit by that State, acting for a small water authority centered at Lombard, one of Chicago's western suburbs.

That water authority proposes to draw water—though only a tiny fraction of that taken at Chicago—from the big lake and, after using it 25 miles inland, send it down the Mississippi side of a watershed.

Michigan and the other States contend that, after purification in a sewage disposal system, the water should be returned to the Great Lakes.

Their protest cast a cloud over the Lombard bond issue. Now Illinois, on behalf of the Lombard authority, is suing for a Supreme Court order to make Michigan and the others stop these tactics.

Nicholas V. Olds, assistant Michigan attorney general in charge of the water case, calls the Lombard plan "only the precursor of a flood of such demands."

"Lombard wants to grow at our expense," he says. "Its area is running out of well water for homes, commerce, and industry. So it is in the position of being in danger of overdrawing your bank account and going to another bank for money."

WORLD'S GREATEST

Olds and Attorney General Paul L. Adams head a fight to protect every drop of water in the Great Lakes Basin—the largest freshwater basin in the world.

If they do not protect it, they say, the lake States will lose invaluable quantities of water, and Federal and local governments will lose the millions of dollars they have spent to maintain navigation channels, beaches, recreation areas, and water supplies.

Other water-thirsty communities, behind the divide and watching their own wells dry up, view the lakes with longing eyes. They would like to pump lake water over the divide—whence it never would be returned.

By virtue of its position in the center of the basin, Michigan is the only State which can abstract water from the lakes and automatically return most of it to them. Any other community, except a small one on the very lakeshore, would send it down the outside of the divide, never to return.

Other States are not being dogs in the manger, however. A proposal by Youngstown and other communities in southeastern Ohio to take Lake Erie water for their own use was slapped down by their own State government.

NO EXCEPTIONS

Every important municipality—American or Canadian—on the lakes, except Chicago, returns to the lakes the water which it has extracted, used, and purified through treatment plants.

"We see no reason why Chicago should not be made to do likewise," Adams and Olds told the State Department, which must consider the damage to Canadian areas.

"Chicago's only excuse is that it would cost money to do so. But, by using Lake Michigan water, its per capita cost for sewage treatment is well below that of much smaller communities.

"It has such a large revenue-collecting base that it could well afford to construct and operate the works necessary."

What are the objections to Chicago's water diversion? The State lawyers say these are the principal damages:

1. To navigation and commercial interests:

Taking more than 1,800 cubic feet a second for domestic use has lowered Lakes Michigan and Huron 2 inches and Lakes Erie and Ontario an inch each. Harbors and channels are affected correspondingly.

THE BIG INCH

An inch of water permits a large lakes freighter to load nearly 100 tons of cargo. It increases the annual tonnage of the whole lakes fleet by 1,500,000 gross tons. Lost water levels cost the fleet $4 million in annual revenue and increase transportation costs on the cheapest transportation system in the world.

The Federal Government dredges 100 of the 400 lakes harbors. Diversification nullifies costly Federal improvements, as well as costly improvements by local governments and individuals—many millions of dollars.

Value and utility of the huge bulk freighters is impaired; accordingly, the welfare and prosperity of the population of the complaining States are injured.

Additionally, yachtsmen, fishermen, and other small boat owners operate their boats only with difficulty during low-water periods.

2. To riparian (waterside) property:

Hundreds of miles of shoreline in lakes States has been substantially damaged. Large investments have been hurt in commercial and private summer properties. Extensive damage has been caused to fishing and hunting grounds, spawning beds, and open marshes.

3. To the rights of the States themselves:

These States suffer damage to parks, camps, and fish hatcheries on the lakeshore. They suffer as consumers of lake-borne coal for public buildings and State institutions.

4. Specifically, to New York State and its citizens for power losses in the Niagara and St. Lawrence Rivers:

New York citizens lose a potential revenue of $1,027,841 a year because the water goes west instead of east and over Niagara Falls or down the St. Lawrence to hydroelectric powerplants. This figure is doubled if Canada's equal share is considered.

THE ISSUE

Illinois' opponents among the Lakes States ask the Supreme Court to halt the discharge of treated sewage into the Chicago Sanitary and Ship Canal and to require that it be returned, purified, to the Great Lakes Basin

They suggest that the Court appoint a "special master"—a powerful investigator for itself—to take testimony and report on Chicago's compliance with an order to return its water to the lake.

(Former Chief Justice Charles Evans Hughes was such a "special master" in 1929. The High Court affirmed his findings of great loss to the other States. In 1930 it ordered the diversion held down to 1,500 cubic feet a second, in addition to domestic pumpage, that water ordinarily needed for home, commercial and industrial use. This order still stands.)

Solicitor General Rankin, at his March hearing, will attempt to inquire how Chicago is coming with its sewage treatment program.

Chicago's opponents contend that the efficiency of the treatment plants has dropped in 6 years from about 95 percent to about 85 percent.

Missouri and other States into whose waters Chicago's treated sewage is discharged, complain that treatment is inadequate. A leading engineering publication says that, of 700 to 750 tons of solids to dispose of daily, Chicago's plants can handle only 450 to 500 tons.

CITIES OBJECT

This means, according to the engineers, that 200 to 250 tons of solids a day must be disposed of by other means. Many of these are flushed down the Chicago and Illinois Rivers.

Smaller communities along these rivers between Chicago and the Mississippi object to the sewage. Their alternative is a greater flow from Lake Michigan, which often floods their towns. The third proposition is that of the opposing States—that Chicago be made to spend the money to purify its sewage and return it to Lake Michigan.

International complications enter the picture. Ontario, at least, had asked its Federal Government to protest to the United States against Chicago diversion.

"There certainly is real ground," Michigan's lawyers told the State Department, "for fearing that Canada will use (Chicago diversion) against us in case we get into a disagreement with Canada over its intentions to divert the waters of the Columbia River."

(The Columbia passes through both Canada and the United States. The right of Canada to use some of the water before it gets to this country and empties into the Pacific Ocean is a subject of current controversy and study.)

The opposing States also worry about the growth of Chicago and its water problems. It already has the world's largest sewage treatment system.

HUGE GROWTH SEEN

In 1930—when the present Court order was issued—the sanitary district of Chicago covered 450 square miles. By 1957 this had grown to 920 square miles—and it had become known as the metropolitan sanitary district.

Chicago has bragged that it will grow to supply filtered water to 3 million people not now receiving it. This figure does not even consider industrial demand.

Chicago serves not only itself, but 85 adjoining suburbs. Estimates are that within our time its population will exceed 15 million people. In 17 years, the opponents say, the ordinary diversion of water for domestic pumpage will double and lower the lake another 2 inches.

Michigan and the other contestants worry lest they are not moving fast enough.

Sovereign States are exempt from what lawyers call the doctrine of laches—the doctrine that it is the complainant's fault if he fails to protest against a wrongdoing.

Olds says this is something like publishing the banns in a church—in effect, speak now or forever hold your peace.

MUST ACT NOW

But courts, from time to time, have refused relief to municipal or other sovereign entities which failed to assert their rights.

"We insist that we might wake up 20 years hence and find the Supreme Court convinced that we did not protest enough and therefore are not entitled to relief," Olds says.

Another ancient doctrine is that of riparian (shoreside owner) rights. That doctrine says that only the riparian owner has the right to take water—and that the right even then belongs only to the land user and the benefit must go to the land itself.

To answer this argument, Chicago argues that the whole State of Illinois is the riparian owner of Chicago's waterfront.

Michigan's lawyers say, however, a basic doctrine of riparian rights is that the user must return a reasonable amount of what he has taken from the stream or lake.

The first bill in the 1959 Congress called for an extra 1,000 cubic feet a second at

Chicago for other improvements, including navigation and sanitation.

TWO VIEWS

Chicago argues that 1,800 cubic feet for domestic pumpage is needed to sustain navigation on the sanitary-ship canal. This is one of America's most important inland waterways, connecting Chicago with the Mississippi and the Gulf of Mexico.

But Gen. Emerson R. Itschner, Chief of the Army's Corps of Engineers, says that the present 1,500 cubic feet is ample.

The canal is what is known as slack water, and water is needed only to open and close the locks to permit the passage of boats.

It is worse than slack water, Michigan authorities declare. They call it a cesspool, and say that its use as a dumping area for sewage only postpones the day when Chicago will be compelled to adopt Michigan's solution—treating the water and returning it to Lake Michigan.

"The canal has become a fetid mess," Adams and Olds say. "As long as the sanitary district insists on using it as a cesspool for untreated industrial wastes and inadequately treated sewage, there will be clamor for more diverted water from Lake Michigan."

MILLIONS SPENT

General Itschner says that even if duplicate locks were built in the future to handle increased traffic on the busy waterway, 1,750 cubic feet of water a second would be ample.

"The Federal Government spends millions of dollars annually in maintaining adequate depths in connecting channels and shallow areas of the Great Lakes and the St. Lawrence Seaway," the Michigan attorneys told Rankin. "Our ports and cities spend large sums for the same purpose.

"It is illogical to spend money on one hand so that proper depths can be maintained and then allow a diversion which militates against the maintenance of such depths—particularly when the diversion can be stopped by requiring (Illinois) to return its treated effluent to the lake."

SKIP COURTS, CARRIERS ASK

American and Canadian steamship companies propose that the Chicago water diversion controversy be taken out of the courts—even the U.S. Supreme Court—and adjudicated by an international body.

Their proposal came at a recent joint convention of Lake Carriers' Association and its Canadian counterpart, the Dominion Marine Association.

The two groups propose that the matter be studied by the International Joint Commission. This body was created in 1909 by the United States and Canada and has almost extraterritorial powers over such boundary disputes as this.

HOW CHICAGO TURNED TIDE

Chicago diverts water from Lake Michigan by what once was considered an engineering miracle.

Until 1900 the Chicago River flowed east into the lake. Then its course was reversed to bring in fresh water, after a series of severe typhoid outbreaks resulted from sewage polluting the drinking water intakes in the lake.

The State of Missouri sought an injunction to prevent opening of the Chicago Sanitary Canal. It feared that Chicago's wastes would imperil the St. Louis water supply.

But the sanitary district reasoned that, once started, the flow would be hard to stop—even by a court order. So it quietly ordered a dam knocked out on January 2, 1900, before the order could be issued, and turned the waters of the Chicago River westward.

LITTLE DROPS ADD UP

Though vetoed by President Eisenhower, a bill passed by Congress last year would have permitted Chicago to increase by 1,000 cubic feet a second the Lake Michigan water it uses.

The new figure of 2,500 so aroused N. G. (Ance) Damoose, city manager of Traverse City, Mich., that he wrote a conversion of "this innocent little figure" into quantities that "people can visualize." Other engineers confirm his figuring:

Diversion of 2,500 cubic feet of water a second is diversion of more than a million gallons a minute—1.6 billion gallons a day.

This would permit Chicago to waste as much water in 6 hours as all Detroit used in a day.

The amount Chicago could have diverted in 1 day would have filled, to a depth of 10 feet, a trench 20 feet wide stretching from Traverse City nearly to Kalamazoo.

At the rate of 2,500 cubic feet a second, Traverse City could be covered with a foot of water in 1 day. In a month, downtown Traverse City would be inundated "to the height of the new street lights."

In 3 minutes Chicago would take enough water from Lake Michigan to supply Traverse City for a whole day.

Three hours of 2,500-foot diversion at Chicago would take enough water to supply Detroit and Michigan's nine other largest cities for a whole day.

Mr. KLUCZYNSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, this bill calls for a 1-year diversion and a study of its effects. A study is not necessary and its result is a foregone conclusion. It is not necessary for navigation. The Illinois Waterway is a slackwater system. All that is needed to determine navigation needs is a pencil and paper. This has already been done by the Corps of Engineers. It is not necessary to determine the effect upon lake levels. Again pencil and paper have sufficed. As for pollution, the principal difficulty results from a lack of dissolved oxygen in the water below Chicago. If you take an additional thousand cubic feet per second of fresh lake water and dump it into the sanitary canal, it is going to abate the pollution. The laws of biochemistry have not been repealed. The report will state that the diversion was helpful in combating pollution in the sanitary canal. This is what we dread in the State of Michigan. When we authorize this study, by implication we say that if it is successful further diversion will be authorized. The State of Michigan does not recognize the existence of a right in the Chicago Sanitary District to continue to divert this water over any period of time.

The facts regarding millions of dollars of loss to other Lake States from a permanent diversion are well known.

The loss of power to the New York Power Authority from a 1-year temporary diversion has been variously estimated at from $608,000 to $1,381,000. Add to this a cost of $545,000 for conducting the study, and the total cost of a 1-year temporary diversion is somewhere between $1,153,000 and $1,583,000, without including any loss of shipping or lakeshore property values that might result.

The Department of Health, Education, and Welfare has found that the same results with regard to pollution abatement could be achieved by construction and operation of additional facilities at Chicago. They estimate that such facilities could be installed for from $750,000 to $1,500,000 without diverting a single additional drop of Great Lakes water. The cost of doing this is about the same as the cost of a temporary increase in diversion. The question is, Who shall bear the cost, the Federal Treasury and the people of the Great Lakes States or the people of Chicago? If this Congress insists on helping Chicago, it should be honest about it and pass a private bill for the relief of the Chicago Sanitary District, build these alternative facilities, and leave the lake levels alone.

The Sanitary District of Chicago does have serious problems with regard to pollution of the Chicago Sanitary Canal. The State of Michigan and other States bordering the Great Lakes recognize this and have in the past consented to temporary increases in the diversion of Great Lakes water. But, we do not consent to the diversion proposed in this bill.

Shipping on the Great Lakes and connecting waterways is hindered by any lowering of levels of the lakes and connecting waterways however slight.

The resulting decrease in the flow of the Niagara and St. Lawrence Rivers would, as has been indicated, deprive the New York Power Authority of generative capacity.

The effects on lakeshore properties and watertable levels are difficult to estimate but would, nevertheless, be detrimental.

Chicago is the only Great Lakes city taking water from the Great Lakes Basin and permanently diverting it to another watershed. Every other city on the Great Lakes, including Milwaukee, Detroit, Cleveland, Erie, and Buffalo, returns the water it uses to the lakes after proper treatment. Chicago does not do so because its treatment facilities are not adequate to permit it to return the water it uses to the lakes without contaminating its own water supply.

The answer to this problem is proper treatment not increased diversion. The Department of Health, Education, and Welfare, in its report of April 1957, recommends four possible methods by which Chicago could obtain water quality in the sanitary canal that would compare favorably to that resulting from the increased diversion requested here. These alternatives involve improvement of Chicago's sanitary collection and treatment facilities and involve expenditures for improvements by the city of Chicago. These are the methods used by all other Great Lakes communities and all involve expense to the citizens of these communities for installation and operation. We ask only that Chicago recognize its obligation to take these steps, as we have, rather than attempting to solve its difficulties by diverting water to the detriment of other Great Lakes communities.

In brief, we feel that a 1-year diversion would be detrimental to Michigan's interests and we further feel that Chicago's problems can be better met by adopting one or more of the alternative methods proposed by the Department of Health, Education, and Welfare. We object to the implications of authorizing

a temporary increase in diversion for test purposes. We are convinced that once additional diversion is begun it will not be stopped. The last sentence of H.R. 1 says:

> The report * * * shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway.

The passage of this measure authorizing a study makes no sense whatsoever unless Congress is prepared to take action based upon the results of the tests.

We oppose with all our might any recognition by this body that the Chicago Sanitary District can be authorized by Congress to disregard its obligation to adequately treat its waste by shifting its burden to other Great Lakes States. We ask you not to be deceived as to the ultimate objective of this bill which is to pave the way for a permanent and continuous withdrawal of water from the Great Lakes never to be returned.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, we have been hearing much about the urgent necessity for passage of this bill because of the serious sanitation problems of Chicago and the dire consequences that would follow if we reject the bill. Many who are not familiar with the history of this legislation might think that this pressing problem is something new.

I should like to focus attention on an application made by the city of Chicago back in 1913 to the then Secretary of War, Henry L. Stimson, for approval of a proposal to divert Lake Michigan water. The reasoning used then, in 1913, by Secretary Stimson is still appropriate and even more compelling today. This is what he said:

> In a word, every drop of water taken out at Chicago necessarily tends to nullify costly improvements made under direct authority of Congress throughout the Great Lakes, and a withdrawal of the amount now applied for would nullify such expenditures to amount of many millions of dollars, as well as inflict an even greater loss upon the navigation interests using such waters.
>
> On the other hand, the demand for the diversion of this water at Chicago is based solely upon the needs of that city for sanitation. * * *
>
> The evidence indicates that at bottom the issue comes down to the question of costs. Other adequate systems of sewage disposal are possible and are in use throughout the world. * * *
>
> It is manifest that so long as the city is permitted to increase the amount of water which it may take from the lakes, there will be a very strong temptation placed upon it to postpone a more scientific and possibly more expensive method of disposing of its sewage.

Mr. Chairman, I should like to focus attention upon some of the underlying legal aspects of the bill.

It will be noted that this bill has been carefully drafted to make it appear that the proposed study is somehow related to navigation; no reference whatever is made in the bill to the principal and only purpose of the proposed study; namely, sanitation.

The reason for the careful draftsmanship is readily apparent if one studies the Supreme Court opinions in *Wisconsin* v. *Illinois et al.* (278 U.S. 367 (1928) and 281 U.S. 179 (1930)), which are the decisions under which Chicago is now permitted to divert water in the amount of 1,500 cubic feet per second.

In the 1928 case, the Supreme Court said:

> Insofar as the prior diversion was not for the purpose of maintaining navigation it was without legal basis because made for an inadmissible purpose. The sanitary district authorities relying on the argument with reference to the health of its people have much too long delayed the needed substitution of suitable sewage plants as a means of avoiding diversion in the future. Therefore, they cannot now complain if an immediate heavy burden is placed upon the district because of their attitude and course.

In the 1930 case, the Supreme Court said, at page 184:

> This Court held that diversion for sanitation is illegal and inadmissable.

And at page 185:

> Diversion to remove a nuisance created by the sewage of Chicago is not in aid of navigation.

With respect to the diversion then being made by the Chicago Sanitary District into the Chicago Drainage Canal, the Court had this to say, at page 196:

> The defendant State (of Illinois) and its creature, the sanitary district, were reducing the level of the Great Lakes, were inflicting great losses upon the complainants and were violating their rights, by diverting from Lake Michigan 8,500 or more cubic feet per second into the Chicago Drainage Canal for the purpose of diluting and carrying away the sewage of Chicago. The diversion of the water for that purpose was held illegal, but a restoration of the just rights of the complainants was made gradual rather than immediate in order to avoid so far as might be the possible pestilence and ruin with which the defendants have done much to confront themselves * * *. The defendants have submitted their plans for the disposal of the sewage of Chicago in such a way as to diminish so far as possible the diversion of the water from the lake * * *. They are material only as bearing on the amount of diminution to be required from time to time, and the times to be fixed for each stop, and therefore we shall not repeat the examination. It already has been decided that the defendants are doing a wrong to the complainants and that they must stop it. They must find out a way at their peril * * * it (the State of Illinois) can base no defenses upon difficulties that it has itself created. If its constitution stands in the way of prompt action it must amend it or yield to an authority that is paramount to the State.

In view of the Supreme Court's explicit holding that water diversion for sanitation purposes is illegal, and that water diversion can only be validly authorized for purposes of navigation, it is interesting to review the committee report and the available documents with respect to the relation of the proposed study to navigation.

It is particularly disturbing to those of us who oppose this bill that it should have been brought to the floor before printed copies of the committee hearings held by the Rivers and Harbors Subcommittee of the House Committee on Public Works are available. I have carefully reviewed the printed hearings held before that subcommittee during the last Congress and I should like to focus the attention of the Members upon the testimony of Brig. Gen. J. L. Person, who spoke for the Corps of Engineers, and said this:

> Recent studies of the present and prospective water requirements for navigation on the Illinois Waterway show that the present authorized diversion of 1,500 cubic feet per second plus domestic pumpage from Lake Michigan is adequate to meet navigation requirements. An increase of 1,000 cubic feet per second in the diversion would result in an average increase in velocity of about one-tenth of a mile per hour. This would tend to have a slight effect on navigaton in the Illinois Waterway, since about 85 percent of the commerce on the waterway is upbound, so there would be a slightly adverse effect.

Following that statement, at page 22 of the printed hearings there appears the following colloquy:

> Mr. BLATNIK. Thank you, General. Now that the Corps of Engineers report has been completed, are there, in your opinion, any further studies or investigations necessary before conclusions can be reached on the effects on this proposed diversion?
>
> General PERSON. Only insofar as the effect of the proposed diversion on the sanitary conditions of the waterway are concerned. As far as navigation and power effects are concerned, and effects on shore property, we feel that our report is complete.

In the committee report on this bill, at page 7, appears the following:

> The Department of the Army stated that the question as to whether the proposed legislation is necessary or desirable is one upon which the Department is not in a position to comment since the possible improvements in sanitary conditions arising from the diversion is a matter not within its jurisdiction, and that with respect to navigation, the Department has already submitted a report, printed as Senate Document No. 28 of the 85th Congress.

Mr. Chairman, each Member of Congress takes an oath of office to protect and uphold the Constitution of the United States just as do the members of the Supreme Court. Surely there is a heavy obligation resting upon each of us to consider seriously the constitutionality of bills presented to Congress. In recent years, we have heard a lot of criticism from Members of this body who contend that the Supreme Court has disregarded constitutional principles. I wonder how many of those critics will vote for this bill.

Mr. KLUCZYNSKI. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we are coming to the close of this very, very important legislation; we are about to vote on it very shortly, and I am happy that we are coming to a close, because I have had to roll up my cuffs; we are pumping so much water I cannot keep them dry.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman.

Mr. COLLIER. I thank my colleague. I simply want to make this observation in connection with the statement he has

just made. We have heard here about the tremendous volume of water that is going to be diverted. The fact of the matter is that we are actually taking one quarter of an inch; that is the maximum by which the lake level might be lowered. It might be well to consider in this connection that the average annual seasonal variation of lake levels on the 5 Great Lakes is from 18 to 22 inches a year. I thank the gentleman.

Mr. KLUCZYNSKI. I thank the gentleman from Illinois.

Let us now review a little of the history of this bill, especially for the benefit of the new Members. We first introduced this bill in the 82d Congress, back in 1951.

We had a tough time getting it out of the Committee on Public Works because we did not explain it properly. It got hung up in the Rules Committee toward the close of the session.

In the 83d Congress H.R. 3300 was passed by the House and Senate, but, for some unknown reason, it was vetoed by the President. The same thing happened in the 84th Congress when our great leader from Illinois [Mr. O'BRIEN] introduced a bill. In the 85th Congress we passed this legislation in the House of Representatives, as you will all remember, but it was hung up in the Senate because the junior Senator from Wisconsin filibustered it to death, the fellow who is against rule 22 in the Senate, and he is against filibustering.

So, in the 86th Congress, H.R. 1 introduced by the gentleman from Illinois [Mr. O'BRIEN], was reported by the Committee on Public Works by a vote of 19 to 11.

Now, they are trying to scare you, especially the new Members. The oldtimers are used to this. They are telling you new Members that Canada is going to take a lot of water from the Columbia River. They are telling you that the President is going to veto this bill. I do not know where they got that information. The Lake Carriers Association is going to be put out of business, they say, and the power companies will have to hang up.

Mr. Chairman, you know what a great man the gentleman from Illinois [Mr. O'BRIEN] is. He would not want to harm anybody, and neither would I.

This bill, H.R. 1, Mr. Chairman, was prepared at the request of an Assistant Director of the Bureau of the Budget, who is now in the White House as one of the Presidential aids. This is the language that he suggested to the two Senators from Illinois, DOUGLAS and DIRKSEN, Democrat and Republican, and all the Members of the House from Illinois, Democrats and Republicans alike. We were all present.

This gentleman said if we would put this language in the bill for the 1-year study instead of the 3 we would have no opposition from the Bureau of the Budget the State Department, or from Canada. Mr. Chairman, we, the Members of the House and Senate from Illinois, have lived up to that agreement.

Now, it was claimed that we would steamroller this bill through the Committee on Public Works. So let us see what we did there. We had extensive hearings. We had a long list of witnesses, three or four sheets of them. We had the gentleman from Illinois [Mr. O'BRIEN] explain the purpose of the bill; we had the Honorable Mayor of Chicago before us. The gentleman from Illinois [Mr. O'BRIEN] spoke for all members of the Illinois delegation. Of course we had Senator PROXMIRE, of Wisconsin, who brought some water over. We asked him to drink some of the water he got from the drainage plant in Milwaukee, but he said he was not that thirsty.

We also heard from the attorney general of Michigan who said he did not have time enough to testify before our committee; so he came in with a prepared statement of 48 pages. Two weeks later he came in for a second hearing. A gentleman by the name of Milton T. Adams, executive secretary of the Water Resources Committee of the State of Michigan, a man who knew what this is all about, testified before our committee. He also came in the second time. That shows we did not steamroller the hearings. The committee had patience enough to listen to his testimony the second time. He showed pictures to the committee that he took while flying over Chicago. He took pictures of the canal and of the Chicago River.

And I looked at those pictures and I began thinking, Do I live in the city of Chicago, with all that debris and everything in that canal? So, I took a couple of pictures with me. I could not wait until the next morning so that I could take a ride out to Chicago and take a look at it. I also carried a little camera with me, but I did not see any debris or anything around the canal. I had to get some fieldglasses, and so away out yonder, I saw a couple of empty packs of cigarettes and some paper cups. This is the pollution that this gentleman spoke about.

This is very, very vital to the people of the State of Illinois and of Cook County. You have been very fair with us in the past by voting this legislation out of this august body, and I am going to plead with you to vote for H.R. 1 again. To you, the new Members, for the sake of TOM O'BRIEN and the Illinois delegation and all the people of the State of Illinois, I ask you to support H.R. 1.

Mr. Chairman, this bill authorizes an increase in diversion of water from Lake Michigan into the Illinois Waterway, in the amount of 1,000 cubic feet per second, in addition to the present amount of 1,500 cubic feet per second annual average now authorized by permit of the Secretary of the Army pursuant to the 1930 decree of the Supreme Court of the United States.

Under the provisions of the bill the Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan. In the event of any floods in the Illinois, Des Plaines, Chicago, or Calumet Rivers, the Secretary of the Army is authorized and shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during such times.

This legislation has been before the House Committee on Public Works for a number of years and after serious and careful deliberations it has again been favorably reported by the committee.

H.R. 1 differs from previous bills authorizing the diversion of water from Lake Michigan at Chicago in that the reported bill would provide for a diversion of 1,000 cubic feet per second for only 1 year, whereas earlier bills provided for a 3-year period. H.R. 1 would also require specific studies made by the Departments of Health, Education, and Welfare and the Army to be coordinated and submitted to Congress. The bill establishes a timetable for the studies preceding and following the diversion. As a result of the decreased time of diversion provided in H.R. 1, the effect on lowering of the lake level would be less than in bills previously considered and consequently any losses or damages, either tangible or intangible, which might be claimed to result would be correspondingly less.

The suggestion was made by the Public Health Service and others for a joint study of the treatment of the sewage of Chicago, and also of the condition of the Illinois Waterway, to be financed equally by the Metropolitan Sanitary District of Greater Chicago and the Public Health Service.

The Metropolitan Sanitary District of Greater Chicago on January 1, 1958, entered into a contract with the outstanding sanitary engineering consulting firm of Greeley & Hanson, at a price of $125,000, to make an 18-month study of the present system, and to make recommendations for any necessary improvements and extensions. This study is near completion and will produce the information required in the suggestion.

I firmly believe that this legislation is in the best interests not only of the Cook County area, but of the entire Midwest.

The Illinois Waterway is steadily increasing in importance. It connects the two most important waterway systems in the Nation, namely the Great Lakes and the Mississippi River. An additional diversion of 1,000 cubic feet per second of water from Lake Michigan, in addition to the presently authorized 1,500 cubic feet per second, would provide a clean stream and improve navigation. It would result in a marked improvement in the Chicago sewage system.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise to speak in support of H.R. 1, sponsored by one of the most highly respected Members of this Congress, the Honorable THOMAS J. O'BRIEN, dean of the Illinois delegation.

We all heard Mr. O'BRIEN's impassioned plea for enactment of this legislation, which would permit the city of Chicago to divert an additional 1,000 cubic feet per second of water from Lake Michigan to improve navigation and bring other benefits to the Illinois Waterway.

This bill has been submitted by the senior member of the Illinois delegation

because it will not only serve the equivalent of 8½ million people of the Chicago area, but also because its beneficial effects will be felt along the entire route that this water flows, down to the mouth of the Gulf of Mexico in New Orleans.

Let us analyze the arguments voiced by opponents of this bill. I conclude that they submit two basic arguments:

First. That our neighbor to the north, Canada, opposes this legislation.

Second. That sponsors of this legislation are trying to get Congress to do something which the Supreme Court of the United States had refused to do.

I should like to address my remarks, first, to the statement that Canada objects to this legislation.

The basic water distribution agreement between the United States and Canada—water that flows through Niagara Falls—goes back to the boundary treaty negotiated by Secretary of State Elihu Root in 1908. This treaty provided that the United States and Canada shall each be allotted 36,000 cubic feet of water per second. Since the city of Chicago was already allocated 10,000 cubic feet per second, Root agreed that the rest of the United States would get only an additional 26,000 cubic feet per second.

This is important: Secretary of State Root was willing to give Canada an extra 10,000 cubic feet per second because Chicago already was allocated 10,000 cubic feet per second, but he stubbornly insisted that Lake Michigan be excluded from the treaty of 1908 because it is not a boundary body of water; it touches no part of Canadian territory.

But there are even more compelling reasons why Canada should not object to the legislation. In 1950, with the advent of power development along the entire waterway separating the United States and Canada, a new treaty was executed between the United States and Canada. Under this treaty, our Nation and the Canadian Government agreed to increase the total flow through Niagara Falls to 64,000 cubic feet per second for each Nation, with the proviso that if one nation did not use the allotment, the other nation could.

Gentlemen, the fact of the matter is that right now, today, the United States is drawing only 16,000 cubic feet per second of its authorized allotment of 64,000 cubic feet per second at Niagara Falls. Quite logically, you might ask "Why?" The answer is very simple. The American powerplant at Bucharris went out of operation due to a landslide, and we are unable to use the amount of water that we would normally use under the 1950 treaty.

Actually, then, Canada is using a great deal more water right now than the authors of the 1950 treaty ever intended for her to use.

We witnessed yesterday opponents of this legislation expressing great fears over the fact that if we approve this legislation, we might in some mysterious manner shatter hemispheric solidarity with our friendly neighbor to the north, Canada. I think we can all agree we want to enjoy Canada's continued traditional friendship. But the men who fear lest we in the United States do anything to ruffle the feelings of our friends in Canada should be reminded that the American people in the last 14 years have carried the major brunt of protecting the free world from international communism. We, as citizens of the United States, have poured $80 billion into various plans to help preserve the free world through foreign aid and military assistance, not to speak of the countless billions of dollars for our own national defense, which benefits the whole free world.

If it is true that Canada really objects to this legislation, then I submit that the Foreign Office of Canada is nowhere nearly as concerned about retaining hemispheric solidarity with the United States as opponents of this legislation have shown toward Canada.

I ask you in all humility if the time has not come when we should ask the Foreign Office of Canada if it is showing the same consideration toward the problems facing the great Midwest as the opponents of this bill are showing for Canada.

Opponents of this bill would have you believe that adoption of this bill would deteriorate the relationship between the United States and Canada. I doubt this particularly when we consider the more serious problems confronting the free world today: namely, May 27 in Berlin, and the entire spectrum of the cold war.

Now let us go to the second aspect: The opponents of this bill claim that the proponents of this bill are trying to do something in Congress which rightfully belongs to the Supreme Court of the United States. The fact of the matter is that this entire question of lake diversion for Chicago fell under Supreme Court jurisdiction only because prior to June of 1930, there was no legislation dealing with control of lake diversion. The original Supreme Court decree limiting Chicago to 1,500 cubic feet per second was entered on April of 1930—2 months before the Federal act was passed. We submit that since the 1930 Rivers and Harbors Act was passed by Congress taking jurisdiction over lake diversion, this entire matter now rests with the Congress of the United States, and those who try to confuse this issue know that sooner or later, under the 1930 act, the Congress will have to decide whether Chicago should get more water to protect the health of the entire Midwest. As a matter of fact the Supreme Court said in its 1930 decree that Congress may act on this matter.

I am urging passage of this legislation for many reasons but perhaps to me personally, the most compelling reason is that a part of the North Branch of the Chicago River flows through one of the most beautiful sections of my district. This river has created serious problems for thousands of my constituents. Added lake diversion would be of tremendous help to those people.

To those who oppose this legislation because they fear that added diversion provided in this legislation would reduce lake levels in their respective ports, let me remind them again and again that Army engineers have testified the net effect on lake levels would be a drop of one-quarter of an inch in a 15-year period. We ask for this added diversion for only 1 year and the Army engineers have testified that under this 1-year provision the drop in lake levels would be infinitesimal or practically nonexistent.

Mr. MACK of Washington. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Florida [Mr. CRAMER], a member of the committee.

Mr. CRAMER. Mr. Chairman, it is not my intention to take all of that time, but there are some facts with regard to this bill that should be brought to the attention of the House, some of which have not been brought previously to the attention of the House and some of which are in the form of summarization.

Let me say first that this bill is of greater interest than merely to the adjoining States in the Chicago, Ill., area. As a matter of fact, the gentleman from Washington has very vigorously opposed this legislation in that the people of Washington are concerned about it as setting a precedent with regard to the diversion of water in their own State. I understand that even the Governor of that State has taken a position with regard to the diversion of water which is an indication that not only the adjoining States but other States in this Nation are equally interested from the standpoint of conservation and the question of water pollution.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Washington.

Mr. MACK of Washington. I wanted to make a correction in your statement. The gentleman said that the Governor of our State came out against diversion of this water. The Governor has not. He has taken a rather wishy-washy position on it. In fact, I think our Governor has been asleep at the switch when it comes to recognizing the threat to the State of Washington and the Pacific Northwest power production and navigation on the Columbia River that is inherent in this legislation. I wrote to the Governor in the middle of February and requested that he be present or send his representative to testify against this proposed legislation. I expressed my fears, but the Governor did not respond to my letter until a day or so ago, or 17 days after I wrote him and not until after the hearings were completed.

In his letter to me, he said he regarded this bill as solely an Illinois problem. He said he was not going to take any part in debating it.

On the other hand, the gentleman from Oregon [Mr. NORBLAD] who represents the Oregon side of all the navigable part of the lower Columbia and I, who represent the Washington side of the lower part of the Columbia River, are both opposed to this proposed legislation.

Mr. Herbert West, who represents all the shipping interests on the Columbia River, the interests of Oregon, Washington, and Idaho, has written me strongly protesting against this legislation.

The users of the power on the Columbia River, the public utility companies, have written to me protesting against this legislation. Many of the granges of my district have written to me protesting this legislation. They feel that if this water is diverted from Lake Michigan at Chicago, the result may well be that Canada will use this as a precedent or as an excuse for diverting water from the Columbia River, which would cause millions of dollars of damage to their power generation of the dams on the Columbia River. If Canada diverts Columbia River water the stream levels of the Columbia River which serve such ports as Astoria and Portland, Oreg., and Longview and Vancouver in Washington State will suffer navigation losses.

Mr. CRAMER. Mr. Chairman, I think the gentleman has expressed more eloquently than I could the fact that there is a particular problem in his State, and their apprehension and the reasons therefor, concerning this legislation as exists in States other than those immediately in the Illinois area.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman.

Mr. PELLY. I would like to say that the city of Seattle's powerplant is located on the Skagit River where we have an arrangement with the Canadians in the matter of the backing up water into Canada. Seattle has a great interest in assuring that we work harmoniously with Canada in any disposition of water. The State of Washington's economy is tied in with any way that the United States handles the negotiations with our good neighbor, Canada. Therefore, I oppose this bil.

Mr. CRAMER. I appreciate the gentleman's further confirmation of the remarks I just made about the concern of other States with regard to this.

Let me bring out a few points some of which have not been brought out in the past debate.

The first is this: We do not have the hearings. They are not printed and not available, so we must rely on our memory as to what was testified before our Committee on Public Works.

The Department of Health, Education, and Welfare testified in effect that there is nothing in this bill with regard to the study except the question of drawdown.

There is nothing in this bill with regard to the question of pollution in the lake; there is nothing with regard to the question that the Department of Health, Education, and Welfare should legitimately be interested in, and that those of us who are interested in conservation, those of us who are interested in water pollution, those of us who have consistently supported water pollution legislation in this Congress, should be concerned with. There is nothing that would permit the Health, Education, and Welfare Department to go into that in this legislation. Equally important to draw down is the question of pollution, if not now, then sometime in the future if water diversion were approved as a permanent matter.

There is nothing in the bill about that. The Department of Health, Education, and Welfare refuses to take a position in support of this legislation because on further questioning they stated that if the study were properly made and did include the water pollution question, which it should include, it would cost an additional half a million dollars, bringing the total cost of this legislation to over a million dollars.

What is this expenditure for? This expenditure is for the benefit, and no one is kidding anyone else, of the Sanitary District of Chicago. We can understand that they have this problem. But they have a forum and a relief other than asking the taxpayers of this country to pay for it, a half a million dollars, a million dollars if it were properly done. That forum is the Supreme Court, the Federal court system for permission and local contributions through bond issues for costs. Yet they want the U.S. Congress now to inject itself into the question even though the courts presently have jurisdiction over it. What they really want—let us get down to the fact—is that they want the Federal Government to pay the bill. They want the taxpayers to pay the half million dollars.

As far as I am concerned, this is a dangerous precedent. I know of no similar, analogous authorizing legislation that has recently come out of the Committee on Public Works, certainly not since I have been a member of it in the last 5 years, which has required the expenditure of Federal money.

I call your attention further to the fact that there is no limitation in this authorization with regard to how much Federal money shall be used. There is no limitation whatsoever. It is just another deviation from the usual procedure of our Committee on Public Works, but in this particular legislation they have in effect asked for the expenditure of Federal money for the purpose of studying the effect of the local sanitary project, only the drawdown question. I think it is a deviation which we cannot afford and should not permit at this time. We simply should not set this as a precedent for future action of our Committee on Public Works.

The question has been raised, Will the President veto this bill? I think he will. I think logically he has no alternative but to veto it. If you look at the minority report on pages 12 and 13 you will see his reasons for vetoing it last time. You will find there is not one single change in this legislation that affects these major questions that he raised as a basis for his veto, and there are four of them. There is not one single change made in the bill with the exception of the time involved. They have changed it from a 3-year to a 1-year study. It has been changed to a 1-year study, but I can see no reason why the President would not veto it if it were a 1-year study, because the question of diversion, and the question of the general agreement of the States in the adjoining area, and the question of the Supreme Court retaining jurisdiction, and the question of the Canadian objection, are just as strong as before. So it appears to me this is as useless an action as it was in the first place.

Canada has objected. That has been strongly stated in the consideration of this bill.

There are many members on the Committee on Foreign Affairs who are asked to consider this bill now, which I do not have the privilege of serving on. It seems to me that committee would be equally concerned with us, with the President, with the State Department. The State Department has objected to this legislation. It appears to me that they would be equally concerned over the fact that the State Department objects to the legislation because there has been no agreement reached between the United States and Canada concerning it and the Foreign Affairs Committee has not had a chance to consider the bill. Therefore, I say to you the reasons for opposition to this bill are just as strong today as they were at the time the President vetoed it and we should not pass this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, I speak here today in a final appeal to my distinguished colleagues to vote against H.R. 1, a proposal to divert an additional 3,600,000 cubic feet of water each hour from Lake Michigan for a full year. This diversion of water creates some serious problems which I think all of us should consider fully before casting our votes.

I do not want to engage in a lengthy discussion of each argument, but let me summarize for you briefly the far-reaching effects of this legislation.

First. If the Chicago Sanitary District is permitted to divert additional water from Lake Michigan, it may well undo the years of efforts to promote the development of the St. Lawrence Seaway. Millions of dollars have been spent to complete the St. Lawrence Seaway project, and additional millions of dollars are being expended to deepen channels and harbors so that ocean-bound ships can use our Great Lakes ports. The water level may be lowered by this increased diversion the few inches necessary to prevent ocean-going ships from fully utilizing the Great Lakes ports.

Second. It is my considered opinion that established beyond all reasonable doubt has been the principle that no State or Nation can act unilaterally on a matter affecting an international water in a manner which will adversely affect some other State or Nation. The distinguished authority on international law, Lauterpacht, now a judge of the International Court of Justice, has stated that "the duty of the State not to interfere with the flow of a river to the detriment of other riparian States" is "one of those general principles of law recognized by civilized States which the Permanent Court is bound to apply to virtue of article 38 of its statute"—1 Oppenheim, "International Law," pages 346–347, 8th edition, Lauterpacht, 1955.

For those of you who wish additional evidence, I refer you to two publications: "Document on the Use and Control of Waters of Interstate and International Streams," a compilation of compacts, treaties and adjudications affecting the use of interstate and international waters, published in 1956 by the U.S. Department of Interior, and the "Principles of Law Governing the Uses of International Rivers and Lakes," the proceedings of the 10th conference of the Inter-American Bar Association held in 1957 in Buenos Aires, Argentina.

Third. If the Congress is to act unilaterally to divert greater amounts of water from the Great Lakes in the face of protests from the Government of Canada, we may well encounter a situation in the Pacific Northwest States which should be of paramount concern to my colleagues from that section of the country. The Canadian Government could take steps to unilaterally divert water from the Columbia River at points before it enters the United States.

Claims have been made by some proponents of increased diversion that Canada is not involved in this diversion, because Lake Michigan is not attached in any way to Canada. Let us not delude ourselves into this type of foolhardy thinking. For all water purposes the Great Lakes are one body, and any effect of Lake Michigan diversion is felt all the way to tidewater below Montreal.

Fourth. In addition, if Chicago is to be permitted to increase its diversion of Lake Michigan water by congressional action, then the precedent to allow other Great Lakes communities to divert water for other purposes will have been established. Consider for a moment the devastating results if this were to happen.

Fifth. The matter of diversion of Lake Michigan water is currently the subject of litigation before the Supreme Court of the United States, and congressional action at this time would have the effect of preempting the highest Court of our land.

In December 1958 the State of Wisconsin, and the State of Minnesota, and the State of Ohio, and the State of Pennsylvania, and the State of Michigan, and the State of New York—parties to the original action in the case of Wisconsin et al against Illinois and the Chicago Sanitary District, filed application with the U.S. Supreme Court to reopen the decree of April 21, 1930. By that decree the Supreme Court retained jurisdiction over the subject matter of H.R. 1. Wisconsin's present application is for the purpose of requesting the Court to appoint a special master to take evidence to determine whether Chicago should be compelled to follow the practice of all other Great Lakes cities and return its unused domestic pumpage, after it had passed through its waterworks and purification system, to the Great Lakes Basin. The State of Illinois and the Sanitary District have filed their brief in opposition to our application.

Sixth. To have the U.S. Public Health Service make this so-called year-long study of the effect of diversion is totally unjustified and an extravagant waste of Federal funds at a time when we are all concerned with Federal spending.

The Corps of Engineers has testified that it is fully satisfied that additional diversion will not improve navigation on the Illinois Waterway and that it will have an adverse effect on navigation on the Great Lakes. There has never been shown any evidence that a study would contribute any useful information to a better understanding of navigation consequences. Yet, the stated purpose of this bill is to seek information on the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation. The only remaining purpose that this study could serve is what additional diversion does for sanitation.

The U.S. Public Health Service, the Illinois Board of Health, the Chicago Board of Health and every other competent public health body have concluded that increased diversion is not necessary for improved sanitation or public health.

On the other hand, the most competent public health survey ever made of Chicago's sanitation problems, the U.S. Public Health Service's Chicago and Cook County health survey, called for a series of other recommendations to improve Chicago's sanitation. It specifically considered additional diversion, but failed to recommend it. I concede that this study was made 12 years ago, but no contrary findings have been reported since this study was concluded.

Furthermore, I believe this bill is unnecessary because the U.S. Supreme Court has established jurisdiction over diversion by Chicago for many years, and everything provided in this bill could be granted by the Supreme Court. The Court has been willing to grant Chicago temporary increases in diversion in the past, having done so as recently as 1956. Undoubtedly, increased diversion would be approved again if the situation merited it.

Obviously, only lack of merit keeps the Chicago Sanitary District from going back to the Supreme Court to seek the diversion authorized in this bill.

I do not question the fact that Chicago has an overwhelming sanitation problem. However, I feel it is wrong for this great Midwestern city to use water which belongs to all of us to flush away its sewage-disposal problems.

The effect of Chicago's using Great Lakes water to solve its own problem is much too far reaching. Let us take a sober second look before it is too late.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, although I recognize the needs and desires of the city of Chicago for more water, I must protest the possible passage of this bill.

The diversion of additional water from Lake Michigan will, according to reliable estimates and studies, adversely affect the most efficient production of St. Lawrence power. It may also create problems with Canada.

These results would not be in the interest of the people of Vermont.

Mr. KNOX. Mr. Chairman, I rise today as it is imperative that the membership of the House be informed so its action will not jeopardize the national interests in favor of a piece of local legislation.

This measure, H.R. 1, asks for an additional 1,000 cubic feet per second diversion of Lake Michigan water into the drainage system of the Metropolitan Sanitary District of Chicago in order to test the effect of this fresh-water supply and the oxygenation caused thereby on the drainage canal.

As the Representative of the 11th Congressional District of Michigan, which is surrounded by three of the Great Lakes; namely, Michigan, Huron, and Superior, and a shoreline of 1,000 miles, I am compelled to rise and voice my objection. However, I rise also to protect the interests of the country as a whole, as well as my district in particular.

Everyone here today knows the result when the plug is pulled in the bathtub. The advocates of this bill allege that when this is done the water will not run out—we all know better. So let us begin by agreeing that the diversion of an additional 1,000 cubic feet per second of water from Lake Michigan is going to cause this large body of water to recede.

I would like at this time to suggest to you just some of the many reasons why this is such a dangerous piece of legislation.

We have here before us a threat of the St. Lawrence Seaway project. The estimated construction cost of this country's share alone is around $125 million not to mention the millions of dollars that have been spent by Canada and the many, many port cities of the Great Lakes. The law of navigation demands that the water depth in the connecting channels and the harbors be 27 feet. If we allow this diversion it is quite possible that such a level could not be maintained in many of the harbors and the connecting channels. Doesn't it seem illogical to spend millions of dollars to create and maintain proper depths while at the same time allowing a diversion which would lower these depths?

Consider the effect that the lowering of the lake levels would have on Great Lakes' shipping, thus causing adverse economic repercussions on the whole economy of this Nation. If this area of transportation is hampered the result will be increased unemployment due to the reduced quantity of raw materials being delivered to the factories.

Should no consideration be given to the views of our neighbor Canada? I do not mean to suggest that the decisions of this Congress should be dictated by another country, but in view of the circumstances I believe that the Congress should not ignore the legitimate interests of our good friends to the north. The Canadian Government, while recognizing that the use of Lake Michigan water is the jurisdiction of the United States, is of the opinion that this additional diversion would be incompatible with the arrangements of the St. Lawrence Seaway and with the Niagara Treaty of 1950. Consider how we are going to react if Canada in turn allows added diversions in the Great Lakes and of the bodies of water in the great Northwest.

Before allowing any further diversions let us first permit the lake levels to return to a depth which will enable this Government to meet its present contractual obligations. The Federal Government had been unable to perform its part of a contract with an industry in my home town because of the extremely low level of Lake Superior. This problem makes it necessary for the industry to request the Federal Government to renegotiate the contract in order to relieve the burden of the cost involved for water usage. This is going to have a direct effect upon the Treasury of the United States.

I also find great difficulty in understanding why Chicago should be privileged to take water from Lake Michigan and not return it, while other cities using the waters of the lakes are so required.

I have mentioned only a few of the great dangers of this legislation. I fail to recognize how any Member of this Congress, who has the best interests of the country in mind can vote affirmatively on this measure.

Mr. REUSS. Mr. Chairman, there are a number of strong reasons why H.R. 1 should not be enacted. Among these are:

Jurisdiction over water diversion from Lake Michigan resides in the Supreme Court. If Congress takes over jurisdiction, as it would by enacting H.R. 1, the Congress will constantly be bedeviled with this problem, which the Court is eminently capable of handling.

H.R. 1 would benefit Chicago, at the expense of other Great Lakes cities and States.

Additional diversion would result in adverse effects on Great Lakes shipping and on power development.

Perhaps most important of all, our good relations with our fine northern neighbor, Canada, are at stake in this legislation.

Mr. Chairman, under date of February 20, 1959, the Canadian Government informed our Government again that it objects to increased diversion of water from Lake Michigan at Chicago.

I quote briefly from the latest Canadian Government memorandum on this subject:

> The point has been made repeatedly by Canada that every withdrawal of water from the (Great Lakes) Basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border. The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

Mr. Chairman, because of the Canadian position, and for other reasons, the Bureau of the Budget has recommended against enactment of H.R. 1, foreshadowing another veto of this legislation if it is passed. The Bureau of the Budget has further suggested two other courses of action that should be taken before any additional water diversion is authorized from Lake Michigan. Surely these suggestions should be thoroughly examined before H.R. 1 or any similar legislation is enacted.

Mr. GRIFFIN. Mr. Chairman, the bill under discussion, H.R. 1, would allow Chicago to withdraw an estimated 1 million gallons of clean water from Lake Michigan each minute and dump it, laden with sewage, into the Illinois Waterway and the Mississippi River.

The measure is innocuously labeled. The diversion of water sought is not termed such, but, instead, is called a study. The language used in defining the ostensible purpose of the measure is this:

> To require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation and other purposes.

Such phraseology, Mr. Chairman, cannot, however, conceal the true intent of the bill nor can it minimize the many dangers involved in its passage. This is but a poorly veiled attempt by one community to make others shoulder and finance its sanitary burdens.

This so-called study is not that, but actually is an authorization for the State of Illinois and the Metropolitan Sanitary District of Greater Chicago to withdraw vast additional amounts of water from Lake Michigan. As is most often the case in such measures, H.R. 1 contains every indication that the diversion would not end with the completion of the so-called study, even if that came to its promised conclusion.

There is nothing really new about H.R. 1 except its ostensible purpose. This Congress has been called upon to consider a long string of similar measures since the turn of the century and twice even approved the legislation called for. Fortunately, President Eisenhower vetoed the bills on both occasions.

The House Committee on Public Works, on February 6, 1959, sent out a notice announcing hearings on H.R. 1, and correctly pointed out that the committee had "held extensive hearings in the 82d, 83d, 84th, and 85th Congresses on similar legislation."

The notice also said that because of the attention given such legislation in the past, "only new engineering and economic data would be considered pertinent" to the measure sponsored by the gentleman from Illinois [Mr. O'BRIEN] this year.

I point this out, Mr. Chairman, only in order that all Members of this body may understand clearly that this bill is not new, despite the claims made by its sponsors that it is "a considerably modified version" of the measure heretofore vetoed by the President.

Mr. Chairman, 7 of the 11 counties I represent, border on Lake Michigan. Any measure which would lower further the water level of this body of water is of vital interest to the residents of those counties, as it is to the residents of other counties bordering the Great Lakes and the St. Lawrence Seaway.

Were the city of Chicago to drain from the Great Lakes no more than the 1,000 cubic feet per second, asked for in H.R. 1, perhaps the consequences might not be so serious. However, it should be kept in mind that a 1930 decree of the U.S. Supreme Court now authorizes the diversion of 1,500 cubic feet of water per second from the lake and, accordingly, the bill before us would actually make possible a diversion of 2,500 cubic feet per second, in addition to all domestic pumpage.

Disregarding domestic pumpage, the diversion would amount, as I have said, to more than 1 million gallons of water a minute.

Domestic pumpage, incidentally, amounts at present to nearly 2,000 cubic feet per second. Accordingly, the total diversion authorized, if H.R. 1 were to pass, would be approximately 4,500 cubic feet per second.

In addition to this enormous drainage, the State of Illinois also diverts the flow of three rivers from the Great Lakes into its waterway.

I strongly object to such a high rate of drainage because of the damage to freight traffic on the Great Lakes, which represents the very lifeblood of many American and Canadian communities. With the opening soon of the St. Lawrence Seaway, obviously this consideration is about to become even more important.

Lower lake levels mean lower harbor and canal depths. Extra and expensive dredging would be required. The beauty and recreational value of lakeshore property would be impaired to the injury of the important tourist industry. Every inch in lake level counts, particularly in this cycle when the level of the Great Lakes is already very low.

There can be no question but that the diversion of an additional 1,000 cubic feet of water each second from Lake Michigan would have an adverse effect upon shipping and to some extent would nullify the benefits of deepening the connecting channels as authorized by Congress.

With these facts in mind, Mr. Chairman, I think it is important for the Congress and the people to understand just why such a proposal has been placed before us.

Is it, as the title of the bill indicates, to facilitate navigation on the Illinois River and the Mississippi River?

Anyone familiar with the subject knows that there is no navigational problem on either of these waterways which could be solved by such an additional diversion. Witnesses from the Army Corps of Engineers have testified that water retaining works above Alton, Ill., designed for this specific purpose, will more than meet the navigational needs outlined in H.R. 1.

Obviously, then, the true motivation behind H.R. 1 rests in the phrase, ostensibly outlining its aims, which says, "and for other purposes."

Very simply put the other purposes amount to a desire by the Chicago Sanitary District and its supporters to spare themselves the cost of installing needed additional sewage disposal facilities.

The ever increasing population of the Chicago metropolitan area has run far ahead of its sewage disposal development.

In 1952, for instance, the percentage of solids removed from the area's sewage

was 91.1. By 1957, this had dropped to 80.6 percent.

There are two approaches to the problem. One is the installation of additional sewage disposal facilities. The other is to empty more clean water into the sewage system in order to flush the solids away.

Unlike other communities on the Great Lakes and elsewhere on our navigable waterways, the city of Chicago displays no inclination to install the needed additional sewage treatment facilities.

Chicago apparently is determined, if possible, to solve its waste disposal problem by taking more water from Lake Michigan with a callous disregard for the effect this action would have upon other States and upon our international relations.

The Presidential vetoes of similar measures in 1954 and in 1956 apparently have made no impact upon the sponsors of this legislation. Obviously, they are determined to press on with their public-be-damned effort in order, if possible, to escape their own civic responsibilities. The reasons for opposing this effort were well outlined by President Eisenhower in his last veto message on a similar bill. He said:

1. Existing diversions are adequate for navigation on the Illinois Waterways and Mississippi River.
2. All methods of control of lake levels and the protection of property on the Great Lakes should be considered before arbitrarily proceeding with increased diversion.
3. The diversions should not be authorized without reference to negotiations with Canada.
4. The legitimate interests of other States affected by diversion would be adversely affected.

In previous years, sponsors of diversion have stated openly that sanitation was behind their efforts, and pointed out that the city's population and industry are increasing. The Chicago Sanitary District presently has a sewer capacity of some 53,000 cubic feet per second. Very clearly, such a requirement cannot be met with an additional diversion of only 1,000 cubic feet per second.

If the solution of Chicago's future sewage problems are allowed to depend upon lake water diversion, rather than upon the construction of additional treatment facilities, there is no conceivable limit to the amount of water that eventually will be needed.

Obviously, such a path to the solution of Chicago's sewage problems can lead only in the direction of disastrous economic results for other Great Lakes States.

Passage of this measure would encourage similar demands by other communities on the Great Lakes which now dispose of sewage in a more civic-minded manner.

Even communities far removed from the Great Lakes might be expected to clamor for authority to divert lake water by other means, such as by pipeline.

I believe it is obvious that passage of H.R. 1 would set a dangerous and absurd precedent.

Surface levels of both Lake Michigan and its tributaries today are dangerously low and are dropping continuously. A decrease in the water level of the lakes by even so much as 1 inch has a drastic effect on shipping. Authorities have estimated that the lowering of the lake water levels by 1 inch can mean the loss of 1.5 million tons of shipping.

On the Great Lakes, more than half the ship load changes posted are within 1 inch.

I should add, Mr. Chairman, that opposition to the additional diversion of water by Chicago is not a partisan political matter. In this attempt to divert more water from the Great Lakes there lies a very real and serious danger to the Nation as a whole, and to our international relations.

In view of these considerations, I respectfully urge my colleagues to vote against this bill. Thank you.

Mr. BLATNIK. Mr. Chairman, I yield to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, let me say at once that the gentleman from Florida is exactly wrong in almost everything he says. But before I answer him, let me yield to the distinguished gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I would like to say I was amazed that the gentleman from Florida, who is not a member of the Committee on Foreign Affairs, attempted to express the opinion of that committee on this subject. The House Foreign Affairs Committee has taken no action whatsoever on this matter—and I personally, as a member of that committee, strongly support this bill.

Mr. YATES. I thank the gentlewoman.

Mr. Chairman, the gentleman from Florida—all the opponents of this bill, for that matter—have presented their arguments upon the basis that this bill seeks to authorize the Metropolitan Sanitary District of Greater Chicago to withdraw permanently from Lake Michigan an additional 1,000 cubic feet of water per second, which of course is totally untrue. This bill has been called a diversion bill, but actually it would be more appropriate to designate it as a study, for that is what it really is. This bill proposes to authorize a 3-year study by the Corps of Army Engineers and the Department of Health, Education, and Welfare covering a number of important subjects. The additional 1,000 cubic feet of water per second would be used as an instrumentality in the studies, an additional factor to be considered under controlled conditions. And although the people of Chicago and of Illinois are the primary beneficiaries of the project, its important information would be of tremendous value to urban communities throughout the Nation. In concept it is a national project, not a local one, even though the study will be conducted within the confines of the area of the Metropolitan Sanitary District of Greater Chicago.

The Department of Health, Education, and Welfare has made clear that the study is a meritorious one as is shown by its letter dated March 9, 1959, which I received from Mr. Gordon E. McCallum, Chief of the Department's Water Supply and Water Pollution Control program, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
BUREAU OF STATE SERVICES,
*Washington, D.C., March 9, 1959.*

Hon. SIDNEY R. YATES,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. YATES: In accordance with your telephone request, we are transmitting the attached report on types of information and its use by others which may be derived from the survey of the general types proposed for the Illinois Waterway.

Sincerely yours,
GORDON E. MCCALLUM,
*Chief, Water Supply and Water Pollution Control Program.*

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BROAD KNOWLEDGE THAT MAY BE DERIVED FROM A STUDY OF THE GENERAL TYPE AUTHORIZED IN H.R. 1[1]

(Prepared by Department of Health, Education, and Welfare, Public Health Service)

A study of pollution control in the Illinois Waterway covering (1) an analysis of the present and projected future water quality of the Illinois Waterway under varying conditions of stream flow and waste treatment and disposal; (2) an evaluation of municipal and industrial waste treatment and disposal practices including storm water overflows within the Metropolitan Sanitary District of Greater Chicago; (3) an evaluation of water quality needs of the entire Illinois River Basin; and (4) alternate means of solving sanitary problems, including additional treatment measures, will probably have broad application throughout the Nation in the following respects:

1. Many American communities are now faced with the problem of maintaining water quality for all legitimate purposes in the face of having a variable stream flow providing only a limited amount of dilution water at critical times. The critical problem in protecting water quality is that of discharging treated waste effluent into a watercourse having limited dilution capacity. This problem becomes especially acute when the community is providing the highest degree of waste treatment now feasible. The study will add much needed knowledge of dilution requirements under conditions existing at Chicago that could be applied elsewhere.

2. Out of the study may well come new or changed concepts dealing with:

(a) Diffusion of wastes in receiving waters.

(b) Bacterial death rates under varying conditions in streams.

(c) Fertilizing effects of sewage and industrial wastes upon troublesome aquatic growths.

(d) Reappraisal of factors affecting rates at which oxygen is used by sewage and industrial wastes in streams, and rates at which oxygen is supplied by natural and artificial means.

(e) Adverse effects of specific wastes, individually and in combination, upon the natural purification processes in streams.

(f) Effects of decomposing sludge deposits upon the overlying water quality.

(g) Field testing of automatic sampling and recording devices now being developed.

3. The study will reveal research needs designed to find practical ways of approaching higher degrees of purification of sewage and industrial wastes where necessary.

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[1] Such new information, on the basis of past experiences, will be of value to and utilized widely by State and interstate water pollution control agencies, Federal agencies, river basin authorities, communities, industries, and universities.

4. The survey will afford a unique opportunity to correlate accurate measurement of pollution sources with accurate measurement of pollutional effects under varying conditions. Such complete sets of data become classics and when published are in great demand. The comprehensive study of the Ohio River, conducted in the late thirties by the Corps of Engineers and the Public Health Service, is an example of one such classic that has been of great value.

It is clear, Mr. Chairman, that this experiment will be very valuable. But its opponents say that its harmful consequences overshadow any benefits that might be derived from the study. And they cite as examples the damage which would accrue to the lake shipping interests and the power companies. They point out too, the disruptive effect which this bill might have upon friendly relations with Canada as an additional reason for its disapproval.

The chamber of horrors they have conjured up presumably representing the possible terrible consequences of this bill are actually projections based on a permanent withdrawal of water from Lake Michigan. It does not relate to the subject matter of this bill at all. Starting from the illogical premise that this bill must be a forerunner to a permanent diversion, they assume that it does provide for a permanent diversion. Thus beginning from that unreal and illogical premise, they reach their illogical conclusions and the horrible consequences they have stated.

As I listen to them hurl their lightning and thunder against Chicago like Jove of mythological fame, I thought of one of the favorite stories of Abraham Lincoln. Lincoln used to tell the story about the meek husband who was badly henpecked. One day he ran out of the house to escape the beating which his wife was giving to him, and he encountered a friend on the street who said: "Look here, John, I have always stood up for you but I refuse to do it any longer. Any man who quietly takes a beating from his wife deserves to be horsewhipped." John smiled and patted his friend on the back. "Do not be offended," he said. "Why, it hurt me hardly at all, and you have no idea what a powerful lot of good it did for my wife."

For decades, literally, Mr. Chairman, because it diverts water from Lake Michigan, Chicago has been the favorite whipping boy of the surrounding States. They object to Chicago's method of waste disposal. Instead of messing up the Great Lakes like her sister cities of Milwaukee and Cleveland, which dump their sewage after treatment, back into the lake, Chicago flushes its waste, after treatment, into the Chicago River and thence along the drainage canal into the Illinois Waterway. We do not pollute or contaminate the lake. But we do have a problem with adequate disposal of the sewage in the Illinois Waterway.

Their protests would have had some meaning and basis in fact if the sanitary district of Chicago withdrew 10,000 cubic feet of water per second permanently, as it did prior to 1931. At that time the surrounding States obtained a Supreme Court decree which over a period of 7 years required the city to curtail the amount it withdrew from Lake Michigan from 10,000 cubic feet per second to 1,500 cubic feet per second in addition to domestic pumpage—that is, the amount of water needed for drinking and industrial purposes. And that is the amount of water we have been withdrawing since 1938—even though there has been an enormous growth in our industrial and commercial development, and in our population.

But the objections of the sister States have not diminished since that time. Even though the protests are no longer based on fact, for we are not withdrawing 10,000 cubic feet per second, they are made nevertheless. Historical antagonisms are continued like a blood feud in the mountain States, even though the reason for the feud has long disappeared.

The testimony which the opponents of this bill rely on are the statements made by shipping and power interests. You can believe their statements, if you wish, but you must remember that the testimony comes from people who have an interest at stake.

Or you can believe the report of the Army Engineers which has no ax to grind. The Army Engineers made a study of the effect of a 1-year diversion at Chicago of an additional 1,000 cubic feet of water per second and concluded that such a diversion would have no effect at all on Lake Superior. The maximum reduction on the water level on Lakes Michigan and Huron would be one-fourth of an inch. The maximum effect on the water level of Lakes Erie and Ontario would be to reduce them by three-sixteenths of an inch.

Now how much damage do you think there would be to lake shipping interests if as a result of this diversion, the lake levels of four of the Great Lakes were to be lowered one-fourth of an inch or less, particularly when you keep in mind that the lake levels vary between 5 and 7 feet during each year?

And yet you will hear opponents of this bill complain about the tremendous damage that would occur if it were approved, to the St. Lawrence Seaway, to various harbors and shipping installations in the Great Lakes.

As for losses in power revenue, it is estimated that the American and Canadian power interests—both of these, mind you, would lose a maximum of $36,000 a year during the period when this diversion might have an effect—$36,000 a year to power companies which are taking in $100 million a year in total revenues—$36,000 a year as compared with $100 million a year. How true is the statement of the committee on page 3 of the report:

The value of helping to solve one of the most pressing problems of a great metropolitan area far outweighs whatever slight temporary loss, if any, might be sustained by adjacent areas.

That is the point—the value of the study will be great, the damage, little, if any.

The problem of waste disposal and water pollution is one that affects every community in this country, some to a greater degree than others. The large, long-established metropolitan communities have a tremendous stake in studies of this kind, and regardless of what Milwaukee and Cleveland and the other States may tell you, they, too, as well as communities like Philadelphia, Pittsburgh, New York City, Los Angeles—all the big cities can benefit from the study that is proposed in H.R. 1. That is made clear in the HEW letter to which I referred earlier.

The single most important remaining objection relates to the protest filed by the Government of Canada against this bill. This deserves our most serious consideration because we respect and esteem the friendship of our great neighbor to the north. There are many things that one can say about Canada's attitude toward the diversion at Chicago, but its protest to the proposed study is completely incomprehensible in view of the fact that only a few months ago the Department of State wrote me a letter which declared that the Government of Canada had no objection to this study and to the additional diversion of 1,000 cubic feet of water per second at Chicago.

Nothing has changed since that time. All the conditions are the same but for some unknown reason Canada has changed its position.

I suggest that Canada had not thoroughly analyzed this bill at the time it filed its protest. As a matter of fact, a significant amendment adopted by the committee was not in the bill at the time that the Canadian memorandum was received. That amendment appears at line 10 on page 3 of the bill and requires that funds first be made available for this study before it should commence at all. This amendment, in effect, makes this bill an authorization bill subject to the same conditions and contingencies that any public works authorization bill has. Even though the study may be authorized by passage of this legislation, it could not be undertaken unless and until it is given life by the allocation of funds.

Secondly, Canada cannot be serious in contending that its shipping and power interests would be injured by this study. As I have already declared, the proposed study would have a most insignificant effect upon lake levels and thereby upon shipping interests. The damage would be so small that the Corps of Army Engineers stated it could not even measure it.

As far as power is concerned, the total estimated power loss over the 15-year period during which time the proposed diversion is supposed to have some effect, would be $618,000 or $36,000 per year. How badly would Canadian power interests be hurt when it is remembered that the $36,000 per year should be compared with total power revenues accruing to Canadian and American interests of $100 million a year, which is the anticipated earnings of the combined plants? One can only repeat the statement made on page 3 of the majority report that "the value of helping to solve one of the most pressing problems of a great metropolitan area far outweighs whatever slight temporary loss, if any, might be sustained by adjacent areas. I suggest that the Government of Canada might very well reconsider its memorandum of protest and readopt the position expressed

last August that it had no objection to the bill.

For certainly the equities are all on the side of the people of Chicago and Illinois. By the Treaty of 1909 Canada was given a division of the waters of the Niagara River based upon the diversion at Chicago of 10,000 cubic feet per second. The decision of the Supreme Court of the United States in limiting such withdrawal to 1,500 cubic feet per second has since 1938 given Canada the benefit of an additional 8,500 cubic feet of water per second.

Mr. Chairman, I shall attach to my remarks the article entitled "Diversion of Water," by H. P. Ramey, which was delivered before the Illinois section of the American Society of Civil Engineers on June 20, 1957. Mr. Ramey's attitude toward Canada is a strong one but is very revealing.

Incidentally, it should be pointed out that Mr. Ramey's article was predicated upon an earlier bill filed by Congressman O'BRIEN, H.R. 2, which sought a 3-year diversion of 1,000 cubic feet per second at Chicago:

DIVERSION OF WATER

(By H. P. Ramey, chief engineer, the Metropolitan Sanitary District of Greater Chicago, for meeting, Illinois section, American Society of Civil Engineers, June 20, 1957)

The following are axiomatic truths presented as premises to our subject of discussion. Water is a natural resource, essential to all life. Its necessity to human welfare makes it desirable to use it where it will do the most good for the greatest number of people. Such better use may require its diversion from one water course to another. Diversion of water where most needed is not only sound engineering, but good economics.

PRINCIPLE OF DIVERSION

Diversion of water was practiced as early as the earliest civilization, of any consequence. As far back as 2100 B.C., the ancient Babylonians were diverting water from the Euphrates River, using it for irrigation and transportation and discharging it into the Tigris. Even earlier, the Egyptians diverted flood waters of the Nile into a storage reservoir, for later use during periods of low water, a practice similar in principle to that of diversion. This same principle is now being performed in the United States, on the Colorado, the Tennessee, the Missouri, and the Upper Mississippi Rivers.

The principle of water diversion is, of course, universal. Instances can be cited of diversions in the United States, Canada, Great Britain, Brazil, Egypt, India, Korea, Norway, Switzerland, and in Russia.

EXAMPLES OF DIVERSION

In the Hetch Hetchy project for the water supply of San Francisco, the headwaters of the Tuolumne River, a tributary of the San Joaquin River, are impounded 4,700 feet above sea level, 170 miles from San Francisco, from which place they pass through powerplants and through pipelines under the San Joaquin River and under the upper end of San Francisco Bay to the city of San Francisco. This water, diverted from the San Joaquin River Basin, ultimately reaches San Francisco Bay, as sewage.

Much of the water supply of Los Angeles and San Diego, Calif., is diverted from the Colorado River and reaches the Pacific Ocean directly from those cities, instead of its natural route through the Mexican waters of the Gulf of California.

In the Big Thompson project, in eastern Colorado, some of the headwaters of the Colorado River are impounded high up on the western slope of the Rocky Mountain, pumped up, across the Continental Divide, and allowed to flow down the eastern slope of the Rocky Mountains, through powerplants, and is then used for irrigation in semi-arid portions of Colorado and northwestern Kansas. This is a transcontinental diversion.

In the Sierra do Cubata power project, near São Paulo, Brazil, a diversion is made similar to the Big Thompson project. Headwaters of the Grand and Tiete Rivers (which naturally flow west into the Parana River, then southwest into the Paraguay River, then south into the Rio de la Plata, then east into the Atlantic Ocean, near Buenos Aires) are diverted east across the Sierra do Mar, a low mountain chain, and dropped through powerplants, through a head of 2,380 feet, in a comparatively short distance to the Atlantic. This water is diverted from undeveloped country and furnishes power to the most populous section of Brazil.

Water is diverted by Canada into Lake Superior, from the Ogoki and Kenogami Rivers, tributaries of the Albany River, which flows into Hudson Bay, and after transit through the Great Lakes, is used by the Canadians for power in the Niagara Falls and St. Lawrence River areas.

Water is diverted from the Connecticut River watershed and carried east, to augment the water supply of Boston.

New York City augments its water supply by the diversion of water from the Delaware River, which is the natural boundary between the States of New Jersey and Pennsylvania; and a river considered as belonging to those States.

Dozens of other cases of diversion of water could be cited. The instances mentioned have been cited merely to show that diversion is not unusual; and that where water has been diverted, it has been used for the most good for the most people. That is sound engineering.

THE CHICAGO DIVERSION

The diversion of water from Lake Michigan started a controversy which has lasted for 50 years and is still not settled.

This diversion, since 1900, has been made under permits granted by the Secretary of War to the Sanitary District of Chicago, which authorized diversion, as follows:

Permit May 8, 1899, to open canal, to 5,000 cubic feet per second flows.

Permit December 5, 1901, 4,167 cubic feet per second average flow.

Permit March 3, 1925, 8,500 cubic feet per second plus domestic pumpage.

Permit December 31, 1929, 8,500 cubic feet per second, including domestic pumpage.

Permit June 26, 1930:

On and after July 1, 1930, 6,500 cubic feet per second, plus domestic pumpage.

On and after December 31, 1935, 5,000 cubic feet per second, plus domestic pumpage.

On and after December 31, 1935, 1,500 cubic feet per second annual average, in addition to domestic pumpage.

No time limit was placed on this last permit, but it is revocable at the will of the Secretary of War; and is subject to such action as may be taken by Congress.

The presently authorized diversion of 1,500 cubic feet per second, annual average, is not sufficient to properly dilute the effluent from the treatment plants of the sanitary district (even after complete sewage treatment) and a condition of nuisance prevails, during the warmer months of the year, in the upper 50 miles of the Illinois waterway. For the past 5 years the sanitary district has been seeking an additional diversion of 1,000 cubic feet per second, average, for a period long enough to enable a study of conditions in the waterway, by Army Engineers and the U.S. Public Health Service, to determine what the ultimate solution should be.

BACKGROUND OF CHICAGO DIVERSION

Water has been diverted from the Lake Michigan watershed for the past 109 years. This diversion began in 1848, when water was pumped from the Chicago River, at Bridgeport (Ashland Avenue) to serve the navigation needs of the Illinois and Michigan Canal, built by the State of Illinois, under an act of Congress, 1827, and financed originally by the sale of 284,000 acres of the public land, granted to the State by the Federal Government for that purpose.

This diversion averaged about 250 cubic feet per second, from 1848 to 1870, and, being greater than the dry weather flow of the Chicago River, caused an inflow from Lake Michigan. The Chicago sewer system, built 1856–58, drained principally into the Chicago River; and the pumpage for the I. & M. Canal carried this sewage, diluted, into the I. & M. Canal. The I. & M. Canal was deepened, 1866–71, at the expense of the city of Chicago, to provide a gravity flow of 1,000 cubic feet per second from Lake Michigan and thus became, in part, a sanitary canal. This flow was obtained for 1 year; then the canal was silted up from a local flood in 1872; and the lake level dropped. By 1879 the maximum flow was estimated at 283 cubic feet per second.

The city of Chicago then built a new pumping station, at Bridgeport, capacity 1,000 cubic feet per second, by 1884, and caused the operation of the I. & M. Canal for the dilution of sewage, from 1885 until 1907. The average pumpage, over these years was 560 cublic feet per second, the maximum being 950 cubic feet per second in 1898.

CHICAGO DRAINAGE CANAL

The Chicago Drainage Canal was opened January 1900 and the following year 3,515 cubic feet per second of water was diverted from Lake Michigan through it. This was increased to 3,840 cubic feet per second in 1905, to 6,030 cubic feet per second in 1910, to 6,800 cubic feet per second in 1915, to 7,170 cubic feet per second in 1920, and to 8,190 cubic feet per second in 1924. It was less than 7,000 cubic feet per second in 1925, 1926, and 1927, but was 8,400 cubic feet per second in 1928, the maximum for any year. Subsequently this diversion was reduced, by Supreme Court decree, to 6,500 cubic feet per second for the years 1931 to 1935; to 5,000 cubic feet per second for the next 3 years; and to an ultimate of 1,500 cubic feet per second, annual average, from 1939 to date.

All these figures, for diversion, are in addition to domestic (or city) pumpage, which increased from 530 cubic feet per second in 1901, to 800 cubic feet per second in 1910, and 1,200 cubic feet per second in 1921. It was 1,700 cubic feet per second in 1930 and ranged between 1,600 cubic feet per second and 1,700 cubic feet per second for the next 36 years. In 1956 it was 1,697 cubic feet per second.

This domestic pumpage is mentioned separately because the right of any city to pump water for its necessary and domestic uses, and then dispose of such water, or sewage, wherever it desires, has never been questioned. Chicago is the only city on the Great Lakes, which is in the fortunate position of not having to drink its own sewage, or pass it on for others to drink. This aim, to which Chicago has adhered, since 1900, to keep sewage out of the lake, to keep its lake front clean, for water supply, for safe bathing, boating, and other recreations, has been the cause of much recrimination in other lake cities, not so fortunate.

LAKE LEVELS

A withdrawal of 10,000 cubic feet per second from Lake Michigan at Chicago would have a computed lowering effect, after 5 to 8 years, of about 6 inches on Lakes Michigan and Huron, and about 5 inches on Lakes Erie and Ontario. Such lowering can be figured only theoretically, because of the annual fluctuation of about 1 foot between the winter and summer levels of all the Great

Lakes, and the long-time fluctuations, from natural causes, of more than 5 feet on an annual average basis; more than 6.5 feet on monthly averages; and 2 to 3 feet more on daily averages; and 2 to 3 feet more than this on an hourly average.

The Chicago diversion, in continuous effect from 1900 to 1928, probably had, by the end of 1928, when the diversion was 8,400 cubic feet per second and domestic pumpage 1,565 cubic feet per second, total withdrawal 9,965 cubic feet per second lowered lake levels almost as much as 6 inches. By that time, outlet changes in the Detroit and St. Clair Rivers had lowered Lake Michigan and Huron more than 7 inches. Retention of water in Lake Superior, to increase its level, for navigation, had by 1925, lowered the levels of all the other Great Lakes, by 3 inches. These figures and specific instances are cited to show that the matter of lake levels has not, over the years, been considered sacred, by Government authorities.

The presently authorized diversion of 1,500 cubic feet per second of water, for the last 17 years, in effect since 1939, is estimated to have lowered the levels of Lakes Michigan and Huron about 1 inch. The domestic water pumpage at Chicago, about 1,700 cubic feet per second in recent years, has lowered such levels about 1⅛ inches. Hence the present total lowering effect is estimated at 2⅛ inches. The proposed additional diversion of 1,000 cubic feet per second for 3 years is estimated would lower levels of Lakes Michigan and Huron five-eighths of an inch, if continued indefinitely. The total estimated lowering effect of the three quantities since 1939 would therefore amount to 2¾ inches on Lakes Michigan and Huron, and slightly less on Lakes Erie and Ontario.

Introduction of water into Lake Superior from the Hudson Bay watershed, by Canadian interests, in amounts averaging more than 5,000 cubic feet per second, since July 1943, has raised levels of all the Great Lakes at least 3 inches. This has more than offset the lowering due to the diversion of water at Chicago and will more than offset the prospective diversion of 1,000 cubic feet per second more, sought in recent years.

In respect to these diversions from and into the Great Lakes system, the lake surfaces are fluctuating through their normal ranges, at levels slightly higher than their natural levels. Navigation interests receive the benefit of slightly greater depths thus created.

The foregoing statements are for information on the physical facts involved in this matter of the diversion of water from Lake Michigan.

HOW THE LAKE LEVEL CONTROVERSY BEGAN

The Sanitary District of Chicago was created by an 1889 act of the Illinois State Legislature; to divert the sewage of the Chicago region from Lake Michigan, the source of municipal water supply, and to dispose of this sewage by dilution with sufficient Lake Michigan water to prevent nuisance downstream. This legislative act specified the flow capacity of the drainage canal, 10,000 cubic feet per second, sufficient to carry away the greatest flood which could originate in the Chicago area. It also specified the dilution ratio, namely 3⅓ cubic feet per second of lake water for the sewage of 1,000 persons. This figures 3 million people (the 1920 population of the Sanitary District for 10,000 cubic feet per second of water, as the capacity of the canal for the disposal of sewage, by dilution. Industrial wastes were not considered.

Before construction of the drainage canal was started, the sanitary district informed the Chief of Engineers of its plans; and he informed the Secretary of War, who reported the matter to Congress, 1892. The canal was built 1892–1900 and its construction was viewed by the Chief of Engineers and the Secretary of War in 1898. The sanitary district requested and received permits from the Secretary of War, to improve the south branch of the Chicago River, to make it a proper supply channel for the drainage channel, then under construction. The sanitary district, April 1899, requested permission to open the drainage canal, for a flow of 5,000 cubic feet per second of lake water, and May 8, 1899, the Secretary of War granted a permit "to open the channel constructed, and cause the waters of Chicago River to flow into the same."

This was subject to a condition "that it is distinctly understood that it is the intention of the Secretary of War to submit the questions connected with the work of the Sanitary District of Chicago to Congress for consideration and final action, and that this permit shall be subject to such action as may be taken by Congress."

The drainage canal was opened January 17, 1900. This permit was amended, slightly, three times within the next 2 years, the final permit, December 5, 1901, limiting the flow to an average of 4,167 cubic feet per second.

All these permits mentioned the submission of the matter to Congress, for final determination, but this was not done by either the Secretary of War, or by the sanitary district. Hindsight shows this omission was detrimental to Chicago because Congress at that time would undoubtedly have authorized a diversion of 10,000 cubic feet per second, or the amount for which the channel had been built; and there would have been no lake level controversy.

The sanitary district trustees believed that since the drainage canal, constructed for navigation as well as for flood runoff and sanitation, would fit into the plans of the Government for a waterway between Lake Michigan and the Mississippi River, the use of such canal would never be questioned. Government engineers had been studying a waterway of greater capacity than the I. & M. Canal, since 1857. Nine separate reports on this matter had been made to Congress on surveys authorized by Congress, between 1857 and 1905. Lake Michigan was always assumed as the only logical source of water to supply this waterway, in all these reports and recommendations. The quantities of water, or diversion recommended, varied in amounts from 1,000 cubic feet per second to 10,000 cubic feet per second.

In 1907, the Secretary of War, Taft, questioned the authority of the Secretary of War, to regulate the diversion; and a friendly suit between the Government and the sanitary district was started, 1908, in the Federal district court, to determine jurisdiction. This suit was not pressed seriously.

By 1912 the sanitary district had improved the south branch of the Chicago River to a point where it had capacity to flow 10,000 cubic feet per second without currents obstructive to navigation; and applied to the Secretary of War for an increase in the diversion from 4,167 cubic feet per second to 10,000 cubic feet per second.

After a public hearing, in which opposition was expressed by the Lake States, Canada, shipping interests, etc., Secretary of War Stimson denied this request in a lengthy opinion, January 8, 1913. In this opinion Secretary Stimson stated that diversion of water from the Great Lakes was a matter for Congress to determine.

The sanitary district, however, did not seek action by Congress, but decided to have its rights decided in the Federal district court. This decision, which may now be considered a bad mistake, was caused by certain trustees of the sanitary district, who insisted that the disposal of Chicago's sewage by dilution, as specified in the Sanitary District Act of 1889, was the only method authorized.

Engineers of the sanitary district had been experimenting with sewage treatment, since 1909; and had recommended, 1911, that all sewage in excess of that from 3 million people, or equivalent, be given treatment. This was the original sewage treatment program of the district, to utilize the drainage canal to its capacity, and to provide treatment for all sewage in excess of that amount.

FEDERAL SUIT

Suit was filed October 1913, by the Government in the Federal district court to restrain the sanitary district from diverting more than the 4,167 cubic feet per second of water specified in the permit of 1901. The sanitary district contended that the Secretary of War had no right to limit the diversion and that as a State agency it had a right to use water to protect the health of its people, under the State's police power. The Supreme Court decided, however, January 1925, that the power of Government, in the regulation of interstate commerce, was supreme over any power of the State; and that the injunction should go into effect within 60 days.

Within this 60 days, the sanitary district obtained a permit, March 3, 1925, from the Secretary of War, for a diversion of 8,500 cubic feet per second of water, in addition to domestic pumpage, for 5 years, or until December 31, 1929.

LAKE STATES CASE

Then the Wisconsin suit, or Lake States case, was tried, in the U.S. Supreme Court, by Charles Evans Hughes, as special master. In this case, the State of Wisconsin sought to restrain the diversion of any water from Lake Michigan. Special Master Hughes, reported to the Court, November 1927, on both facts and the law. Some of the facts he found were:

The diversion of approximately 10,000 cubic feet per second of water had lowered the levels of Lakes Michigan and Huron 6 inches, and of Erie and Ontario about 5 inches.

The diversion had caused substantial damage to the navigation and commercial interests of the Lake States.

The diversion had provided 4 feet of the low water depth of 7 feet in the lower Illinois River Waterway project, from Utica to Grafton.

The diversion had provided about 1 foot of the low water depth of the Mississippi River, at St. Louis.

On the matter of law, Special Master Hughes concluded that Congress had the power to regulate the diversion; that Congress had conferred authority on the Secretary of War to regulate it, within reasonable limits; and that the permit of March 3, 1925 was valid. Special Master Hughes recommended that the bill of the Lake States, for injunction, be dismissed, without prejudice.

The Supreme Court, Taft opinion, January 1929, reversed Special Master Hughes in his construction of the law and in his recommendation for dismissal. This Taft opinion stated that "Insofar as the diversion was not for the purposes of maintaining navigation in the Chicago River, it was without any legal basis, because made for an inadmissible purpose."

The case was re-referred, for further hearing, to Special Master Hughes to determine (1) what works were needed to replace diversion of water for the disposal of sewage; (2) what time would be required to build sewage disposal works; (3) what reductions in diversion could be made, from time to time, pending completion of the sewage treatment works; and (4) what diversion of water from Lake Michigan would be "necessary for the purpose of maintaining navigation in the Chicago River, as a part of the port of Chicago after these sewage disposal plants are in full operation."

SUPREME COURT DECREE, 1930

Trial of the Lake States case resulted in the entry of the decree of the Supreme Court,

April 21, 1930, under which the diversion was geared to the time for the completion of various phases of the construction program, the dates for the reductions of diversion being (1) reduced to 6,500 cubic feet per second, annual average, July 1, 1930; (2) to 5,000 cubic feet per second, December 31, 1935; and (3) to 1,500 cubic feet per second, December 31, 1938. The Sanitary District was thus required to build works for the complete treatment of all its sewage during that period. The Drainage Canal could no longer be counted on for the disposal of the sewage of 3 million people. It still remains available for flood runoff, for the passage of the treated sewage; and for navigation.

SEWAGE TREATMENT BY SANITARY DISTRICT

Since 1950, the Sanitary District has given complete treatment to all of its sewage, except of course, the storm flow during major rains.

The highest degree of sewage treatment, on an annual average basis, which can be expected from the Sanitary District plants, or from any plant is 90 percent. The population of the Sanitary District (1955) was 4,500,000, and industrial wastes were equivalent to the sewage of 3,800,000 people, total 8,300,000. With 90 percent removal of biochemical oxygen demand, there still remains 10 percent of the BOD. Ten percent of 8,300,000 is 830,000. The remaining BOD, therefore, is equivalent to that from the sewage of 830,000, or from a city as large as Washington, D.C. The presently authorized diversion of 1,500 cubic feet per second, annual average, provides a dilution ratio of 1,500 cubic feet per second for the equivalent of the sewage of 830,000 people, or 1.8 cubic feet per second of water for the sewage of 1,000 people. This is only about half of the dilution ratio specified in the Sanitary District Act; and is not enough to prevent nuisance conditions in the stream.

Another approach is in the matter of solids. In 1955 the solids, in the sewage reaching the treatment plants of the Sanitary District, averaged 867 tons per day. With 90 percent removal of sewage solids, there still remains, in the treated sewage, about 87 tons per day of solids, which contain about 5 tons per day of nitrogen. An additional 40 tons per day of nitrogen is carried to the canal in the treated sewage effluent. This nitrogen promotes underwater growth which in time cause nuisance, and probably actual, obstructions.

Under present conditions, with diversion at Chicago limited to 1,500 cubic feet per second, a foul condition is created in the upper 50 miles of the Illinois Waterway, from Chicago to Dresden Island. The worst section is between Lockport and the Brandon Road pool in South Joliet. Here the dissolved oxygen (DO) in the water frequently drops to less than 1 part per million, in the summer months, with a biochemical oxygen demand (BOD) of 6 to 7 parts per million. Considerable sludge digestion takes place in the Brandon Road pool, and some in the Dresden Island pool. Below that point the stream is in fairly good shape.

WATERWAYS

Despite the fact that Government engineers had been making studies for an adequate waterway connection between Lake Michigan and the lower Illinois Rivers, since 1880 and earlier, the only physical change in this situation for 50 years, or up to 1930, had been the construction of the Drainage Canal, by 1900, and its extension to Joliet, by 1908. The Government had authorized a 9-foot navigation project in the lower Illinois River, 1927, requiring a diversion of about 5,000 cubic feet per second of water from Lake Michigan to maintain this depth.

The State of Illinois was constructing the Illinois Waterway, five locks and dams, for 9-foot draft, between Lockport and the Illinois River, under the State Act of 1919. So, when the Lake States case was tried, on re-reference, 1929, there was no authorized physical connection between the Federal navigation project in the Chicago River including the Drainage Canal, and the Federal project in the lower Illinois River. For the slim, but perhaps proper, legal reason that there was no authorized connection between these two Federal navigation projects, no testimony was permitted in this case as to the needs of the Illinois River, or the needs of the waterway as a whole. Testimony was limited to the needs of the Chicago River, "as part of the Port of Chicago."

Funds of the State of Illinois, for the construction of the waterway, became exhausted and, July 3, 1930, less than two and one-half months after the Supreme Court decree of April 21, 1930, limiting the diversion to 1,500 cubic feet per second, Congress passed an act, taking over the Illinois Waterway and appropriating funds for its completion. This act provided that the 1,500 cubic feet per second of water from Lake Michigan, authorized by the Supreme Court, should be used for the navigation of this waterway; and provided further that after the Illinois Waterway was completed the Secretary of War should cause a study of the amount of water required to meet the needs of a commercially useful waterway and report to the Congress on or before January 31, 1938.

The Illinois Waterway was completed March 1, 1933 and officially opened June 22, 1933. Colonel Sultan, U.S. District Engineer, at Chicago, made a report to Congress on the matter September 26, 1933, in which he concluded that the diversion of 1,500 cubic feet per second, annual average, from the Lake Michigan watershed, in addition to domestic pumpage, was sufficient to meet the direct (flotation) needs of the waterway; but that the indirect needs, in the matter of securing satisfactory sanitary conditions for those aboard vessels or employed at terminals could not be determined until after the waterway had been fully completed, the sewage treatment plants of the Sanitary District placed in full service, and the diversion limited to 1,500 cubic feet per second for a sufficient period of time (suggested as not more than 2 years) to observe the conditions as they might then exist.

Colonel Sultan stated: "Then, and then only, can it be determined whether any additional diversion is necessary in order to provide decent and healthful living conditions for boatcrews and river terminal operators."

This study has never been made.

NAVIGATION—ILLINOIS WATERWAY

Traffic on the Illinois Waterway has increased from 5,501,000 tons in 1939, to 12,895,000 tons in 1949, to 20,077,000 tons in 1953, and to about 22 million tons per year, or more, as of today.

Representatives of the Army Engineers testified at congressional hearings in 1952, 1954, 1955, and again in 1956, recommending an increase of 1,000 cubic feet per second in diversion for 3 years for study purposes to enable by tests to determine whether any increase in flow through the Illinois Waterway is necessary or desirable in the interest of navigation.

All agree that it would benefit the welfare of the users of this waterway, both on boats and on shore, to have at all times a clean stream.

CANADA'S INTEREST

Canada's interest in the matter of diversion is purely selfish and noncooperative. The record shows this clearly. A full discussion of Canada's interest in this diversion is in order because objection by Canada to bills for increased diversion of 1,000 cubic feet per second, passed by Congress 1954 and 1956, was cited by the President as one of the reasons for his veto of both bills. It appears to be the principal reason for objection to passage of the pending O'Brien bill, H.R. 2, 85th Congress, 1st session.

On June 3, 1902, Congress passed the act under which the International Waterways Commission was created to study and report on the matter of waterflow at Niagara Falls. Three engineers from the United States and three from Canada formed this Commission.

After due study, this Commission reported, each section to its own Government, April 1906, and then, the joint commission to both Governments, May 1906, that a treaty or legislation be had authorizing diversion of water from Niagara River, above the falls, in the amounts of 36,000 cubic feet per second on the Canadian side, and 28,500 cubic feet per second on the U.S. side, this latter figure to include 10,000 cubic feet per second for the Chicago drainage canal.

Congress, on June 29, 1906, passed the Niagara Falls Act, providing in section 1, as follows:

"That the diversion of water from Niagara River or its tributaries, in the State of New York, is hereby prohibited, except with the consent of the Secretary of War as hereinafter authorized in section 2 of this act: *Provided,* That this prohibition shall not be interpreted as forbidding the diversion of the waters of the Great Lakes or of Niagara River for sanitary or domestic purposes, or for navigation, the amount of which may be fixed from time to time by the Congress of the United States or by the Secretary of War of the United States under its direction."

Section 2 of this 1906 act authorized the Secretary of War to grant permits for power purposes, within certain limitations. By section 4, the President was requested to open negotiations with Great Britain for the purpose of effectually providing by suitable treaty, for such regulation and control of the waters of Niagara River and its tributaries as should preserve the scenic grandeur of Niagara Falls and of the rapids. In view of the last-mentioned provision, an amendment of the bill, proposed by Senator Hopkins of Illinois, had been adopted in the Senate, as follows:

*"Provided, however,* That nothing contained herein shall be construed to hold or concede that the waters of Lake Michigan shall be or are subject of international agreement."

The House of Representatives refused to concur in this amendment, as it might embarrass the President in conducting negotiations. The conference committee therefore receded from the amendment. Senator Lodge, on reporting to the Senate the action of the conference committee and replying to Senator Hopkins, said:

"Mr. President, I had supposed that the Senator from Illinois [Mr. Hopkins] realizes that the report of this bill in its present condition would not in any way endanger the rights of Chicago to have water from the lake. Certainly I should have adhered to the amendment if I had thought that the drainage canal of Chicago would have been in any way endangered by the Commission. The House did not accept this amendment.

"The first section of the bill protects the rights of Chicago. No treaty would be made by our commissioners which would impair or infringe those rights.

"Every right is safeguarded. The confereees were as anxious as the Senator from Illinois could possibly be to protect the drainage canal at Chicago, but they did not feel warranted in allowing the whole legislation for such an important object to fail."

On January 4, 1908, the International Waterways Commission made a special report upon the Chicago Drainage Canal. This gave a full description of the canal. It concluded with the following recommendation:

"A careful consideration of all the circumstances leads us to the conclusion that the diversion of 10,000 cubic feet per second through the Chicago River will, with proper treatment of the sewage from areas now sparsely occupied, provide for all the population which will ever be tributary to that river, and that the amount named will therefore suffice for the sanitary purposes of the city for all time. Incidentally, it will provide for the largest navigable waterway from Lake Michigan to the Mississippi River which has been considered by Congress.

"We, therefore, recommend that the Government of the United States prohibit the diversion of more than 10,000 cubic feet per second for the Chicago Drainage Canal."

The Boundary Waters Treaty was signed, 1909, and ratified May 1910.

The statement of the Secretary of State (Elihu Root) before Foreign Relations Committee of the Senate when this treaty was under consideration shows that it was not intended to cover Lake Michigan as a boundary water or to affect the diversion through the drainage canal at Chicago. Among other things, Secretary Root said to the committee:

"The treaty starts with defining the boundary waters as the waters from main shore to main shore of the lakes and rivers and connecting waterways, or the portions thereof along which the international boundary between the United States and the Dominion of Canada passes, including all bays, arms, and inlets thereof, but not including tributary waters which in their natural channels would flow into such lakes, rivers, and waterways or waters flowing from such lakes, rivers, and waterways.

"I have very carefully guarded the terms of this treaty in order not to include Lake Michigan and in order not to involve Senator Cullom's constituents in the drainage canal in the treaty in any way. * * *

"The great bulk of the water goes on the Canadian side, and the Waterways Commission that was appointed some time ago to deal with the question of the lake levels reports, I think, that 36,000 feet can be taken out of the Canadian side and 18,500 on the American side, without injury to the Falls. I thought it wise to follow the report of the Commission and I put in 1,500 feet in addition to get round numbers, so our limit is higher than we want but their limit could not be cut down below what it is because there are three companies on the Canadian side who have the right and works there. * * * Then, there is this further fact why we could not object to this 36,000 provision on the Canadian side. We are now taking 10,000 cubic feet a second out of Lake Michigan at Chicago, and I refused to permit them to say anything in the treaty about it. * * *

"The definition of boundary waters was carefully drawn in order to exclude Lake Michigan. * * *

"* * * In the third place" (referring to the reasons for allowing the United States to divert but 20,000 cubic feet per second, while Canada was allowed 36,000 cubic feet per second) "they consented to leave out of this treaty any reference to the drainage canal, and we are now taking 10,000 cubic feet per second for the drainage canal which really comes out of this lake system."

Despite this record, Canada objected to increasing the diversion from 4,167 cubic feet per second to 10,000 cubic feet per second, at the hearings before Secretary of War Stimson. Objections were expressed by Canada, or Canadian interests, on every possible occasion thereafter. It is not improbable that the great wave of publicity against the Chicago diversion, beginning about 1923, was financed largely by Canadian funds.

Issuance of the diversion permit of March 3, 1925, was the cause of diplomatic correspondence, initiated by Canada.

The first proposed St. Lawrence Seaway Treaty, signed 1932, by its article VIII, would have fixed the diversion from Lake Michigan, at Chicago, at 1,500 cubic feet per second, for all time, or subject to an international tribunal. This treaty failed of ratification in 1934, largely because this provision would have removed this question from the jurisdiction of Congress and the Supreme Court.

This proposed 1932 treaty would have given Canada the exclusive right to use, for power purposes, any water it might divert into the Great Lakes system. Later, as the result of a series of notes exchanged between Canada and the State Department of the United States about 1938–41, Canada was given permission to divert about 5,000 cubic feet per second of water from the Albany River watershed into Lake Superior.

The Niagara Falls Treaty of 1950, ratified by two-thirds of a very small group of Senators present, divided the water at Niagara Falls equally, for power purposes, but exempted the inflow from the Hudson Bay watershed, from this division.

Canada enjoyed the use of 16,000 cubic feet per second more water for power than the United States, for 40 years, from 1910 until 1950, when the Niagara Falls Treaty was passed and the water divided equally. This 1950 treaty did not legally change the status of water diversion at Chicago in any respect.

The 1950 treaty of Niagara amended the 1909 treaty in some respects, particularly in providing for equal division of waters available for power purposes, but expressly excluded the amount of water used and necessary for domestic and sanitary purposes and for the service of canals for the purposes of navigation.

Cordell Hull, Secretary of State, construed the 1909 treaty as having reserved 10,000 cubic feet per second of water for Chicago. In a letter, 1938, to the Canadian Minister, he stated that the Supreme Court decree, 1930, limiting the Chicago diversion to 1,500 cubic feet per second, had made 8,500 cubic feet per second of water available at Niagara Falls, which were not considered available in 1909.

RECENT ATTEMPTS AT LEGISLATION

The sanitary district has sought additional diversion of water from Lake Michigan to provide a clean stream and decent conditions for navigation in the upper reaches of the Illinois Waterway, in particular, from Chicago to the Brandon Road pool just below Joliet. If proper conditions can be maintained in this critical reach, the conditions further downstream will assuredly be good, since the quality of the water improves as it flows on, beyond Brandon Road.

The sanitary district, as such, has no particular obligation in this respect, as these channels in question have, since 1930, been taken over by the Federal Government and operated as a part of the Federal Waterway, from Lake Michigan to the Gulf of Mexico. The sanitary district has, since 1950, provided complete treatment for all of its sewage; and has thus done all that can be expected of any municipal organization. It has complied with all the requirements of the Supreme Court decree of April 21, 1930, in the Lake States case. Its major sewage treatment plant, the West-Southwest plant, was named, October 1955, by the American Society of Civil Engineers as one of the seven modern engineering wonders of the United States.

The legislation in question has been:

The Sheehan bill, 1952, approved by the House Public Works Committee, was killed by an early adjournment of Congress.

The Jonas bill, passed by Congress, 1954, but vetoed by President Eisenhower, who gave four reasons for this action:

1. Existing diversions were adequate for navigation on the Illinois Waterway and Mississippi River.

2. All methods of control of lake levels and protection of property on the Great Lakes should be considered before arbitrarily proceeding with the proposed increased diversion.

3. The diversions are authorized without reference to negotiations with Canada.

4. The legitimate interests of other States affected by the diversion may be adversely affected.

The O'Brien bill, passed by Congress, 1956 (H.R. 3210, 84th Cong.), but vetoed by President Eisenhower, who gave reasons 2, 3, and 4, above for this veto.

Pending is another O'Brien bill (H.R. 2, 85th Cong.), which has passed the House and is now before the Senate.

The O'Brien bill provides for a temporary increase of 1,000 cubic feet per second in the diversion, from 1,500 cubic feet per second to 2,500 cubic feet per second, for a 3-year period; and a study in that time by U.S. Army Engineers and the U.S. Public Health Service, of its effect on the Illinois Waterway and on the Great Lakes. Whether or not the increase in diversion would be permanent would depend upon future action by Congress, after a report on the results of this proposed study.

ARGUMENTS FOR AND AGAINST DIVERSION

More water is needed:

1. For sanitation, in the Chicago to Joliet area.

2. For industrial use in the same area.

3. To improve the quality of water, for navigation in the Illinois Waterway, particularly in the 50 miles of the stream from Chicago to Dresden Island.

4. To restore fish life to the entire waterway and thus assure clean conditions throughout the Illinois River.

5. To provide navigation depth in the Mississippi River, from Alton to St. Louis, in crises, when prolonged droughts have caused the water resources of the Missouri and upper Mississippi Rivers to be exhausted.

Objections to this added water at Chicago are based on claims that it would:

1. Infringe on certain legal rights of the Lake States.

2. Lower lake levels, about five eighths of 1 inch, and amount so small that it can not be measured, but can only be computed theoretically.

3. Cause loss to shipping on the Great Lakes.

4. Reduce the waterpower potential at Niagara Falls and in the St. Lawrence River. It is power potential, and not actual power, because the present plants lack the installed capacity to use the water now available, and will not have such capacity for years to come.

As to loss to shipping, and the reduction in waterpower potential, the International Lake Ontario Board in its report, 1955, concluded that:

The reduction of five-eighth of 1 inch in lake levels would have no significant effect on navigation.

The computed reductions in power are of such small magnitude that provision for any replacement capacity would not be justified.

In the report, January 1957, by General Berrigan, Division Engineer, the following comments are made:

As to power:

"For a 3-year increase in diversion, the temporary character of the effects on dependable capacities is such as not to warrant evaluation."

As to lake levels:

"However, it is not believed practicable to evaluate such effects because of the small

extent of the lowering and also because of the temporary nature of the lowering there would be no means of estimating the lake stages which would prevail at the time lowering of lake levels is effective."

The Chief of Engineers' comments on the report of General Berrigan, made at the direction of the administration, are as follows:

In regard to navigation:

"That the lowering of Lakes Michigan and Huron could be offset by construction of a deeply submerged sill in the St. Clair River, cost $1,530,000; for Lake Erie, by proper operation of control gates in the Niagara River, now under construction; and that there would be no significant change in Lake Ontario and St. Lawrence levels."

In regard to power:

"That the changes in theoretical dependable capacity are so small with respect to the total capacities of the power systems that assignment of value to the changes is not warranted, from a practical operational standpoint."

A good example of the selfish type of opposition to this legislation, and to the tests which might clear up some of the points which have been in dispute, over the years, can be cited:

As to the loss to shipping on the Great Lakes, counsel for the Lake Carriers in a sentence carefully worded, to be purposely misleading, stated (1956): "If all the vessels owned by the Lake Carriers had their draft reduced three-fourths inch, the annual loss in carrying capacity would be 1½ million tons of cargo.

The answer is that a slight lowering of the water surface would affect only the few larger boats, capacity 10,000 tons and over and these only on downbound trips, when they carry the heaviest cargo, iron ore. On the upbound trips, even fully loaded with coal, they could not possibly be affected. Perhaps 75 percent of the boats on the Great Lakes have drafts that do not require even present full project depths.

It is significant that the Army Engineers, interested in navigation and even now working on the Calumet-Sag Channel widening project to increase the capacity of the Illinois Waterway, have supported each of the four bills for increased diversion, from 1952 to 1957; while the State Department has opposed them. The State Department apparently pays more attention to an objection by Canada, whether it be a valid objection or not, than to the needs of the Middle West.

In 1956, the Supreme Court of the United States finally recognized, for the first time since its decree in 1930, that navigation can require increased diversion. Unprecedented drought conditions existing in the area of the Mississippi and Illinois Rivers threatened the water supplies of many communities upon the waterways and seriously impaired navigation. At one time, for example, 200 barges were tied up on the Mississippi River at the Alton Dam. Therefore, the Governor of Illinois on October 16, 1956, petitioned the Secretary of Defense for an increase of diversion, but the petition was rejected by the Secretary of the Army. Thereupon the State of Illinois petitioned the Supreme Court on November 13, 1956, to increase diversion to 10,000 cubic feet per second for a period of 100 days. On December 17, 1956, the Supreme Court entered the following order:

"In view of the emergency in navigation caused by low water in the Mississippi River, paragraph 3 of the decree in these causes issued on April 21, 1930, is temporarily modified to permit the diversion to and including the 31st day of January 1957, from the Great Lakes-St. Lawrence system into the Illinois Waterway and the Mississippi River of such amount of water not exceeding an average of 8,500 cubic feet a second, in addition to domestic pumpage, as the Corps of Engineers, U.S. Army, shall determine will be useful in alleviating the emergency with respect to navigation on the Illinois Waterway, at such times and in such amounts as the Corps of Engineers shall direct."

It is a matter for Congress, and Congress has acted, but has been overruled twice, by pocket vetoes, after Congress had adjourned.

The point is next made that the proposed additional diversion at Chicago may well serve as a precedent in the controversy between the United States and Canada over the waters of the Columbia River. There is fear expressed that a unilateral diversion at Chicago without Canada's consent—even though legally appropriate—may serve as an incentive for Canada to take unilateral action in diverting the waters of the Columbia River away from the United States. On this point let me cite the letter of the Counsel of the Department of State, dated July 31, 1958, on that point, to the effect that if there were no material damage resulting from the proposed additional diversion at Chicago, there would be no precedent established for consideration in the discussions of the diversion of the waters of the Columbia River. The studies of the Corps of Engineers indicate that the proposed diversion cannot possibly result in material damage either to the power or the shipping interests. It is extremely unlikely, therefore, that passage of this bill and any diversion made under it could serve as a precedent for the Columbia River water discussions. I shall attach that letter to my remarks.

The contention in opposition to the bill is being made, too, that increased expenditures by the sanitary district could improve its engineering facilities and its treatment processes to the point where the additional diversion would not be necessary. Even the most ardent opponents of this bill admit that the sanitary district is one of the most modern treatment plants in the world. In fact, some of its operations have been described by the American Society of Sanitary Engineers as one of the engineering marvels of the world. The work of improvement of its facilities is a constant one and in the next 2 or 3 years alone, the sanitary district will spend $46.9 million in maintenance and improvements to its plant. If this is not an indication of good faith, I do not know what is.

And so, Mr. Chairman, we who represent this great metropolis of the Middle West ask your help in allowing Chicago to fulfill its destiny. We would not jeopardize the St. Lawrence Seaway because we know that this waterway will eventually make Chicago the No. 1 port of the world. New commerce and new industry are moving into our city every day. New people are establishing homes and making contributions toward building our community and our country. This problem of sanitation and waste disposal is a straitjacket to our growth. That is why this bill is of such vital importance—of importance not only to us, but to every great city in the country.

The benefits which flow from this test and this study will accrue to all the people of our Nation. This bill should be approved.

JULY 31, 1958.

The Honorable SIDNEY R. YATES,
*House of Representatives.*

DEAR MR. YATES: In accordance with your telephone request of yesterday, I am submitting herewith a supplementary statement regarding certain of the conclusions set forth in my letter of July 29, 1958, to Senator RICHARD L. NEUBERGER. With the consent of the Senator I am sending you herewith a copy of that letter.

The Department has not attempted to make any determination with regard to the conflicting claims as to whether the proposed diversion at Chicago would in fact cause material injury to Canadian navigation or hydroelectric power interests. As far back as 1954 the Canadian Government, in objecting to a bill similar in its terms to H.R. 2, asserted: "If the proposed increase in the diversion at Chicago were to take place, the Government of Canada would, in the circumstances described above, consider that there would be material injury to the navigation interests on its side of the boundary." In 1956 they stated their view that "the enactment of the proposed legislation would be prejudicial to the navigation and power interests of both countries." In 1958 they referred to "the economic harm which may be done to navigation and hydroelectric generation in both countries by extended use of dilution methods." Extracts from the communications from the Canadian Government in which these expressions of view appear were set forth somewhat more fully in my letter of July 29, 1958, to Senator NEUBERGER.

It was in the light of this position of the Canadian Government that I stated, in that letter: "Canada's reasons for opposing the Chicago diversion bill are thus very similar to those of the United States with respect to the Columbia River diversion, and it would seem that H.R. 2, if enacted, could constitute a precedent to be used by the Canadian interests in support of their proposals on the Columbia."

If in fact the proposed diversion at Chicago did not result in material injury to navigation or power interests on the Canadian side of the boundary, this basis of objection by Canada would not exist, and in those circumstances there would, of course, be no precedent that might be cited in connection with the Columbia River situation.

Sincerely yours,

JOHN M. RAYMOND,
*Acting Legal Adviser.*

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in order to provide the basis for the study, authorized by section 2 of this Act, of the effect of increased diversion of water from Lake Michigan, in addition to the one thousand five hundred cubic feet of water per second presently provided by the 1930 decree of the Supreme Court of the United States (281 U.S. 181–202) and subsequently authorized by the Rivers and Harbors Act of 1930 (46 Stat. 918, 929), upon the Illinois Waterway and the degree of improvement in such waterway caused thereby, and the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterway, authority is hereby granted to the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the supervision and direction of the Secretary of the Army, to withdraw water from Lake Michigan for the one-year period specified in paragraph (3) of subsection (b) of section 2 of

this Act, in addition to all domestic pumpage, at a rate providing a total annual average of not more than two thousand five hundred cubic feet of water per second, to flow into the Illinois Waterway during such one-year period, subject to the following limitations:

(1) The Secretary of the Army shall at all times have direct control and supervision of the amounts of water directly diverted from Lake Michigan.

(2) The Secretary of the Army shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, or Calumet Rivers.

SEC. 2. (a) During the three-year period beginning on the date of enactment of this Act the Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army (acting through the Chief of Engineers), shall cause a study to be made of the effect on Lake Michigan and on the Illinois Waterway of the increased annual diversion of one thousand cubic feet of water per second for the one-year period authorized by this Act, and the improvement in navigation conditions and other improvements along the Illinois Waterway which may result from such increased diversion.

(b) The study authorized to be made by subsection (a) of this section shall be divided into the following phases:

(1) The first period of six months shall begin on the date of enactment of this Act and shall be used to develop plans for the tests and range of studies of the Illinois Waterway, with no increase in the authorized diversion from Lake Michigan during such period.

(2) The twelve-month period immediately following the period specified in paragraph (1) shall be devoted to a stream survey of the Illinois Waterway under existing conditions, with no increase in the authorized diversion from Lake Michigan during such period.

(3) The twelve-month period immediately following the period specified in paragraph (2) shall be used to study the conditions in the Illinois Waterway with a total annual average diversion of two thousand five hundred cubic feet of water per second (comprising the authorized diversion of one thousand five hundred cubic feet of water per second and the additional one thousand cubic feet of water per second authorized by the first section of this Act) in addition to all domestic pumpage.

(4) The six-month period immediately following the period specified in paragraph (3) shall be used to prepare the final report required by subsection (c) of this section.

(c) Upon completion of the study authorized by subsection (a) of this section, the Secretary of Health, Education, and Welfare, and the Secretary of the Army shall correlate the results of such study. Thereafter the Secretary of the Army shall report such results to Congress on or before June 1, 1962. The report on such results shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway in the amount authorized by the first section of this Act, or increasing or decreasing such amount.

Mr. BLATNIK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD and that it be open for amendment at any point.

The CHAIRMAN. Is there any objection to the request of the gentleman?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment on page 3, line 11, strike out "of enactment of this Act" and insert in lieu "funds are first made available for the study".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 4, lines 10 and 11, strike out the period after the word "study" and substitute a comma and strike out "Thereafter the Secretary of the Army" and substitute the word "and".

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, some of us find ourselves in a difficult situation. The Illinois Members, and especially our colleague from Illinois [Mrs. CHURCH], and the Chicago Tribune, a great American paper, if there ever was one, and no doubt other Chicago publications, want this legislation. It is tough on some of us who oppose it, who would like to please them, to vote as we must, but the bill is no solution to the sanitation problem of the city of Chicago. I recall very distinctly standing on the State Street Bridge in Chicago and watching the river flow into Lake Michigan, carrying its sewage into Chicago's source of drinking water. That was 60 years ago. The gentleman from Chicago [Mr. O'HARA] remembers it very, very well. Chicago has not successfully solved the problem, which is an excess of sewage in their water supply. That is the real issue here.

Chicago wants to draw additional water out of Lake Michigan to lessen its burden of disposing of its sewage. So doing may or may not lower the water level of our harbors around the lakes, the harbors of Ohio, Wisconsin, Indiana, Michigan; it may or may not; but one thing is certain: Chicago intends to use that water to dump this sewage through the canal and down the river. True, Michigan is not without sin; we have dumped some of our sewage into the lake; but in my home town we bonded our city and taxed our people to build a sewage-disposal plant, and that is what Chicago will be forced to do before it ever gets its sanitation situation solved.

And answer this question of pollution and public health: Where do you get your drinking water? You take it out of the lake.

That question will confront us. We are already getting letters on it. These foreign ships come in and dump their sewage into the lake. As rivers flowing into Lake Michigan continue to dump sewage into Lake Michigan your water supply will continue to grow less drinkable. You get your drinking water from the lake. We do not want it polluted, nor should we lessen its volume. There is another problem you must meet. All you have to do to realize its magnitude is to fly over Chicago and look at those cesspools or sludge ponds all around that great canal. Sometime Chicago will be forced to either quit growing or take care of its own sewage, both raw and industrial, for throughout the country the water supply is becoming inadequate.

Mr. BOGGS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I listened to my colleague from Michigan reduce this discussion to an argument about Chicago sewage. As far as I can see there is considerably more involved in the issue before the House today.

Others have made an argument about Canada. I happen to be chairman of the Subcommittee on Foreign Trade Policy of the Ways and Means Committee. My subcommittee visited Canada about a year ago and we met with everyone from Prime Minister Diefenbaker on down. We listened to the Canadian problems very sympathetically. As a matter of fact, I have taken this well on numerous occasions to present the Canadian point of view on many of these issues. I might say in passing that not once in our discussion was any mention made of this bill now being debated. This bill was before the Congress then, it was before the Congress prior to that time.

What does this bill seek to do? This bill does not seek to set up a permanent system of diversion. It simply says that under the direction of the Army Engineers—who are the best qualified in our country—there shall be diverted from Lake Michigan into the Chicago Canal 1,000 cubic feet of water additional per second for 1 year, and that a study of such diversion shall be made extending over a 3-year period. I cannot conceivably believe that the Government of our greatest friend and finest neighbor, Canada, could possibly object to a responsible agency of our Government making this type of study.

Second, when I was in Canada I had the privilege of going to Toronto and going out and looking at the model of the St. Lawrence Seaway. In this project there is diversion of many types: diversion from lake to lake; from lakes into the St. Lawrence River; from lakes into various channels of the St. Lawrence system, and that whole thing has been worked out between the United States and Canada. I cannot believe that there is not enough common sense existing between the United States and its Canadian neighbor to work out this problem.

Finally, let me say that there is more than Chicago involved, although I think that is quite a commanding consideration. I yield to no one in my profound affection for the gentleman from Illinois, TOM O'BRIEN, but I would be for this bill whether I held that affection for the gentleman from Illinois, TOM O'BRIEN, or not.

I would be for this bill because there is much national interest involved in it. We have built in our country, with great pride and great credit, a magnificent system of inland waterway navigation and transportation. This is part of it. Back in 1956, if I remember correctly, the oil barges moving up the inland waterway system from Houston, Tex., from the oil wells of Texas and Louisiana and the great Southwest, could not get past the

Alton locks, just above St. Louis, to the areas to the north, Chicago, and the other great centers, including the cities that have expressed some concern about this study being made. These areas were threatened with a shortage of fuel oil in a cold winter because of the fact these locks were not navigable.

So this study is important not only from the point of view of whether or not the city of Chicago has or has not used proper diligence in solving its sewage-disposal problem. This is important in the whole complex of the inland waterway system of the United States.

It would seem to me that the people who reside in the Great Lakes region would recognize the importance of connecting the St. Lawrence Seaway system with the vast inland waterway system stretching from Pittsburgh on the east to beyond Kansas City on the west and down the Mississippi River to New Orleans and points throughout the world.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent (at the request of Mr. BOGGS) he was allowed to proceed for 2 additional minutes.)

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. SCHERER. Would the gentleman explain to the House how the 1,000 cubic feet per second per year would help navigation in view of the Army Engineers' report that 1,500 cubic feet per second is adequate?

Mr. BOGGS. The question of a thousand feet would not have any perceptible effect on navigation. I do not think anyone who advocates this bill says it does. All I am saying is that this bill states: Let the qualified agency of the Government make a study and report back to Congress.

When you vote against that, you say, "We will not let them make that study." So I am pleading that in the interest of navigation, including navigation on the Ohio River, which is a great river—and there is more navigation on the Ohio River today than there was before the coming of the railroads—this study should be authorized.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to remark for the gentleman's benefit that this problem of oil barges being tied up at the Alton Locks was handled under Supreme Court procedure. Additional water was permitted under the decree to the city of Chicago, the sanitary district. The additional water that was needed was furnished to let these barges go up and down that river.

Mr. BOGGS. I am very happy that the gentleman made that point, because the amount of water made available at that time was considerably above the 1,000 cubic feet asked for in this study, and it had no effect whatsoever on the level of Lake Michigan.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Illinois.

Mr. YATES. The amount made available was 8,500 cubic feet per second, and the amount which is suggested under this bill is only 1,000 cubic feet per second.

Mr. BOGGS. Yes. In conclusion, I would hope we would not deny the Army Engineers the information which we are all entitled to, not as a sectional thing but as a national proposition for the benefit of all of us.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my distinguished friend from Louisiana says that he cannot imagine the Canadian Government protesting to this legislation. Well, all he has to do is to read the report of the committee that is here on file. He will find that the Canadian Government already has protested to the State Department the enactment of this legislation. The position of Canada is perfectly clear. Canada does not want this legislation enacted, and for very good reasons.

Shipping interests on the Great Lakes testified before our committee that if Lake Michigan is reduced in level by one inch as this bill will reduce it the cost to the shipping interests on the Great Lakes will be $2 million. Of that $2 million loss to the shipping interests $600,000 will be lost by the shipping interests of Canada. Furthermore, we have evidence from the New York Power Commission and others that if this bill is enacted, the Canadians will lose several hundred thousand dollars annually of income due to the loss of power generation at its St. Lawrence Canadian plants.

Now, my distinguished friend from Louisiana says this bill provides for only a temporary diversion. No one here, I hope, is so naive as to believe that Chicago seeks to obtain diversion only for 12 months. The purpose of the survey sought to obtain a go ahead on full scale permanent diversion. There is no sense of spending $545,000 of the Federal taxpayers' money for a survey if the purpose is not to go ahead with a permanent diversion of the waters of Lake Michigan to the Illinois ship canal.

Now, there is only one issue here. The city of Chicago has a tremendous and dangerous pollution problem. Chicago can solve that problem itself, as the gentleman from Michigan well said, by merely building more or building larger sewage disposal plants. The reason that the pollution exists in the Illinois waterway is that Chicago is dumping solids from untreated sewage into the canal. A sewage disposal plant or plants built by Chicago at its own expense could correct this pollution problem. But, the people of Chicago, naturally, would rather have the Federal Government, the taxpayers of the Nation, pay for the eradication of this pollution than for Chicago to pay for it. You cannot blame them for that. They now introduce this legislation in the hope that Chicago can obtain additional water, flush out the waterway, and thereby correct the pollution, with the taxpayers of the United States paying the bill rather than the taxpayers of the city of Chicago.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Illinois.

Mr. YATES. Does not the gentleman overlook the testimony of the Corps of Army Engineers? Did not the Corps of Army Engineers testify that the maximum lowering of the Great Lakes that would occur under the bill under consideration would be one-quarter of an inch?

Mr. MACK of Washington. I say that this bill is an attempt to get permanent diversion of 1,000 cubic feet of water per second. General Parsons testified before the committee. I said to the general, "What is the U.S. Army Engineers' official position as to the amount of lowering of the water level, if it continues over a period of 15 years?" And he said, "It will lower the level of Lake Michigan, not by a quarter of an inch, but by one inch."

Mr. YATES. You asked the general what would happen if it was permanent. That is not in this bill. This seeks diversion for 1 year, and we will have to come back to the Congress again.

Mr. MACK of Washington. It is my position that the purpose of the bill is eventually to get permanent diversion, since temporary diversion will be of no value.

I append to my statement, first, Canada's protest to the proposed diversion; second, the statement of the U.S. State Department in opposition to this legislation; and third, the statement of the Budget Bureau in opposition to this legislation.

The Canadian Government expressed its official position in its communication dated February 20, 1959, to our Department of State, which is as follows:

On a number of occasions in the past, the Canadian Government has expressed its objections to proposals envisaging increased diversions of water from Lake Michigan at Chicago. Once again, and at the invitation of the Government of the United States through the U.S. Embassy's aide memoire of February 9, 1959, the Government of Canada is anxious to make known its views on legislative proposals now before Congress, such as bill H.R. 1, which are intended to authorize an increased diversion of water from the Great Lakes Basin into the Illinois Waterway.

While recognizing that the use of Lake Michigan water is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diverison would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

The opposition of the Department of State to enactment of H.R. 1 was made known to the committee through the testimony of Woodbury W. Willoughby, Director, Office of British Commonwealth and Northern European Affairs, and includes reference to the Canadian Government's views. The statement to the committee was as follows:

H.R. 1 authorizes the withdrawal of water from the Great Lakes Basin at Chicago and thus must be considered in relation to the rights of Canada as a coriparian in the waters of that basin. The Department, in the interest of maintaining harmonious relations with that country, has traditionally sought its views on proposals of this type.

This committee has previously been furnished with the texts of the recent communications exchanged with the Canadian Government regarding its views on H.R. 1, and will have noted the protest registered by that Government against implementation of the proposals contained in the bill. I should be glad to submit a copy at this time for insertion in the record.

The most recent Canadian aide memoire, dated February 20, 1959, expresses the opinion that any authorization for an additional diversion from Lake Michigan at Chicago would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

Neither the Niagara Treaty nor the International Joint Commission orders relating to the development of power by the United States and Canada in the International Rapids section of the St. Lawrence River place any specific limitation upon diversions of the type authorized by H.R. 1. Nevertheless, the Department is not in a position to question the Canadian position that an additional withdrawal of water from the Great Lakes Basin such as that under consideration would affect adversely Canadian navigation and power interests in the Great Lakes, their connecting channels, and the St. Lawrence River.

I understand that estimates have been furnished to the Congress by the U.S. Army Corps of Engineers as to the extent of the damage that would be suffered by downstream hydroelectric interests on both sides of the boundary in the event that the present proposal is enacted. It is noted that H.R. 1 provides no means by which injured parties may be compensated.

In view of the foregoing, the Department believes that enactment of H.R. 1 would adversely affect our relations with a friendly foreign government. Therefore, it is unable to support this legislation.

The Bureau of the Budget, on March 3, 1959, the day before the committee voted to favorably report H.R. 1, advised the committee of its opposition to the bill. The views of the Bureau of the Budget are as follows:

On February 18, 1959, we advised your committee by letter of the views of the Bureau of the Budget on H.R. 1, a bill to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes. However, because it was necessary to submit that report before there was an opportunity to consult with other affected agencies, we indicated that we would advise you further of our views on H.R. 1 at a later date.

We noted in our letter particularly the fact that the Department of State had asked for the current views of the Government of Canada on this legislation. Since that time the Canadian Government has advised the Department of State that it protests the implementation of the proposals contained in H.R. 1.

In the face of this latest protest from Canada and in view of the pending application by certain Great Lakes States before the Supreme Court for a review of the decree of April 21, 1930, the Bureau of the Budget must recommend against the enactment of H.R. 1, even if amended as suggested in our letter of February 18, 1959.

However, we believe that two possible avenues of further exploration may prove fruitful. The first, and the one which we believe is clearly preferable, is to investigate the feasibility of a full technical study of the sewage treatment problems of the Metropolitan Sanitary District of Greater Chicago to be undertaken and financed jointly by the U.S. Public Health Service and the sanitary district without any actual increase in the present diversion of water from Lake Michigan. We visualize that such a study would attempt to measure very carefully existing sanitary conditions in the Illinois Waterway and extrapolate future conditions based on anticipated population growth. The study would also explore alternative means of correcting the problem, including a possible increased diversion of water into the Illinois Waterway, the effect of which should not be difficult to calculate, and attempt to evaluate the alternatives in terms of costs and effectiveness. If such a study is considered feasible by the Public Health Service and the sanitary district, we would strongly recommend that your committee consider legislation to authorize it.

However, if a study of the problem without an actual test diversion for an extended period is not feasible, we believe that before your committee acts on H.R. 1, the possibility of compensation by the sanitary district for damages to Canadian and United States interests, particularly hydroelectric power developments, should be explored. The Department of State could be asked to discuss with Canada what it would consider an equitable compensation and the Department of the Army could be asked to pursue the same question with hydroelectric power interests in the United States.

It is hoped that this presentation of our further views will be helpful to your committee.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The question is on the amendment.

The amendment was agreed to.

Mr. BLATNIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: On page 2, line 22, strike out the words "the date of enactment of this Act" and insert "funds are first made available for the study."

Mr. BLATNIK. Mr. Chairman, this is merely a technical amendment to have this earlier section conform to the following section which we have already amended where we struck out the words "on the date of enactment" and inserted in lieu thereof "as of the date funds are first made available."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. BLATNIK. Mr. Chairman, I offer a clarifying amendment on the same subject, to make the entire bill conform.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: On page 4, lines 11 and 12, add a period after the word "Congress" and strike out the words "on or before June 1, 1962."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. WITHROW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WITHROW: On page 3, lines 22 and 23, strike out the words "annual average" and on page 3, line 23, after the words "diversion of" insert the words "not to exceed at any time."

Mr. WITHROW. Mr. Chairman, under the present wording of the bill before us there is no determining how much water may be diverted over a year from Lake Michigan. I realize that it is an annual average. However, if, for instance, we have a lot of moisture in the northwest for a period of 3 months and very little water has to be drawn off the lake, then in order to bring the average up, if that is what they desire to do, no one can determine how much water will be drawn off Lake Michigan during the remaining 9 months of the year. But we know that a great deal more than 2,500 cubic feet per second will be drawn off. And it will be drawn off at a time when we need the water the most in Lake Michigan and the other Great Lakes.

I believe regardless whether one is for this piece of legislation or not, that each and every Member must feel that if this experiment is to be carried on, they should not be permitted to draw off more than 1,000 cubic feet per second. That is why I have offered this amendment. The amendment restricts them to that amount of water, and I believe the amendment should be supported by this body.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment. I believe the amendment is rigid and restrictive. This is a technical matter. The amendment would arbitrarily restrict the engineering operations of the Corps of Engineers. There may be occasions when they may need a flow at a higher rate than 2,500 cubic feet per second, but the average shall not exceed 2,500 cubic feet per second.

So I rise in opposition to the amendment. It would arbitrarily restrict and hamper a technical study.

Mr. MACK of Washington. Mr. Chairman, I rise in support of the amendment. This bill carries a provision that in times of flood downstream below the city of Chicago, they may prohibit the diversion of any water. That means that the water will be taken away from Lake Michigan, as the gentleman has said, at a time when the lakes are at its lowest level.

The amendment, in my opinion, is a good amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. WITHROW].

The amendment was rejected.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a far-reaching and controversial piece of legislation. Similar legislation has been vetoed twice by the President. Yet there are no hearings available so that the Members of the House may know the evidence upon which they are going to have to make a decision. We have already found in the debate thus far controversies over what was actually testified before the Committee on Public Works. And yet we do not have the hearings here upon which any such disagreements as to the testimony could be resolved.

I had to resort to getting a copy of a prepared statement of the president of the Lake Carriers Association, Mr. Lyndon Spencer, who testified before the House Committee on Public Works on February 17, 1959, because I was interested in the cost of this program and in the question of less efficient navigation. On page 4 of his statement I find the following:

Under existing conditions the continued diversion of an additional 1,000 cubic feet per second with its subsequent lowering of lake levels will reduce the carrying capacity of the United States and Canada Great Lakes fleets by more than 1 million tons annually with a direct economic loss to the vessel industry of better than $2 million per year.

I have not heard actual figures on current lake levels discussed in detail in this debate. I have before me the report of the U.S. Army Engineers district in Detroit, Michigan, for the levels of the Great Lakes for December of 1958. Let me say that report, which I will insert in the RECORD in its entirety pursuant to permission obtained in the House earlier this afternoon, shows that this is the poorest time for water to be diverted from the Great Lakes because the Great Lakes are at their lowest level in recent years.

The only port Michigan has on Lake Erie is in my congressional district, the port of Monroe. Just last year the Committee on Appropriations appropriated $1 million to restore that port to its project depth. What sense does it make for us to be spending money on the connecting channels and the harbors in the St. Lawrence Seaway system, after spending over $100 million on the St. Lawrence Seaway itself, on the one hand, adding the cost of transportation on the second hand, and then diverting water and making these public works and the shipping they support less efficient and less economical?

Likewise, we are subsidizing shipbuilding, yet making shipping less economical and efficient at the same time. How inconsistent can we be, and how can we decide this question without any evidence before us on such a far-reaching matter?

Lake Erie is now below its average level by over 1 foot. It was 570.79 feet above sea level in December 1958. That was only 1.32 feet above the lowest December level in all history, which was in 1934. It is 2.75 feet below the December high in past history, which was in December 1885. It is 3.39 below the high level in March 1952. If Chicago is going to have a diversion for 1 year for a study, why should it not ask for the diversion and study when the lake levels are high rather than when they are low?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Illinois.

Mr. YATES. May I suggest to the gentleman that in this bill the actual diversion will not take place until two conditions are first met; first, when funds are made available for the study; and, second, after such funds are made available the diversion will not begin for 18 months. In all probability the actual diversion will not take place for at least 2 or 3 years from this time, assuming the bill is passed soon and the funds made available shortly thereafter.

Mr. MEADER. The lake levels are still on the decline. Can the gentleman tell me whether he would be willing to wait until the lake levels go up before this diversion occurs?

Mr. YATES. I do not know what the lake levels will be at the time the actual diversion is made. Perhaps they will be higher than they are at the present time.

Mr. MEADER. Mr. Chairman, the Corps of Engineers' Bulletin, from which I quoted, is as follows:

MONTHLY BULLETIN OF LAKE LEVELS FOR DECEMBER 1958, U.S. ARMY ENGINEER DISTRICT, LAKE SURVEY, CORPS OF ENGINEERS

The following table presents the monthly average levels of the Great Lakes during December 1958, determined by the U.S. Lake Survey from daily readings of staff gages. These provisional elevations are generally within 0.05 foot from the more precise monthly averages to be derived from the continuous records of the automatic gages. The table also lists for comparison prior monthly average December levels during the period of record since 1898 on Lake St. Clair and since 1860 on the other lakes.

| Lake | December 1958 level | December 1957 level | Average December level, entire record | Extreme low and high December levels during entire record prior to 1958 | | | | Difference, December 1958 level from L.W.D.[1] |
|---|---|---|---|---|---|---|---|---|
| | | | | Low | Year | High | Year | |
| Superior | 602.07 | 601.91 | 602.21 | 600.70 | 1925 | 603.17 | 1876 | +0.47 |
| Michigan-Huron | 577.94 | 578.98 | 580.24 | 577.53 | 1933 | 582.70 | 1861 | −.56 |
| St. Clair | 573.88 | 574.70 | 574.64 | 572.87 | 1925 | 576.65 | 1951 | +.38 |
| Erie | 570.79 | 571.78 | 571.85 | 569.47 | 1934 | 573.54 | 1885 | +.25 |
| Ontario | 244.20 | 244.74 | 245.40 | 242.71 | 1934 | 247.58 | 1861 | +.20 |

[1] L.W.D. is the plane to which Lake Survey chart and Federal navigation improvement depths are referred.

NOTE.—Elevations are in feet above mean tide at New York, 1935 datum.

The table below shows recorded changes between successive months in the monthly average levels of the Great Lakes which will provide the basis for comparison of the current behavior with that of the past and also shows the Lake Survey estimate of the probable January level:

| Lake | Change in level from November to December | | Change in level from December to January | | | Probable January level |
|---|---|---|---|---|---|---|
| | In 1958 | Average during entire record | Average during entire record | Maximums during entire record | | |
| | | | | Fall | Rise | |
| Superior | −0.21 | −0.25 | −0.26 | −0.52 | −0.01 | 601.8 |
| Michigan-Huron | −.19 | −.19 | −.12 | −.39 | +.27 | 577.7 |
| St. Clair | +.14 | −.01 | −.43 | −1.85 | +.57 | 573.4 |
| Erie | −.27 | −.08 | −.03 | −.67 | +.83 | 570.7 |
| Ontario | −.17 | −.08 | +.02 | −.58 | +.63 | 243.9 |

NOTE.—Lakes Superior and Michigan-Huron continued their seasonal decline at about average rate from November to December. Lakes Erie and Ontario declined at greater than average rate.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 2, line 3, after "Lakes" insert the following: "and their connecting waterways."

Page 2, line 25, strike out "Lake Michigan" and insert in lieu thereof the following: "the Great Lakes and their connecting waterways."

Page 3, line 12, after "Waterway," insert the following: "and the Great Lakes and their connecting waterways."

Page 3, line 17, after "Waterway" insert a comma and the following: "and the Great Lakes and their connecting waterways."

Page 3, line 22, after "Waterway" insert a comma and the following: "and the Great Lakes and their connecting waterways."

Mr. VANIK. Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 3, line 6, after the period insert the following: "Such study shall include, but not be limited to, an analysis of municipal and industrial waste disposal treatment practices and storm overflows within the metropolitan district of Chicago in order to determine whether everything possible is being done to reduce to a minimum the strength and volume of waste discharged into the Illinois Waterway."

Mr. DINGELL. Mr. Chairman, the chairman of the subcommittee [Mr. BLATNIK] will recall a colloquy which we had on the floor yesterday about this, wherein I stated to Mr. BLATNIK—and which is reported in the CONGRESSIONAL RECORD—as follows:

Mr. DINGELL. May I ask the gentleman this question? He was telling us at this time that a part of this bill or rather a part of the study that will be made pursuant to this bill will be a study of pollution in the Illinois waterways; is that correct?

Mr. BLATNIK. Yes.

Mr. DINGELL. Then, I assume the gentleman would have no objection nor would any other sponsors or proponents of this particular measure have any objection to having concrete language in the form of an amendment to H.R. 1, which would specifically set forth that it shall include a study of pollution in this particular waterway; is that correct?

Mr. BLATNIK. I have no objection.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. YATES. May I suggest to the gentleman that the Metropolitan Sanitary District of Greater Chicago has just retained perhaps the outstanding sanitary engineering firm in the world for the purpose of conducting the exact study that is the subject of the gentleman's amendment at a cost to the district of $125,000. Therefore, it would be repetitive and redundant for the study to be made a part of this bill.

Mr. DINGELL. Mr. Chairman, I decline to yield further.

Mr. Chairman, I want to tell the gentleman I think the worth of the study that is going to be made by the Chicago Sanitary District will have as much merit as have some of the other things that have been said by the Chicago Sanitary District. They have played all sides of the field on this particular issue.

The record of the Chicago Sanitary District in the treatment of its pollution and its waste is so bad that I do not think that a study made by them can be objective. We already have heard the Corps of Engineers, in the person of General Itschner, and other representatives tell us time after time that there is no need for a study of navigation on this particular waterway, and yet the bill is full of provisions for study of navigation. If the one needs further study so does the other.

Existing diversion is more than adequate to sustain any foreseeable navigation on the waterway even if the waterway was going to be double tracked so that they would have an upbound lane and a downbound channel.

What we are asking is a fair and impartial study of the matter. If you are going to have a study of navigation, which the Corps of Engineers has already said is not necessary because the existing water flow is more than sufficient. Let us at least have the benefit of everything that the Department of Health, Education, and Welfare and the Corps of Engineers can find on this subject.

So I think we are entitled to have at least a fair and objective study by the Department of Health, Education, and Welfare and the Corps of Engineers of the treatment practices and the waste disposal methods of the Chicago Sanitary District. If the people from Chicago come to us and say, "We must have this to treat or dilute our sewage." We say, "Let us have the study be complete." And "Let us have it be objective. Let us have it go into treatment methods and the question of whether or not Chicago's treatment methods are adequate. We want adequate study of this matter which will give us a good understanding and a fair interpretation and sufficient factual data on which we can act." I assume, the gentlemen from Chicago will be here wanting us to legislate sometime in the future on this, to give Chicago right to more Great Lakes water.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. GRIFFIN. I would just like to call to the attention of the membership the fact that several references have been made to the Canadian position in the last Congress and reference was made to the aide memoire which was supposed to indicate that the Canadian Government was not in opposition at that time to the water diversion proposal.

Mr. GRIFFIN. I am going to quote certain provisions from the memorandum:

The Canadian Government understands that, if such legislation is enacted, these sanitation studies will not be limited to evaluation of the effects of dilution, but will also include consideration of all possible measures for dealing with waste-disposal facilities at Chicago. Such measures would include: (a) complete separation of storm sewers from the domestic sewerage system, or expansion of the existing treatment facilities to serve a total combined flow; (b) treatment of organic wastes in industrial plants before discharging these effluents into the sewerage systems; (c) chlorination of effluent before discharge into the Illinois Waterway; and (d) artificial aeration of the waterway.

Mr. DINGELL. I thank the gentleman very much.

With regard to my statement I am going to ask the distinguished chairman of the subcommittee, the gentleman from Wisconsin [Mr. BLATNIK]: Is what I am asking here fair and proper? Or is it improper?

I yield to the gentleman to answer me.

Mr. BLATNIK. I am only speaking for myself, but I say for myself that what the gentleman requests in my opinion is a fair and sound request. It does extend the survey to a much larger scope. This matter was brought up before the committee and it was explained by the proponents of the bill that a private survey is now under way.

Mr. DINGELL. There is no reason why this private study could not be used to help with the other study proposed by the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and on a division (demanded by Mr. DINGELL) there were—ayes 51, noes 125.

So the amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 2, immediately following line 20, insert the following:

"(3) With respect to the regulation of flows along the Illinois River, particularly at Pekin, Ill., the diversion authorized by this act in accordance with this section will be regulated with the objective of maintaining a uniform flow at Pekin of 8,000 cubic feet per second when such uniformity of flow is feasible, as determined by the Chief of Engineers and the Secretary of the Army, and when maintenance of this uniformity will not conflict with or interfere with the preceding provisions of this section."

Mr. MICHEL. Mr. Chairman, this amendment which I offer today is the same one which I offered the last time this legislation was being considered in the 85th Congress. It was unanimously accepted by the committee and incorporated in the final bill approved by the House.

All I am simply attempting to do here is to write into the law specifically what the committee expressed in its House Report No. 369, 85th Congress, 1st session, page 8, which reads as follows:

The committee anticipates that the diversion authorized by H.R. 2 in accordance with section 1 will be regulated with the objective of maintaining a uniform flow at Pekin of 8,000 cubic feet per second when such uniformity of flow is feasible, as determined by the Chief of Engineers and the Secretary of the Army, and when maintenance of this uniformity will not conflict with or interfere with the provisions of section 1.

You see here the language is practically verbatim of that embodied in my amendment.

In order that the House may again act favorably on this amendment, I should like to quickly review the reasons why this amendment should be reapproved. Inasmuch as the Illinois River runs diagonally through my congressional district for a little better than a hundred miles, we have a definite interest in any proposed increase in diversion. Except for the last few years, downstate Members of Congress from Illinois have generally been opposed to any increase.

I have taken the position that an increase of 1,000 cubic feet per second would serve a number of good purposes, provided that the controlling of the daily rate of diversion is regulated to a degree by the Corps of Engineers downstream at Pekin, Ill.

As a matter of fact, I have introduced legislation which differs from H.R. 1 in only one respect, and that is the text of the amendment which I offer here today. Two years ago, when I presented my views to the House Public Works Committee and last year before the Senate Public Works Committee, I sought to regulate the diversion as a means of giving those of us downstate a more uniform flow in the river throughout the year.

There seems to be little question that the main cause of the death of thousands of fish in the river 2 years ago was the rapid lowering of the water level. Any quick change of the water level for any reason, aside from an outright emergency, is inexcusable.

Such changes are not only destructive to fish and wildlife, but are highly inconsiderate of the people whose land lies adjacent to the river. Sudden shifts of the water level cause the destruction of those recreational pursuits which we have come to enjoy downstream.

I have been told that the increased diversion would increase the oxygen content of the river and would be of major benefit to fish and wildlife. Better control of low-water flow assists materially in the spawning activities of wildlife. It is also my belief that a better quality of water would tend to develop a better grade and type of fish. Higher low-water stages would provide better duck-hunting facilities. Reduction of diversion during the fall months in past years has tended to dry up many small pools of water that could have been used for duck-hunting purposes.

I point out these advantages to the sportsmen and conservationists as the objections to increased diversion in Illinois in years past have come principally from these quarters.

There are other benefits to be derived downstream with a properly controlled increase in diversion.

First, ground-water levels all over the State are declining, and in the Illinois River Valley, the underground water level definitely fluctuates with the river level. Any raising of the low-water level, therefore, has a corresponding beneficial effect on the level of the underground water supply.

As a matter of fact, the situation is so critical that three major industrial interests in Peoria, the Peoria Water Works, Bemis Bag Co., and the water resources and flood control committee of the Peoria Association of Commerce, have already constructed four river water infiltration pits into which some 7 million to 8 million gallons of river water is put into our underground water supply. Plans are under way to construct a water purification plant. Other Illinois cities, including Jacksonville, Winchester, and Galesburg, have already found it necessary to do likewise in the future.

Second. During the low-flow period of the Illinois River, there is a possibility of an inadequate supply of sufficient water to provide proper cooling for major industrial and powerplants. Continued industrial development will require more and bigger powerplants with a corresponding increase in demand for more cooling water during low stages in the river. Increased flow of cooler Lake Michigan water would increase the efficiency of industrial and powerplant cooling systems.

Third. Higher low water levels would eliminate the costly operation of reducing river barge payloads due to low river water levels. With the rapid increase of river shipping this is becoming more and more important.

A comparison of figures for tonnage carried on the Illinois Waterway indicates a growing traffic on the river. At Peoria, for instance, total tonnage for 1956 was over 18 million tons, an increase of 2 million tons over the previous year. The Corps of Engineers has just informed me that the tonnage at Peoria for 1958 was over 24 million tons. With the opening of the St. Lawrence Seaway early this summer, this figure should be increased greatly.

Fourth. In past years, icebreaking during the winter months has been a costly operation, both from the standpoint of icebreakers and tow charges. This led to an order by the U.S. Supreme Court to grant a temporary increase in diversion to cope with recent serious ice jams occurring on the Illinois River.

In conclusion, it seems to me that for as many years as this matter has been kicked around, we ought to take the logical and sensible approach and approve the bill under consideration, along with my amendment.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. BLATNIK. I ask the gentleman whether this is not similar or identical to an amendment submitted when the bill was under consideration 2 years ago.

Mr. MICHEL. The proposal 2 years ago was in this exact identical language, and the committee unanimously accepted it.

Mr. BLATNIK. That is our recollection.

Mr. Chairman, we have no objection to this amendment.

Mr. MACK of Washington. Mr. Chairman, there is no objection on this side.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it had not been my intention to participate in this debate, my colleagues from Illinois having so well presented the issue, but when the gentleman from Florida sought to speak for the Committee on Foreign Affairs, I felt that I should say something.

I am in thorough agreement with the gentlewoman from Illinois [Mrs. CHURCH]. She and I serve on that committee. We know something of its problems. With all due respect for the distinguished gentleman from Florida I join with Mrs. CHURCH in suggesting that perhaps we are in better position to speak for the committee on which we serve.

We know, and I think we both regret, that because of the setup of the State Department the Dominion of Canada is not regarded as belonging to the American hemisphere but belonging instead to Europe. So the determinations are made not on what is good for America but on what is good for Europe.

Certainly all on the Committee on Foreign Affairs look forward to the day when between the United States and the Dominion of Canada there will be a working together in complete accord and understanding and for a common hemispheric purpose. We believe that if Europe will take care of its own affairs and not meddle in the affairs of the American hemisphere by exerting pressures on the Canadian Government that objective will be reached.

The trouble is that in the concept of the State Department the Dominion of Canada is not regarded as belonging to the American hemisphere but as belonging to Europe. This concept, however unrealistic, is reflected necessarily in the setup of our own subcommittees on the Committee on Foreign Affairs. The Dominion of Canada, despite the fact that it is our hemispheric neighbor to the north and we have so much in common that it is separated from the interest of Europe, is not under the jurisdiction of our subcommittee on Inter-American affairs. Instead the Dominion of Canada is under the jurisdiction of the subcommittee on Europe.

If the Dominion of Canada were left to itself, freed entirely from European influences, it is inconceivable that it would take a position in opposition to the test proposed in H.R. 1 on which the health of the people of Chicago and the people of Illinois so vitally depends. The gentlewoman from Illinois has eloquently and convincingly brought home to us the grave risk of a frightful plague of disease unless something is done and done quickly along the lines proposed in H.R. 1. If the Dominion of Canada were faced with such a threat does anyone doubt that there would be any hesitancy to cooperate on the part of the people of Illinois? I am very sure that the people of Canada have the same neighborly feeling toward the people of Chicago and of Illinois, and if left to themselves would go all out in friendly cooperation. Indeed, only a few months ago the State Department informed the author of H.R. 1, the Honorable THOMAS J. O'BRIEN, beloved dean of the Illinois delegation, and Congressman YATES, that Canada had no objection to H.R. 1. That, Mr. Chairman, was at a time when Canada was making her own determinations and on the basis of what was best for her and best for the American hemisphere of which she is a part.

I with Mrs. CHURCH and other members of the Committee on Foreign Affairs deeply regret that any decisions that affect the American hemisphere should be influenced by matters that concern Europe and have no relation to this hemisphere. Unfortunately, determinations too often are made not on what is good for America but on what is good for Europe.

Let me call the attention of my colleagues to the situation that obtained shortly after the Suez incident and the United Kingdom was badly in need of money. Our State Department was consulted, and there followed a loan commitment to the United Kingdom of $500 million, a loan from the Export-Import Bank, which never before had made a loan for political purposes. The function of the Export-Import Bank is to make loans to backward countries for the development of their economies.

About this time the United Kingdom wished to postpone its payments on its war debt to the United States. My colleagues who were in the Congress at that time will remember the very spirited debate. The measure carried on a very close vote and largely because the then Secretary of the Treasury, a distinguished son of Ohio, put his full weight behind it and also the weight of the State Department and of the administration.

I need not remind my colleagues that Ohio has always led the fight against legislation along the lines of H.R. 1. The reason is that the lake carriers have a stranglehold on the press and the politics of that State. No one wants to hurt the lake carriers. Certainly in Chicago we have no such desire, and Mayor Daley of Chicago has publicly stated that if the test proposed in H.R. 1 should prove in any reasonable measure to work to the harm of the lake carriers he would be the first to ask that the test be called off.

I would not suggest that there was a connection between the loan commitment by the Export-Import Bank of $500 million to the United Kingdom for a political purpose, and the extension of the payments on the debt of the United Kingdom to the United States, with anything that has happened in connection with the consideration of a proposal for Lake Michigan water diversion to prevent a frightful plague of disease from striking the city of Chicago and the State of Illinois. But it is a fair presumption, human nature being what it is, that in return for being bailed out the United Kingdom might have had open ears to the suggestion that a little whispering to Canada would be a gracious reciprocal gesture.

Mr. Chairman, I am convinced that this time when the Lake Michigan water diversion bill has passed this body and the other body and has reached the White House, the President of the United States will agree with the majority in both branches of the Congress that what is in the common hemispheric interest of both the United States and the Dominion of Canada should not be lost through European meddling.

Mr. BENTLEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I was interested in hearing the remarks of my two good colleagues, members of the Committee on Foreign Affairs, the gentleman who has just spoken and the gentlewoman from Illinois who earlier spoke. I think I have as much right as any other Member to speak for the committee. I believe that many of us on the committee are concerned about the possible effect the enactment of this legislation will have on our relations with Canada.

There seems to have been some misapprehension on the part of a good many people that the Dominion of Canada in protesting the enactment of H.R. 1 has no legal basis and is merely protesting for the record.

I call the attention of the Committee to the treaty of 1909, the International Boundary Treaty. The final paragraph of article II of that treaty states:

> It is understood, however, that neither of the high contracting parties intends by the foregoing provision to surrender any right which it may have to object to any interference with or diversions of waters on the other side of the boundary the effect of which would be productive of material injury to the navigation interests on its own side of the boundary.

A lot of people appear to regard it as somewhat sinister that last month, or perhaps in January, the Department of State requested the views of the Canadian Government with respect to H.R. 1. I do not think there is anything particularly sinister about the fact that the Canadian Government, having previously expressed opposition to diversion from Lake Michigan, would again be consulted as to its views.

I want to call my colleagues' attention to the fact that opposition on the part of the Canadian Government is not recent, and if they will turn to page 4044 of the RECORD of March 12 they will find an objection by the Canadian Government going back to April 25, 1906.

So, I say that the position of the Canadian Government is quite historic in this respect, and it was perfectly proper and natural for the State Department to solicit their views and present them to the Committee on Public Works. I am not going to get into an argument about the technical questions regarding lake levels; I leave that to the committee. But, I do say that the Canadian Government has made its position clear and unmistakable that it reserves its right under the International Boundary Treaty to take whatever action is proper if diversion legislation is enacted. Furthermore, I say that the passage of this legislation endangers our relations with the Dominion of Canada—which is still in the Western Hemisphere, no matter what the State Department may say—it will endanger our relations with the Dominion of Canada whose cooperation and mutual assistance we need so desperately in the defense of our own best interests and our own vital security.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yielded to the gentleman from Florida.

Mr. CRAMER. Since my name has been mentioned, does the gentleman not believe that the members of the Committee on Foreign Affairs, being jealous of their own jurisdiction, should be concerned about the fact that we are here today considering a bill that involves the Committee on Foreign Affairs; a bill that the Foreign Affairs Committee has never had an opportunity to consider and which is opposed by the State Department. I am delighted to see that the members of the Committee on Foreign Affairs are asserting thmselves in the course of this debate.

Mr. BENTLEY. I will say to the gentleman, as one member of that committee, that I am very much concerned with our relationships with Canada, and the effect the passage of this legislation will have on them.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Chairman, question has been raised concerning the extent of the objection actually raised by Canada. It has even been suggested that the official objection registered with our State Department reflects the views of diplomats in England rather than our Canadian neighbors.

To indicate that such is not the case, I offer for consideration of the House a recent editorial which appeared in the Grand Rapids (Mich.) Press:

> ONTARIO OBJECTS, TOO
>
> For the last several weeks supporters of Chicago's petition to be permitted to divert additional water from Lake Michigan have been saying that Canada no longer has any objection to this scheme. But the Province of Ontario has some very strong objections, and intends to voice them at any hearing conducted on the matter.
>
> Ontario's municipal affairs minister, William K. Warrender, has attacked the proposed water grab on two fronts. He has declared, first, that diverting water from Lake Michigan into the Illinois Waterway would be "bound to have an adverse effect on harbor installations in a great many ports in Ontario." Further, he has stressed that Chicago is asking permission to divert more water to relieve its sewage disposal problem, but that Ontario, at the request of the President of the United States "some years ago" is spending millions of dollars to halt pollution of international waterways.
>
> The Province has a right to be incensed. Why should Chicago be permitted to use part of Ontario's water to avoid having to spend large sums for sewage disposal when Ontario is being compelled to spend millions for the same purpose to help keep Canadian-American waterways clean? Why should Chicago escape having to do what all the other cities on Lake Michigan are doing to prevent pollution and protect lake levels?

It should be kept in mind that our international policies are judged by others in the world not entirely by what the executive branch does or says but also by what this Congress does and says.

If we expect other nations of the world to conduct themselves within the norm of accepted principles of international law, surely it behooves all of us, both officially and unofficially, to adhere to the same principles which we call upon others to respect.

On February 12, 1958, the Committee on Interior and Insular Affairs of the other body sent a letter to our Secretary of State requesting that the committee be provided with a memorandum on the international law applicable to the proposed diversion by Canada from the Kootenay River into the Columbia and from the Columbia into the Fraser. The committee asked the State Department, in its study, to analyze the law under any applicable treaties and also under general international law.

In August 1958 the State Department transmitted to the Senate Committee on Interior and Insular Affairs the study entitled "Legal Aspects of the Use of Systems of International Waters," which has been printed as Senate Document No. 118. This is an exhaustive study of the principles of international law which are applicable to the use of international water systems.

Now what were the principles of international law set forth in this study which we call upon other nations to respect in dealing with the use of systems of international waters?

The principles are outlined on pages 89–91 of the document, as follows:

> It is believed that any examination, such as the foregoing, of the sources of international law demonstrates that there are principles of international law governing systems of international waters in the sense that if issues with regard thereto were to be posed

before an international tribunal it would pronounce judgment in accordance with such principles.

Bearing in mind that as used in this study system of international waters refers to an inland watercourse of lake, with its tributaries and distributaries any part of which lies within the jurisdiction of two or more States, and riparian and co-riparian refer to States having jurisdiction over parts of the same system of international waters—it is believed that an international tribunal would deduce the applicable principles of international law to be along the following lines:

1. A riparian has the sovereign right to make maximum use of the part of a system of international waters within its jurisdiction, consistent with the corresponding right of each co-riparian.

2. (a) Riparians are entitled to share in the use and benefits of a system of international waters on a just and reasonable basis.

(b) In determining what is just and reasonable account is to be taken of rights arising out of (1) agreements; (2) judgments and awards; and (3) established lawful and beneficial uses; and of other considerations such as (4) the development of the system that has already taken place and the possible future development, in the light of what is a reasonable use of the water by each riparian; (5) the extent of the dependence of each riparian upon the waters in question; and (6) comparison of the economic and social gains accruing, from the various possible uses of the waters in question, to each riparian and to the entire area dependent upon the waters in question.

3. (a) A riparian which proposes to make, or allow, a change in the existing regime of a system of international waters which could interfere with the realization by a co-riparian of its right to share on a just and reasonable basis in the use and benefits of the system, is under a duty to give the co-riparian an opportunity to object.

(b) If the co-riparian, in good faith, objects and demonstrates its willingness to reach a prompt and just solution by the pacific means envisaged in article 33(1) of the Charter of the United Nations, a riparian is under a duty to refrain from making, or allowing, such change, pending agreement or other solution.

These are not new principles of international law. They apply equally to us as well as to Canada. They apply to the diversion of water at Chicago just as they apply to the proposed diversion by Canada of waters of the Columbia and other rivers, which might cause us injury.

I should like to emphasize the principle stated that whenever a co-riparian nation objects or files a protest against a proposed change in the existing regime of international waters, the nation desiring to make the change should refrain from putting it into effect until opportunity has been afforded to negotiate and satisfactorily compose the difference, and if such negotiations fail to achieve a mutually satisfactory solution, then the matter should be referred to arbitration or the International Court of Justice.

Here we are, with full knowledge that the Canadian Government has lodged a vigorous protest with our State Department against the diversion at Chicago proposed in this bill. If we expect Canada to abide by these principles of international law, how can any Member of this Congress vote for the present bill?

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 4, after line 16, add the following new paragraph:

"(d) No Federal funds shall be made available for the studies contemplated in this act."

Mr. GROSS. Mr. Chairman, this is a nice, simple amendment that anyone can understand. It is contemplated that half a million dollars will be provided by all the taxpayers of the country to provide for the study proposed in this act. I have no objection to the city of Chicago studying this proposition from now until doomsday. Just help yourselves and spend all the money you want to spend, but get off the backs of the taxpayers of Iowa and the rest of the country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken, and on a division (demanded by Mr. GROSS) there were—ayes 67, noes 134.

So the amendment was rejected.

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 4, strike out line 10, and all that follows down through and including line 16 and insert in lieu thereof the following: "correlate the results of such study. Thereafter the Secretary of Health, Education, and Welfare and the Secretary of the Army shall submit their proposed report to the Governor of each of the following States: Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio, Pennsylvania, and New York, and to the Secretary of State who is requested to transmit such proposed report to the appropriate officials of the Government of Canada. After the expiration of 45 days from the date the proposed report is submitted to the Governors and the Secretary of State, the Secretary of Health, Education, and Welfare, and the Secretary of the Army shall make their final report to Congress which shall contain (1) all comments and recommendations with respect to the proposed report made by any Governor and by any official to whom such proposed report was submitted, and (2) shall contain recommendations with respect to continuing the authority to divert water from Lake Michigan into the Illinois Waterway in the amount authorized by the first section of this Act or increasing or decreasing such amount, and such other recommendations as may be necessary. Such final report shall be made to the Congress on or before June 1, 1962."

Mr. DINGELL. Mr. Chairman, having been run over by the Illinois steam roller one time already this afternoon and having watched numerous and sundry others of my colleagues suffer the same experience, I must confess that I offer this amendment with some apprehension.

Briefly, for the benefit of proponent and opponent alike, the only thing this amendment seeks to do is to have the text of the report when complete submitted to the Governors of the other Great Lakes States and through the Secretary of State to the officials of the Government of Canada 45 days before submittal to Congress. It makes no other change in the bill. You will note that it imposes no delays, no time extension over and above what is already provided in the legislation before us. It only requires that the report be submitted to the Governors of the various Great Lakes States and the Government of the Dominion of Canada through the Department of State. This is the appropriate and proper method of seeing to it that our neighbor to the north, Canada, is notified of the text of this particular study report. Beyond this it does nothing else.

It does not compel the Corps of Engineers to pay any heed to the wishes of the Governors of the various States or to pay any heed to the views and wishes of the Dominion of Canada. Indeed, it compels no more attention to the wishes of these States, their citizens and their officials, and the views of the Dominion of Canada than we see paid by the House of Representatives today. That is very little.

So, Mr. Chairman, what we seek and what we hope here today is that some notice be given those concerned.

We know this legislation is going to be passed, but I will make a prediction, that it will be vetoed in the ordinary course of events by the President of the United States for the same reason that he vetoed the other bills on this subject. After all, citizens of our Great Lakes States outnumber the citizens of Illinois. These Great Lakes States are contributing a great deal more water to the Great Lakes than the State of Illinois which only gives 500 cubic feet per second to the Great Lakes.

We ask that you at least give our officials, the Governors of our States, and the Government of the Dominion of Canada, an opportunity to look at the report before it is filed with Congress. That is the only thing we ask. We hope we are entitled to some fairness, to some small consideration in this matter, and that you will listen to our pleas for a fair and objective study, as you have not so far. We hope the House will at least give us the courtesy of having our Governors know a little bit in advance what is proposed on the basis of the study which will be made. That is all we ask today of the Congress of the United States. Give us a little bit of basic fairness, give us a little bit of notice. I hope you will do so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, 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. 1) to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes, pursuant to House Resolution 202, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WITHROW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WITHROW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WITHROW moves to recommit the bill H.R. 1 to the House Committee on Public Works.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MACK of Washington. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 238, nays 142, answered "present" 2, not voting 52, as follows:

[Roll No. 13]

YEAS—238

| | | |
|---|---|---|
| Abbitt | Davis, Tenn. | Jensen |
| Abernethy | Dawson | Johnson, Calif. |
| Addonizio | Delaney | Johnson, Md. |
| Albert | Dent | Jones, Ala. |
| Alexander | Denton | Jones, Mo. |
| Alford | Derwinski | Karsten |
| Allen | Dollinger | Kasem |
| Anderson, Mont. | Donohue | Kee |
| | Dorn, S.C. | Keogh |
| Andrews | Dowdy | Kilday |
| Arends | Downing | Kilgore |
| Ashmore | Doyle | King, Calif. |
| Aspinall | Durham | King, Utah |
| Bailey | Edmondson | Kirwan |
| Baring | Elliott | Kitchin |
| Barr | Everett | Kluczynski |
| Barrett | Fallon | Kowalski |
| Bass, Tenn. | Farbstein | Landrum |
| Beckworth | Fascell | Lankford |
| Bennett, Fla. | Fenton | Lennon |
| Blatnik | Flood | Libonati |
| Blitch | Flynt | McCormack |
| Boggs | Fogarty | McDowell |
| Boland | Foley | McMillan |
| Bolling | Forand | McSween |
| Bonner | Forrester | Mack, Ill. |
| Boykin | Fountain | Madden |
| Boyle | Frazier | Mahon |
| Brademas | Friedel | Mailliard |
| Breeding | Gallagher | Marshall |
| Brewster | Garmatz | Mason |
| Brock | Gary | Matthews |
| Brooks, La. | Gathings | Merrow |
| Brooks, Tex. | Giaimo | Metcalf |
| Brown, Ga. | Granahan | Michel |
| Brown, Mo. | Grant | Miller, Clement W. |
| Broyhill | Gray | |
| Buckley | Green, Oreg. | Miller, George P. |
| Burdick | Hagen | |
| Burke, Ky. | Haley | Mills |
| Burke, Mass. | Hardy | Mitchell |
| Burleson | Hargis | Montoya |
| Byrne, Pa. | Harmon | Morgan |
| Canfield | Harris | Morris, N. Mex. |
| Cannon | Harrison | Morris, Okla. |
| Casey | Healey | Moss |
| Chenoweth | Hechler | Moulder |
| Chiperfield | Hemphill | Multer |
| Church | Hoffman, Ill. | Murphy |
| Clark | Hogan | Murray |
| Coad | Holifield | Natcher |
| Cohelan | Holtzman | Norrell |
| Collier | Huddleston | O'Brien, Ill. |
| Colmer | Hull | O'Brien, N.Y. |
| Cooley | Ikard | O'Hara, Ill. |
| Daddario | Irwin | O'Neill |
| Daniels | Jarman | Oliver |
| Davis, Ga. | Jennings | Passman |
| Patman | Roush | Thornberry |
| Perkins | Rutherford | Toll |
| Pfost | Santangelo | Trimble |
| Philbin | Saund | Tuck |
| Pilcher | Selden | Udall |
| Poage | Shipley | Ullman |
| Powell | Sikes | Vinson |
| Preston | Sisk | Walter |
| Price | Slack | Wampler |
| Prokop | Smith, Iowa | Watts |
| Pucinski | Smith, Miss. | Whitener |
| Rains | Smith, Va. | Whitten |
| Reece, Tenn. | Spence | Wier |
| Rhodes, Pa. | Springer | Williams |
| Rivers, Alaska | Staggers | Willis |
| Rivers, S.C. | Steed | Winstead |
| Rodino | Stratton | Wolf |
| Rogers, Colo. | Stubblefield | Wright |
| Rogers, Fla. | Sullivan | Yates |
| Rogers, Mass. | Teague, Tex. | Young |
| Rogers, Tex. | Thomas | Zelenko |
| Rooney | Thompson, La. | |
| Rostenkowski | Thompson, N.J. | |

NAYS—142

| | | |
|---|---|---|
| Adair | Gavin | Moorhead |
| Alger | George | Mumma |
| Ashley | Griffin | Nelsen |
| Auchincloss | Griffiths | Norblad |
| Avery | Gross | O'Hara, Mich. |
| Ayres | Gubser | O'Konski |
| Baldwin | Halleck | Osmers |
| Barry | Halpern | Ostertag |
| Bass, N.H. | Hays | Pelly |
| Bates | Hess | Pillion |
| Baumhart | Hiestand | Pirnie |
| Becker | Hoeven | Poff |
| Belcher | Hoffman, Mich. | Porter |
| Bennett, Mich. | Holland | Quigley |
| Bentley | Holt | Rabaut |
| Berry | Horan | Ray |
| Betts | Hosmer | Rees, Kans. |
| Bosch | Jackson | Reuss |
| Bow | Johansen | Robison |
| Broomfield | Johnson, Colo. | Saylor |
| Brown, Ohio | Johnson, Wis. | Schenck |
| Budge | Jonas | Scherer |
| Bush | Karth | Schwengel |
| Byrnes, Wis. | Kastenmeier | Short |
| Carnahan | Kearns | Siler |
| Cederberg | Keith | Simpson, Ill. |
| Chamberlain | Kilburn | Simpson, Pa. |
| Conte | Knox | Smith, Calif. |
| Cook | Langen | Smith, Kans. |
| Corbett | Latta | Taber |
| Cramer | Lesinski | Teague, Calif. |
| Cunningham | Levering | Thomson, Wyo. |
| Curtin | Lindsay | Tollefson |
| Curtis, Mass. | Lipscomb | Utt |
| Dague | McCulloch | Vanik |
| Derounian | McDonough | Van Pelt |
| Devine | McFall | Van Zandt |
| Diggs | McIntire | Wallhauser |
| Dingell | Machrowicz | Weis |
| Dooley | Mack, Wash. | Westland |
| Dorn, N.Y. | May | Wharton |
| Dulski | Meader | Widnall |
| Dwyer | Meyer | Wilson |
| Feighan | Miller, N.Y. | Withrow |
| Fino | Milliken | Younger |
| Flynn | Minshall | Zablocki |
| Ford | Moeller | |
| Fulton | Moore | |

ANSWERED "PRESENT"—2

Baker Rhodes, Ariz.

NOT VOTING—52

| | | |
|---|---|---|
| Andersen, Minn. | Green, Pa. | Nix |
| | Hall | Polk |
| Anfuso | Hébert | Quie |
| Barden | Henderson | Randall |
| Bolton | Herlong | Riehlman |
| Bowles | Judd | Riley |
| Bray | Kelly | Roberts |
| Cahill | Lafore | Roosevelt |
| Carter | Laird | St. George |
| Celler | Lane | Scott |
| Chelf | Loser | Shelley |
| Coffin | McGinley | Sheppard |
| Curtis, Mo. | McGovern | Taylor |
| Dixon | Macdonald | Teller |
| Evins | Magnuson | Thompson, Tex |
| Fisher | Martin | Wainwright |
| Frelinghuysen | Monagan | Weaver |
| Glenn | Morrison | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Baker for, with Mr. Laird against.

Mr. Curtis of Missouri for, with Mr. Bray against.

Mr. Martin for, with Mr. Weaver against.

Mr. Celler for, with Mr. Frelinghuysen against.

Mrs. Kelly for, with Mr. Henderson against.

Mr. Chelf for, with Mrs. St. George against.

Mr. Monagan for, with Mr. Dixon against.

Mr. Green of Pennsylvania for, with Mr. Judd against.

Mr. Hébert for, with Mr. Coffin against.

Mr. Riley for, with Mr. Scott against.

Mr. Rhodes of Arizona for, with Mr. Wainwright against.

Mr. Roberts for, with Mr. Glenn against.

Mr. McGinley for, with Mrs. Bolton against.

Mr. Lane for, with Mr. Lafore against.

Mr. Thompson of Texas for, with Mr. Riehlman against.

Mr. Sheppard for, with Mr. Taylor against.

Mr. Morrison for, with Mr. Polk against.

Mr. Roosevelt for, with Mr. Quie against.

Until further notice:

Mr. Herlong with Mr. Andersen of Minnesota.

Mr. Evins with Mr. Cahill.

Mr. BAKER. Mr. Speaker, I have a live pair with the gentleman from Wisconsin [Mr. LAIRD]. If he were present, he would have voted "nay." I voted "yea." Therefore, I withdraw my vote of "yea" and vote "present."

Mr. RHODES of Arizona. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. WAINWRIGHT]. If he were present, he would have voted "nay." I voted "yea." Therefore, I withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## PROGRAM FOR THE BALANCE OF THIS WEEK AND FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time for the purpose of inquiring concerning the program for the balance of the day and the program for next week.

Mr. McCORMACK. Mr. Speaker, for the balance of today we have the bill relating to the coloring of oranges. That is about to come up. Then there are two bills out of the Committee on Armed Services.

There are three rules to be adopted, if they do not take too long.

I know of no opposition to the bills, I am hopeful they will be disposed of them today. Those in charge of the bills, if they find there is opposition, I am sure will proceed expeditiously.

Mr. HALLECK. If there are rollcalls, however, they would be had this evening?

Mr. McCORMACK. Yes. I know of no rollcall that will be asked, but one can never tell.

If either of the bills from the Committee on Armed Services is not disposed of, they will go over until next Tuesday. I am hopeful they will be disposed to today. Assuming the three bills to which I have referred are disposed of today, I come now to next week's program.

On Monday we have the Consent Calendar.

Then there are three suspensions:

H.R. 5640, the extension of the temporary unemployment compensation law.

H.R. 10, the self-employed individual retirement act of 1959.

H.R. 519, revision of laws relating to depositary libraries.

Then the District of Columbia appropriation bill for 1960 will be brought up.

If the District of Columbia bill is not completed on Monday it will go over until Tuesday. As I say, if any of the bills programed for today are not completed today they will come up Tuesday.

By agreement of the leadership on both sides, any rollcalls on Monday and Tuesday will go over until Wednesday, on account of Tuesday's being, of course, one of the greatest days in the history of the world, St. Patrick's Day.

The Committee on Rules meets on Tuesday. If a rule is reported out on Tuesday on the bill H.R. 5132, or the Airport bill, which is H.R. 1011, either one of those bills might be brought up. I prefer not to state now which one will be brought up or brought up first. Of course, if both can get through the same day, that would be fine. I would want to bring up both of them, but if rules are reported out on both, as to which one would be brought up first I should like to have a little flexibility. The probability is that the Armed Forces retention of officers bill would be the one, but I would not want to commit myself on that now.

On Thursday the Treasury-Post Office appropriations bill for 1960 will be considered.

The Easter recess will begin at the close of business on March 26 and will run until Tuesday, April 7.

I make the usual reservation that conference reports may be brought up at any time and that any further program will be announced later.

Mr. HALLECK. If I may in my time, I should like to make an observation with respect to the suspensions that are scheduled for Monday. The first one has to do with the extension of temporary unemployment compensation. The majority leader and the Speaker very kindly spoke to me about it, and I agreed that it should be called up. We all realize that action must be had on that measure before March 31, which puts it in the nature of an emergency.

The suspension having to do with the revision of laws relating to depository libraries is rather a matter of routine and is not of any great consequence.

I would want the record to show that with respect to H.R. 10 I did not agree, so far as I was concerned, to the suspension on Monday next. As a matter of fact, I did what I could to avoid its being called under suspension. Of course I recognize that this is a matter completely within the prerogative of the Speaker, as to recognizing any Member to move to suspend the rules and pass a bill. Certainly anything I could say I would not want to be interpreted as any criticism of the Speaker in that regard.

However, no rule has been asked for on the bill. If it comes on under suspension, the minority does not have any right even to make a motion to recommit. Under the circumstances, I thought it might have been better to call the bill under a rule, which rule certainly I would have joined in trying to obtain. However, the promise has been made to put it on under suspension on Monday. So, having made that statement, that is the most I can do.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. GROSS. Is Monday a holiday or something? Why should we not have a rollcall vote on Monday?

Mr. McCORMACK. I think the gentleman from Iowa is one of the fairest-minded men that I have met.

Mr. GROSS. Well, now——

Mr. McCORMACK. Wait a minute, now. I am expressing my views, and the gentleman has no control over my thoughts. If they are nice and favorable to my friend, they are my thoughts just the same.

Since Tuesday is St. Patrick's Day, I am sure my friend would not want to have Members who have commitments for that day to go away over the weekend and come back here on Monday and then go back on Tuesday to carry out the comitments which they might have. That is, as I said, a very important day and I am sure that is an observation which will appeal to the fairmindedness of our colleague, the gentleman from Iowa.

Mr. HALLECK. Mr. Speaker, I join with the gentleman from Massachusetts in his statement that it is really a great day, but I will not say it is the greatest day.

If I may add one thing further in connection with what I said about the bill, H.R. 10, I would not want my remarks to be construed by anyone here as anything but an expression of opinion as to procedure—certainly not on my side, because I know a great many Members on both sides of the aisle are very much in favor of the enactment of H.R. 10. What I had to say had to do only with the matter of keeping the record straight with respect to the procedure involved.

## ADJOURNMENT UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## ORANGE COLORING

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 200) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*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. 79) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-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.

Mr. TRIMBLE. Mr. Speaker, House Resolution 200 makes in order the consideration of S. 79, which amends the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges.

The practice of using artificial color to color the skins of fully mature, sound oranges has prevailed in Florida and Texas for many years. Such coloring is necessary because fully mature fruit from those areas in many instances may be greenish and nonuniform in color.

Formerly the coloring material employed was coal tar color FDC red No. 32. In 1955 the Food and Drug Administration developed evidence that this coloring material was not harmless since, under some circumstances and in some quantities, it is capable of causing harm when fed to laboratory animals under properly conducted tests. Because of these findings the Administration caused this color to be removed from the list of colors certifiable for use in foods, which prohibited its use in coloring oranges.

In the 84th Congress legislation was passed, Public Law 672, which provided for the temporary continuation of certification and use of the color previously known as FDC red No. 32 solely for the purpose of coloring skins of oranges, it having been determined that this would involve no known danger to public health. This legislation expressly provided an expiration date of February 28, 1959, or sooner if a harmless substitute were developed. The studies undertaken during that period led to the development of the color known as citrus red No. 2, and we have been assured that the toxicity level of citrus red No. 2 is significantly lower than that of FDC red No. 32, and that in the quantities necessary to color the skin of oranges it is without hazard to man.

It is specifically provided that the provisions of this bill will become inoperative on August 31, 1961, or before that time if general legislation affecting coloring materials for food is enacted by the Congress. The reason for the time limit is that this is emergency legislation which will meet the immediate needs of the citrus industry without permanently engrafting on the basic Food, Drug, and Cosmetic Act a new principle of tolerances for coal tar colors which is not applicable to foods generally. The expiration date has been so fixed as to allow the Congress ample time to consider the application of this principle to all foods. It is the intention of the Committee on Interstate and Foreign Commerce, to which this bill was referred for consideration, to study amendments to the Federal Food, Drug, and Cosmetic Act dealing with color additives generally since the need for such legislation has been amply demonstrated to this committee.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this resolution was unanimously reported by the Committee on Rules. It makes in order the consideration of the bill, S. 79. I support both the rule and the bill. I have no requests for time and yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## AUTHORIZING CONSTRUCTION OF MODERN NAVAL VESSELS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 203) providing for the consideration of H.R. 3293, a bill to authorize the construction of modern naval vessels, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*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. 3293) to authorize the construction of modern naval vessels. After general debate, which shall be confined to the bill, and shall continue not to exceed one 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 five-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.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN]; and pending that, I yield myself such time as I may consume.

Mr. Speaker, this rule was reported unanimously and the bill that will be considered under the rule was also unanimously reported. I know of no opposition to the rule.

Mr. BROWN of Ohio. Mr. Speaker, the minority members of the Committee on Rules supported this rule. I know of no opposition to either the rule or to the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## EXTENSION OF SPECIAL ENLISTMENT PROGRAM

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 204 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*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. 3368) to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended. After general debate, which shall be confined to the bill, and shall continue not to exceed two 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 five-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.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and yield myself such time as I may consume.

The SPEAKER. The gentleman from New York is recognized.

Mr. DELANEY. Mr. Speaker, House Resolution 204 makes in order the consideration of H.R. 3368, to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended. This resolution provides for an open rule and 2 hours of general debate.

The purpose of this bill is to extend until August 1, 1963, the special Reserve component enlistment program provided by section 262, Armed Forces Reserve Act of 1952, as added by section 2(1), Reserve Forces Act of 1955. It is this authority upon which the Department of Defense has established its 6 months' trainee program for individuals between the ages of 17 to 18½. Under present law the authority for this program will expire on August 1, 1959. The Department of Defense has indicated that extension of this authority is considered essential to the maintenance of the strengths and mobilization readiness of the Reserve components.

This amendment to the Armed Forces Reserve Act of 1952 was part of the Reserve Forces Act of 1955, which act had as its primary purpose the development of an efficient and well-trained Ready Reserve Force. Therefore, the authority provided in section 262 of the Armed Forces Reserve Act was not an independently conceived program but an integral part of the effort made by Congress in 1955 to overhaul the Reserve structure with a view toward providing the machinery by which our Reserve Forces could be so organized and trained that in the event of war they would be mobilized quickly and be capable of efficiently augmenting the Active Forces in defending our country.

Since the implementation of section 262 in 1955 nearly 100,000 physically fit and qualified young men have taken advantage of the opportunity offered by this program to satisfy their military obligation to this country.

Extension of this authority will parallel extension of the Universal Military Training and Service Act and assures a continued flow of well-trained young men into the Ready Reserve components of our Armed Forces.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, the minority members of the Rules Committee supported this rule. I know of no opposition on this side to either the rule or the bill.

I yield back the balance of my time.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## USE OF CITRUS RED NO. 2 FOR COLORING ORANGES

Mr. HARRIS. Mr. Speaker, I call up the bill (S. 79) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the second proviso of section 402(c) of the Federal Food, Drug, and Cosmetic Act is amended by striking out "March 1, 1959," and inserting in lieu thereof "May 1, 1959,".

(b) The third proviso of section 402(c) of such Act is amended to read as follows: "*And provided further,* That, without regard to the requirements of sections 406(b) and 701(e), the Secretary shall promptly establish, and may from time to time amend, regulations (1) prescribing the conditions (including quantitative tolerance limitations) under which the coal-tar color known as Citrus Red No. 2 (more particularly to be defined in such regulations) may be safely used in coloring the skins of oranges which are not intended or used for processing (or, if so used, are oranges designated in the trade as 'packinghouse elimination'), and which meet minimum maturity standards established by or under the laws of the States in which the oranges are grown, (2) providing for separately listing such color solely for such use on such oranges, and (3) providing for the certification of batches of such color, with or without harmless diluents, for each restricted use; and such oranges, if colored prior to September 1, 1961, and to the enactment by the Congress (subsequent to the date of enactment of this proviso) of general legislation for the listing and certification of food color additives under safe tolerances, in conformity with this proviso and such regulations, with Citrus Red No. 2 from a batch certified in accordance with such regulations, shall not be deemed to be adulterated within the meaning of this paragraph."

Mr. HARRIS (interrupting the reading). Mr. Speaker, I ask unanimous consent that the bill be considered as read and printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, the purpose of the bill which was passed unanimously by the Senate and reported favorably and unanimously without amendment by the Committee on Interstate and Foreign Commerce is to amend the Federal Food, Drug, and Cosmetic Act to permit the artificial coloring of the skins of oranges with a color known as citrus red No. 2.

Mr. HALEY, our esteemed colleague from Florida, introduced a bill identical with S. 79. Mr. HALEY testified before our committee on this legislation and he made his presentation with the clarity and persuasiveness which is so characteristic of the gentleman.

The practice of using artificial color to color the skins of fully mature, sound oranges has prevailed in Florida and Texas for many years. Such coloring is necessary because fully mature fruit from these areas, in many instances, may be greenish and nonuniform in color.

Formerly, the coloring material employed was FDC red No. 32. In 1955, the Food and Drug Administration developed evidence that red No. 32 was not harmless, and because of these findings the Food and Drug Administration caused the color to be removed from the list of colors certifiable for the use in foods. This removal had the effect of prohibiting its use for the coloring of oranges.

In the 85th Congress legislation was passed—Public Law 672—which provided for the temporary continuation of certification of red No. 32 solely for the purpose of coloring skins of oranges. The Food and Drug Administration found that this practice would involve no known damage to the public health.

The legislation expressly provided for an expiration date of February 28, 1959, or sooner, if a harmless substitute was developed. Citrus red No. 2, which was the substitute developed, has a toxicity level significantly lower than FDC red No. 32.

The bill, S. 79, provides authorization for the listing and certification, under safe tolerances, of citrus red No. 2 solely for the use in coloring mature oranges. The bill provides that each batch of such color employed in the coloring of oranges shall be certified by the Department of Health, Education, and Welfare. Since it will require a period of approximately 60 days for the color citrus red No. 2 to be manufactured, certified, and available to orange packers, the bill further provides that the effective date for the termination of Public Law 672—which authorizes the use of FDC red No. 32—shall be April 30, 1959, instead of February 28, 1959.

Testimony was received by the committee from the Food and Drug Administration that the use of these colors will in nowise be detrimental to the public health.

The legislation is temporary legislation and will become inoperative on August 31, 1961, or before that time if general legislation affecting coloring materials for food is enacted by the Congress. The Food and Drug Administration expects to submit a general bill to the Congress in the near future. It is then the intention of the committee to give consideration to these general amendments to the Federal Food, Drug and Cosmetic Act since the need for such legislation is apparent to the committee.

Mr. Speaker, I ask unanimous consent to insert in the RECORD as part of my remarks a letter from John L. Harvey, deputy commissioner, dated February 26, 1959, and one from Mr. Harvey dated March 3, 1959, together with a summary of toxicity studies on citrus red No. 2.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(The matter referred to follows:)

FEBRUARY 26, 1959.

Hon. JAMES J. DELANEY,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. DELANEY: In accordance with your request by telephone I may say the Department has indicated no objection to the passage of S. 79 as passed by the Senate and I so testified before the full Senate committee and the Committee on Interstate and Foreign Commerce in the House.

This bill would continue a provision making available a coal tar color for application to the skin of oranges but would require a limitation or tolerance for the color to be imposed and restrict the color to this use only. Each orange would be marked "Color Added" as has been heretofore required where oranges are artifically colored. Also, in accordance with the restrictions of long standing, color is applied only to fully mature oranges which fail to color naturally.

This temporary legislation is in effect a substitution of the color citrus red No. 2 for FDC red No. 32 with the added safeguard of a tolerance limitation. The citrus red No. 2 represents significant advantage over red 32, both because it is inherently much less toxic by level of feeding and because it requires only about one-fifth as much of the citrus red No. 2 to effectively color oranges. The bill is not inconsistent with the provisions of the Food, Drug, and Cosmetic Act generally, and as you have noted it is actually designed to be merged in a general color bill which we hope will be passed in the Congress this session.

The expiration date of existing legislation on the red 32 color is February 28—hence the urgent desire on the part of proponents to pass this bill on a consent calendar. If there is further information we can supply, please call me.

Sincerely yours,

JOHN L. HARVEY,
*Deputy Commissioner.*

MARCH 3, 1959.

Hon. JAMES J. DELANEY,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. DELANEY: Further reference is made to S. 79, as amended and passed by the Senate and as favorably reported by the House Committee on Interstate and Foreign Commerce. We are satisfied that the provisions of the bill are such as to fully safeguard the public health. The requirements for certification of each batch of the color and the application of a tolerance are practicable and workable provisions.

The Department will shortly submit a bill generally applicable to the use of colors in foods, drugs, and cosmetics, which will embody the same principles of insuring safety contained in S. 79. These principles have been adopted after very thorough study in an effort to devise the most satisfactory means of dealing with the use of colors so as to insure that they are safe under the conditions of use and to always provide a wide margin of safety.

Considering the present emergency situation which prohibits the coloring of oranges after February 28, 1959, and the expectation that general legislation on colors will provide for the coloring of oranges, we believe that S. 79 should be passed.

Sincerely yours,

JOHN L. HARVEY,
*Deputy Commissioner.*

SUMMARY OF TOXICITY STUDIES ON CITRUS RED No. 2; 2 (1-[2, 5-DIMETHOXYPHENYLAZO]-2-NAPHTHOL

I. Chronic toxicity studies on rats, using pharmacologically accepted procedures, showed that the feeding of 500 parts per million of the dye in the diet for 2 years produced no effect. One thousand parts per million produced only suggestive (questionable) effect. Higher levels produced effect.

II. Chronic toxicity studies on dogs, using pharmacologically accepted procedures, showed that the feeding of about 2,000 parts per million of the dye in the diet for 76 weeks produced no effect. About 8,000 parts per million in the diet for 2 years produced effect.

III. Subcutaneous injection studies and metabolism studies gave no basis for ques-

tioning the safety of lifetime ingestion of small amounts of citrus red No. 2.

IV. There was no indication in any of the experiments that the dye causes cancer.

V. Conclusions:

The dye did not produce any adverse effect when fed to dogs at 2,000 parts per million for 76 weeks, or when fed to rats at 500 parts per million for their lifetime. There was no indication that the dye is carcinogenic.

The level proposed for use of the dye on oranges—1 to 1.5 parts per million—would give the following safety factors: (a) 300- to 500-fold based on rat experiments; (b) 1,300- to 2,000-fold based on dog experiments.

(A 100-fold safety factor would be regarded by competent pharmacologists as adequate where results such as those obtained here are obtained.)

This shows that citrus red No. 2 can be used on oranges at a level of 1 to 1.5 parts per million without hazard to man. Juice or peel from treated oranges, or the whole oranges, would be safe.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Speaker, I have no objection to this bill and I do not know of anyone from California who does, but I would like to point out for the benefit of my friends here in the House that my colleagues from Arizona and California would like to make the point that we in California and Arizona do not find it necessary to use coloring on the oranges grown in those States.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, unfortunately the gentleman from California has expressed in different words my own thoughts. My question was going to be: Would those oranges from Florida and Texas have that natural result that the good sunshine in California gives them and therefore makes California oranges attractive to the American people?

Mr. HARRIS. I would not want to undertake to make a comparison of oranges from Florida or Texas that are colored with the oranges from the gentleman's State.

Mr. HOLIFIELD. I may say all of my colleagues from California are sympathetic with the plight of the orange growers in Texas and Florida, and we have no desire to stand in the way of helping them in any manner we can.

Mr. HARRIS. The point that the gentleman has so well made was made to our committee by another colleague of ours from California.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I want to add my voice to those who have already spoken and say that we do not begrudge this gift to the gentlemen from Florida and Texas. We know full well that the outside of the fruit might look the same as ours, but inside will not compare with ours in any way and there is nothing they can do about it, so we are for this bill.

Mr. HARRIS. May I make this other point seriously, Mr. Speaker, for the information of the House. It is necessary that this temporary legislation be passed because they are now in the harvesting season in Florida. Already some of these plants are being closed down, and within a very few days some 6,000 people will be out of jobs and the American people will be deprived of the kind of oranges they have been accustomed to receiving.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. WIER. Your very report would leave the impression, at least with me, that this stopgap legislation is not yet safe. We are preparing a safe one, it is said. Anyway, I want to say that I am opposed to it. I am opposed to the artificial coloring of foodstuffs that the American people eat.

Mr. HARRIS. The gentleman has a right to express his views. I did not mean to leave the impression that this was in any way unsafe.

Mr. WIER. The gentleman said this is stopgap legislation and until they perfect the formula it might be unsafe.

Mr. HARRIS. No; not this formula. I referred to the overall, broad subject.

Mr. WIER. Are we going to have this on all fruit?

Mr. HARRIS. This only affects oranges.

Mr. WIER. Well, I am still against it.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. DELANEY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I cannot in good conscience support S. 79.

Although tests show that citrus red No. 2 is much less toxic than FDC red 32, which it is designed to replace, it is, nevertheless, toxic. If it were not toxic, the citrus industry would not feel impelled to ask for this legislation.

As you know, the Food, Drug, and Cosmetic Act bars the use of any coal tar dye in food unless it is harmless. Unfortunately, the burden of proof is on the Government and the Food and Drug Administration does not have the facilities to test all of the coal tar dyes now in use. In fact, it has been stated that it would take them 20 years to complete the job, and, meanwhile, the public continues to consume them in food.

However, a number of the dyes that FDA has been able to test have been found toxic, and these have been delisted. Only last month, final action was taken to delist four of them—FDC yellow 1, 2, 3, and 4. Just this week I have learned that tests have revealed that yellow 3 and 4, AB and OB, contain an element which is known to induce cancer in humans. I understand that these dyes have been used in margarine and certain baked goods. Previous to last month's action, FDA had delisted other dyes—among them FDC red 32.

The pasasge of S. 79 would be only a first step to weaken our protection against harmful coal tar dyes. I say that the public needs more protection—not less.

Coal tar dyes are in a special category, and scientists have been suspicious of them for many years. That is why the Congress enacted special provisions relative to them in the Food, Drug, and Cosmetic Act.

When a new coal tar dye is proposed for use, I believe it is time to stop, look, and listen. That is why I stopped, looked, and listened when citrus red No. 2 came along.

Is this dye harmless at the level of use suggested? Well, I have been able to discover that it belongs to a chemical family, two members of which have been found to induce cancer when implanted in the bladders of mice. The first of these compounds induced cancer in 25 percent of the mice tested—the second, in 37.5 percent of the mice. These tests were reported in the British Journal of Cancer, June 1958, volume 12, No. 2, in a paper by D. B. Clayson, J. W. Jull, and G. M. Bonser. I understand that citrus red No. 2 is related, chemically, to the 2 compounds reviewed in this paper.

I do not claim that citrus red No. 2 can cause cancer. A summary of the toxicity studies on the color, which was submitted to me by FDA, states that there was no indication in any of the experiments that the dye causes cancer. However, the tests were feeding tests. Cautious cancer researchers do not accept feeding tests alone as conclusive.

In any event, this bill means taking a calculated risk with the public health. In the case of coal tar dyes, I hold that we are not justified in taking a calculated risk.

Coal tar dyes serve no useful purpose. They do not add any nutritive value to oranges. They do not make oranges any more delicious. Their only use is to add to eye appeal.

If the citrus industry would spend as much money educating consumers to accept undyed oranges as it spends in dyeing them, the public would not be subjected to any risk and, in the long run, the industry would save money and trouble.

Mr. Speaker, I see no good reason for passing this bill, and I see many reasons for defeating it.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. HARRIS. The gentleman did have a letter from the Food and Drug Administration on the subject, did he not?

Mr. DELANEY. Yes; I did.

Mr. HARRIS. That letter did advise the gentleman that this was a safe coloring?

Mr. DELANEY. May I say that I had to write to the Food and Drug Administration and consult with them on three different occasions. Finally, we got a letter that said that the tests showed 100 degrees of safety. They found it was safe, in their opinion; that is, the opinion of the Food and Drug Administration. While they did not sponsor the bill, they did not object to it.

LONG-RANGE SIGNIFICANCE OF THIS LEGISLATION

Mrs. SULLIVAN. Mr. Speaker, I rise in opposition to the pro forma amendment.

I have had, and still have, many reservations about the desirability of this legislation. I wish it were not necessary for us to consider it. I will be sorry to see it become law. Yet I have to acknowledge that every question I have raised to responsible authorities about the possible dangers inherent in the bill has been answered straightforwardly and persuasively.

On the basis of existing scientific knowledge it appears clear that there would be no danger to the consumer in eating oranges colored by citrus red No. 2, even to children sucking an orange through a hole in the skin.

On the other hand, I do not want to let this bill go through the House without raising some points about the long-range significance of this bill's enactment, with the hope that some better method can be devised by our food industry for promoting sales of its varied products than continuously using more and more camouflage to fool the consumer, particularly if the camouflage consists of chemical materials definitely known to be harmful under certain circumstances.

SEARCH FOR "HARMLESS" COLOR WAS FRUITLESS

Mr. Speaker, this is not the first bill brought before us under so-called emergency circumstances to legislate the citrus industry of Florida and Texas out of a difficult situation involving the coloring of their oranges. Several years ago, when it first became known that the coal tar color then being used on oranges—and which will still be used for a little while under this bill—when it became known that this coal tar color designated food, drug, and cosmetic red 32 was not in fact harmless, Congress passed temporary legislation to permit the industry to continue using the color until February 28, 1959.

Congress agreed to that in the expectation that—in the assurance that—a harmless substitute color could be developed in the interval.

The interval has expired, but no suitable and practical harmless color has been discovered to take the place of the old food, drug, and cosmetic red 32 in coloring oranges. The effort was certainly made. But it is clear that coal tar derivatives are no longer providing a reservoir of new artificial colors which can qualify under the Food, Drug, and Cosmetic Act as being harmless.

CITRUS RED NO. 2 NOT HARMLESS, BUT IS LESS TOXIC

Instead, Mr. Speaker, the chemical industry has developed a synthetic color known as citrus red No. 2 as a substitute for the old food, drug, and cosmetic red 32 in coloring oranges. Citrus red No. 2 is not harmless under the terms of the Food, Drug, and Cosmetic Act. But it is said to be substantially less toxic than the old FDC red 32. The Food and Drug Administration is convinced that in the manner in which this color would be used for coloring oranges, and in the quantities which FDA would permit to be used in coloring oranges under the authority of this legislation, citrus red No. 2 would be perfectly safe from the consumer standpoint.

Of course, Mr. Speaker, I can hardly claim to know more, or anywhere near as much, about this as the FDA, so I am certainly not going to challenge their scientific determination as to the relative safety of using this material on oranges, subject to close supervision and control.

But it is worth noting that what we are authorizing is not the use of a harmless material, but of one which is less harmful, less toxic, than the chemical which has long been used for this purpose.

S. 79 TEMPORARY PENDING PASSAGE OF OVERALL COLOR LEGISLATION

As I said, Mr. Speaker, I would much prefer not to see legislation of this kind enacted. I would prefer to see some way found to eliminate the alleged economic necessity for the artificial coloring of foodstuffs with chemicals about whose safety there is even remote doubt and suspicion.

The food additives bill which we enacted last year after many years of effort was a big step toward the solution of a very serious problem involving the use in foodstuffs of hundreds of other chemicals of doubtful safety but the food additives bill did not apply to this specialized field of coal tar derivatives because the coal tar derivatives have been treated for years under our laws with deep suspicion.

This bill is the first step in a process to change that basic attitude toward the coal tar colors. It is a temporary piece of stopgap legislation intended to remain in effect only until Congress enacts overall legislation in the field of artificial coloring of foods, or for no more than 2 years at the outside.

The necessity for such overall legislation, or at least the pressure for it, arises out of the fact that the Food and Drug Administration is being caught in a squeeze between food industry demands, on the one hand, for more and more certified colors to use in or on foods, and the scientific truth, on the other hand, that fewer colors, old or new, are able to pass the test of harmlessness required under the Food, Drug, and Cosmetic Act of 1938.

CONSUMER BLAMED FOR INCREASE IN USE OF ARTIFICIAL COLORS

Presumably it is the public which demands this coloring material in food. If that is so I would say that the food industry makes little effort to talk the consumer out of this so-called fetish for fancy camouflage of the foods we buy. Rather, I would say the food industry deliberately promotes, provokes, and fools the consuming public into buying more and more foods unnecessarily colored with artificial and potentially dangerous chemical substances. I use the word "unnecessary" about this coloring from the standpoint of nutritional value. The coloring is put in only to make the product more attractive.

For instance, we have official word from the Department of Health, Education, and Welfare that synthetic colors, including some of now very doubtful safety are now being used in or on such a wide variety of commodities as butter, margarine, sausage casings, cakes, cookies, pies, bread, processed cheese, spreads, canned and frozen vegetables, confectionery, ice cream, gelatin desserts, puddings, and many, many other items.

The significant thing about this increasing use of coloring matter on or in food is that the old colors long in use and always thought to be completely safe are now being found to be less than completely safe, definitely harmful under certain circumstances, and thus no longer subject to certification and approval under the Food and Drug Act.

So once we enact this law to permit oranges to be colored by a material which is not harmless under that act, we are going to be faced with the necessity of allowing other doubtful colors to be used under similar safeguards.

SAFE TOLERANCES DON'T ALWAYS STAY SAFE

But who is to say that we have enough scientific knowledge to guarantee that the safe tolerances which are now to be set will still be found to be safe as our testing techniques improve? That is not an academic question. We know now that the old Food, Drug, and Cosmetic red No. 32 used for so many years on oranges is more toxic than we thought. It can no longer be used in or on food—it has been redesignated as external red 32 for use only on drugs or cosmetics used externally, although for the next few months it will still be used on oranges, under this bill.

I am reminded, Mr. Speaker, of the announcement made a day or two ago by a committee of experts reporting to the Public Health Service on so-called safe limits of radiation. Just a few years ago, safe tolerances were set for atomic workers at 100 units a year. Later study has proved this was completely unrealistic—the so-called safe limit for atomic workers is now only 5 units a year.

The committee of experts now wonders if this is much too high. The safe level for the general public is set at one-half unit per year. And this may prove to be too high a constant.

The same is true with these coal tar colors. We know they are dangerous—potential killers. We know that in using them in food we are taking a chance. We are assured the level permitted under this bill for use on oranges will be a safe one, but how do we know further research may prove there is no such thing as a safe level of citrus red No. 2?

IS THIS BILL AN ECONOMIC NECESSITY?

Mr. Speaker, I for one am not at all convinced that passage of this legislation now before us is an economic necessity for the survival of the Florida and Texas citrus industries. If that is the case, then the firms involved in that industry—the industry as a whole—have only themselves to blame. They tell us people will not buy their oranges in competition with the naturally colored oranges of California unless the Florida and Texas oranges can be tinted to what is regarded as a natural orange color.

Everyone knows that Florida and Texas oranges are juicier. Why cannot the industry spend some of the money

it devotes to coloring oranges in order to explain to the public that the uncolored, natural orange is not only just as good in taste and flavor and everything else but contains on its skin no doubtful chemicals?

It seems to me the consumer would prefer the natural orange to an orange treated with even minute quantities of a chemical which can, in sufficient quantities, cause serious harm. Yet as far as I know the citrus growers of Florida and Texas have made no effort at all to popularize the uncolored oranges. Instead, they take the adamant position that they must color oranges with coal tar derivatives because the public insists on it.

What the public does not know may, in this instance, be hurting it.

QUESTIONS RAISED ON CITRUS RED NO. 2

I asked the Secretary of Health, Education, and Welfare for a full report on some questions which had occurred to me about this legislation and I have received an excellent and, I will admit, reassuring reply from the Food and Drug Administration. I am placing that exchange of correspondence in the RECORD at the conclusion of my remarks. But I call attention now to these unpleasant facts, which I do not think appear in the hearings of the committee or in the report on this bill. I quote Mr. John L. Harvey, Deputy Commissioner of the Food and Drug Administration, in reply to my question asking at what point these coloring materials become toxic:

The acute effect in toxic doses of red 32—

Mr. Harvey wrote—

is vomiting and diarrhea. Among the chronic effects are growth retardation and anemia. In the rats studied there was liver damage at autopsy. In the case of citrus red No. 2 excessive dosages produce damage to the circulatory system and cause blood seepage with swelling or edema. There was also harm to the liver in the test animals. The safe level for the citrus red No. 2 in the test animals is 500 parts per million and the amount that would be needed in coloring oranges is from 1 to 1½ parts per million. The toxic level of citrus red No. 2 begins at about 1,000 parts per million. Signs become more marked as the quantity fed is increased significantly above this. In the studies on red 32 which led to its delisting, some effects were noted at levels of 100 parts per million in the test animals. The amount of red 32 used in the coloring of oranges was found to be 3 to 5 parts per million.

In other words, Mr. Speaker, the amounts to be used in coloring oranges are infinitesimal compared to the quantities necessary to cause harm. That is the only basis under which we could possibly permit the use of any of these coal-tar derivatives to be used on the skins of oranges which children like to put in their mouth. But I hate to see even such a tiny amount of a poisonous or harmful substance used in or on food, when it is not necessary.

CONSUMER WANTS FACTS

What is the answer, then, to the problem? The citrus industry affected says it absolutely must have the ability to disguise the natural color of its product. Otherwise, it says, people would not buy it.

On behalf of the housewives of our country, I deny any such broad statement as that. Our housewives are not morons—they must be pretty intelligent individuals to buy and shop and budget and maintain a home and keep a family today under present cruelly high prices. They are as a group intensively interested in everything about their homes—and anxious to know more about nutrition and diet and comparative values. Anyone who thinks differently just has not been in the stores watching women shop. I would not say men are less careful shoppers, but I might point out that the supermarkets love to see the husbands come in to do the shopping—and for the benefit of the husbands, incidentally, the stores have a wide variety of impulse-buying luxury items displayed just at eye height on the shelves where the men find it almost impossible to resist buying.

I do not say this in any battle of the sexes over which group constitutes the best shoppers. But I do want to emphasize that women read up on the food values, watch the prices, and look for nutritional items. They are intelligent shoppers.

WHY NOT EDUCATE CONSUMERS?

Certainly our great food industry—the biggest users of advertising in the whole world—could market uncolored oranges very successfully if they would take the time and effort to help educate the public to the advantages of uncolored oranges.

When the citrus growers were before the Supreme Court last year on this question of coloring oranges with coal tar colors no longer considered harmless, I understand Justice Douglas asked why they did not spend some effort to try to market the uncolored oranges so that it would no longer be economically necessary to tint the oranges. He was told the industry had made such an attempt but it did not work. His comment was a good one. He said something to this effect: that the industry was much more willing to spend time and money to litigate, rather than to educate on this issue. The industry lost the litigation, and now it is in here with a plea for us to legislate it out of a difficult situation. Still, as I see it, there is virtually no inclination on the part of the growers to educate the public—the housewife.

DEPARTMENT OF AGRICULTURE SHOULD HELP

I wonder, Mr. Speaker, why our Department of Agriculture, which spends many millions both in research and in educational work to promote purchase by consumers of good foods in ample supply, cannot devote some of its time and effort to promoting the purchase of uncolored oranges. I for one would support whatever appropriation was necessary to enable the Department to explain to housewives that the coloring material in Florda and Texas oranges is unnecessary and, in fact, may someday turn out to have been more harmful than we thought.

It is worth the effort, I think, to guide the consumer to buy the natural foods in preference to those which contain unnecessary colors or other ingredients which add absolutely nothing to their nutritional value or taste or anything else—but which just make them appear to be perhaps more attractive in the store. If the ingredients used are potentially dangerous, even if not harmful in the amount used, I still think we are better off not using these additives.

Once the consumers learn of the dangers involved, I am sure this problem will solve itself. In the meantime, we should tread slowly in the use of potentially dangerous ingredients.

FACTS ON POSSIBLE DANGERS TO CONSUMERS

Mr. Speaker, I mentioned my exchange of correspondence with the Department of Health, Education, and Welfare on this bill, and some of the facts which were brought out in that exchange.

Of great significance to this discussion, too, is the report made by the same Department nearly a year ago on legislation which was introduced in the 85th Congress to set up the kind of safe-tolerance color standards for all foodstuffs which this bill would permit in the case of oranges. As I said, this bill is the temporary expedient until long-range color legislation can be passed. I think many of the things in the Department's report of last year on the long-range color legislation are important to our discussion here today, and so I am including that report also as part of my remarks.

I submit, therefore, in the following order, as part of my remarks, my letter to Secretary Flemming, the reply from the Department of Health, Education, and Welfare containing the memorandum from Mr. Harvey, of the Food and Drug Administration, and then, third, the report of June 27, 1958, from Assistant Secretary Elliott L. Richardson on the whole question of color legislation. I have quoted in my talk today from portions of that report.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., February 12, 1959.*

Dr. ARTHUR S. FLEMMING,
*Secretary, Department of Health, Education, and Welfare, Washington, D.C.*

DEAR MR. SECRETARY: I have just read the Senate debate of Monday on S. 79, the emergency bill to let the Florida and Texas citrus industry use the coal-tar color formerly known as Food, Drug, and Cosmetic red 32 for another 2 months, until May 1, and then to use thereafter the newly developed citrus red 2 until September 1961 for coloring oranges, despite the fact that neither color is harmless under the Food, Drug, and Cosmetic Act.

The fact that the Senate action, both in committee and on the floor, was unanimous, and the further fact that you indicated your Department's approval of the bill as amended along lines you suggested, indicate it will probably be coming before us in the House very shortly, accompanied by a demand for speedy action. I would therefore appreciate your comments on some thoughts which occur to me about this measure.

I read your report on the bill with mixed feelings. The changes you suggested in the legislation were certainly improvements, but I wonder if the emergency is really so serious to the industry as your report seems to indicate. Several stores, I notice, have anticipated the deadline of February 28 for the use of the old red 32 on oranges by putting up signs saying they will handle only uncolored oranges until a safe color is developed. Has anyone made any study to

show whether consumers actually refuse to buy uncolored oranges if they are aware of the facts about the coloring material used? Is the industry or the Department of Agriculture making any effort to promote the sale of uncolored oranges in view of the toxicity of any coloring which would be used to camouflage the true color?

While I know that you did not write the Senate committees' report on the bill, undoubtedly the facts therein were based to a large extent on your report and the testimony of your experts. Therefore, I wonder if you could explain the contradiction between the statement in your report, on the one hand, that the Florida and Texas citrus growers face an emergency because of consumer resistance to uncolored oranges, making artificial coloring an economic necessity, and the statement in the committee report on the other hand that the coloring of oranges will not raise their price "inasmuch as the competition between colored and uncolored oranges would have the effect of precluding passing on the cost of coloring to the consumer"?

More important than these questions involving the degree of economic necessity behind this legislation are several others which keep occurring to me: if the old red 32 and the new red 2 are not toxic in the manner in which they are used in coloring oranges, why would the coloring matter not be permitted on oranges which are intended for processing? What percentages of these colors would be toxic, and what percentages are now in use or to be permitted under this legislation? What are the reactions to toxic quantities of either color? Will a child sucking an orange through a hole in the skin—and nearly every child loves to do that—be in danger of ingesting any harmful quantity of this coloring matter?

I would very much appreciate the considered judgment of your experts on these questions. If there is absolutely no danger whatsoever to anyone as a result of the use of these coal-tar colors on oranges, that is one thing; but if there is even a remote but possible danger of harm, then I don't think we should rush into bad legislation under the spur of an imagined economic crisis.

With best wishes, I am,

Sincerely yours,

LEONOR K. (MRS. JOHN B.) SULLIVAN,
*Member of Congress, Third District of Missouri.*

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THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
*Washington, February 23, 1959.*

Hon. LEONOR K. SULLIVAN,
*House of Representatives,*
*Washington, D.C.*

DEAR MRS. SULLIVAN: Replying to your letter of February 12 regarding the newly developed color citrus red No. 2, enclosed herewith is a memorandum which was furnished me by the Food and Drug Administration.

I hope that this covers the questions which you have; and if we can be of further service, please let us know.

Sincerely yours,

ARTHUR S. FLEMMING,
*Secretary.*

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FOOD AND DRUG ADMINISTRATION,
*February 21, 1959.*

Hon. ARTHUR S. FLEMMING,
*Secretary, Department of Health, Education, and Welfare.*

JOHN L. HARVEY,
*Deputy Commissioner,*
*Food and Drug Administration.*

USE OF CITRUS RED 2 FOR COLORING ORANGES

Very complete toxicity studies were conducted by a manufacturer of citrus red 2 and reported to us for study some months ago. These studies show that while the color can produce harm when fed to test animals in sufficient dosage, the feeding level at which harm is produced is so much greater than the level of use required for coloring oranges that the dye can be employed commercially without any hazard to the consumer. Thus, we are assured that the coloring with citrus red 2, which we would sanction if the proposed legislation were enacted, would not even harm the child who sucks an orange through a hole in the skin.

It has been our policy in administering the pesticide chemicals amendment and will be our policy in administering the food additives amendment to the Food, Drug, and Cosmetic Act not to allow more chemical in food than is reasonably required to accomplish the intended purpose, even though a higher concentration would appear to be safe, based on animal toxicity studies. We believe the same policy should apply with respect to the color for use on oranges. Oranges intended for processing do not need to be colored.

The statement in the Senate committee report that the coloring of oranges will not raise their price, "inasmuch as competition between colored and uncolored oranges would have the effect of precluding passing on the cost of coloring to the consumer," was not based on our testimony. However, we understand that it is based on the fact that California oranges and at least some of the oranges grown in other parts of the country do not acquire a greenish tint after ripening and are not artificially colored. The oranges that may acquire a green tint after ripening and are artificially colored would have to meet the competition from the uncolored oranges.

We do not know of studies conducted to show whether consumers refuse to buy uncolored oranges if they have a choice of uncolored and colored variety. We have been assured, however, by people who are well acquainted with conditions in the citrus-growing regions that consumers do not care to have oranges with green streaks or a slightly green cast at one end if they are able to buy fruit which is uniformly orange in color.

The acute effect in toxic doses of red 32 is vomiting and diarrhea. Among the chronic effects are growth retardation and anemia. In the rats studied there was liver damage at autopsy. In the case of citrus red No. 2, excessive dosages produce damage to the circulatory system and cause blood seepage with swelling or edema. There was also harm to the liver in the test animals. The safe level for the citrus red No. 2 in the test animals is 500 parts per million, and the amount that would be needed in coloring oranges is from 1 to 1½ parts per million. The toxic level of citrus red No. 2 begins at about 1,000 parts per million. Signs become more marked as the quantity fed is increased significantly above this. In the studies on red 32 which lead to its delisting, some effects were noted at levels of 100 parts per million in the test animals. The amount of red 32 used in the coloring of oranges was found to be 3 to 5 parts per million.

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DEPARTMENT OF HEALTH,
*Education, and Welfare.*
*Washington, D.C., June 27, 1958.*

Hon. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in response to your request for a report on H.R. 8945, a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food, drugs, and cosmetics of color additives which have not been determined suitable and harmless for such use.

The bill would, through substantial changes in the Federal Food, Drug, and Cosmetic Act, broaden and make flexible the Secretary's authority relating to the regulation and certification of colors for safe use in or on foods, drugs, and cosmetics.

I. COMPANION OF EXISTING LAW AND THE BILL

1. Scope of coverage: The provisions of existing law relating to the listing and certification of colors are limited to so-called coal-tar colors. The term "coal-tar color," however, has been interpreted to apply, generally, not only to dyes which are coal-tar derivatives, but also to synthetic dyes so related in their chemical structure to a coal-tar constituent as to be capable of derivation therefrom even when not actually so derived. The present bill would embrace all color additives, whether or not synthesized and whether or not capable of derivation from a coal-tar constituent.

2. Restrictions as to use of toxic colors—exemptions from certification requirement: The present law, more fully explained below, simply requires the Secretary to promulgate regulations providing for "the listing" of coal-tar colors harmless and suitable for use in food, or in drugs or cosmetics, and providing for the certification of batches of such colors, with or without harmless diluents (secs. 406(b), 504, 604). A food, drug, or cosmetic (other than a hair dye) is deemed to be adulterated if it bears or contains a coal-tar color other than one from such a certified batch (secs. 402(c), 501(4), 601(e)).

The bill (1) would require separate listing of color additives which are suitable for use in food, drugs, and cosmetics, and which are harmless under the conditions of use specified in such listing; (2) would expressly authorize the Secretary to establish maximum tolerance for the use of any listed color additive in or on different foods, drugs, or cosmetics; and (3) would require not only that the regulations provide for the certification of listed color additives, with or without diluents [but also] for the exemption from certification of color additives the certification of which is not necessary to protect the public health. The above-mentioned provisions of the present act relating to adulteration would be changed to correspond with these changes.

As we interpret the bill, the Secretary would, among other things, not only be authorized to establish tolerances for toxic color additives and to limit the manner of their use—e.g., to external use—in or on different foods (or drugs or cosmetics), but could permit the use of a color for one food, drug, or cosmetic and exclude it altogether from others. Thus, on the basis of the data before him, the Secretary might decide to list a color additive as harmless for use on the skin of mature oranges—subject to a tolerance if he thinks it necessary—and bar it for any other use.

The bill would not affect the temporary proviso to section 402(c), enacted by Public Law 672, 84th Congress, with respect to the coloring of oranges. It also would leave intact the present provisions of the act which establish the procedures (including hearing and judicial review) for the issuance, amendment, or repeal of regulations on colors, and would, as at present, provide for fees to maintain the listing and certification service (secs. 701(e)-(g); 706).

Under present law, as we read it, we do not have the kind of latitude afforded by this bill. We can, in our view, list a color as harmless for use in food, in drugs, or in cosmetics only where there is no possibility of adverse physiological effect on the consumer from its use, regardless of the concentration or manner, or the number of commodities, or (except as noted below) the kinds of commodities, in which the food, drug, or cosmetic manufacturer might choose to employ the color. Thus, if laboratory tests show a color to have any toxic effect

when ingested, we cannot list it as harmless for any use in which there is a possibility that some amount of the color, however minute, might be ingested by the consumer or come into contact with mucous membrane, though we can and do list such a color for a use (particularly in drugs or cosmetics intended only for external application to the body) which involves no possibility of its ingestion and where the color, regardless of amount or concentration used, is harmless for such noninternal use.

Our interpretation, recently challenged in the courts, is now in litigation. In one case, our action in "delisting" three coal-tar colors was sustained by the Court of Appeals for the Second Circuit on the basis of a record which demonstrated the toxicity of these colors. The court—without deciding whether we had basic authority to fix safe tolerances for toxic coal-tar colors—held that we could not be required to do so because (a) on the record, there was no showing of what (if any) level of use of the delisted colors would be harmless, (b) the Secretary should in no event be required by a court to permit the use of toxic colors "without the clearest and most uncompromising evidence that usage at certain levels was absolutely safe" in the light of the consumer's total diet, and (c) the court could see no possibility of limiting the consumer's actual intake of such colors (if permitted) to the consumption level estimated in setting a tolerance (*Certified Color Industry Committee* v. *Secretary of Health, Education, and Welfare*, 256 F. 2d 866 (1956)).

In another case, however—which involved the same "delisting" action and hearing record, though the petitioners were concerned only with the use of one of the delisted dyes in coloring oranges—the Court of Appeals for the Fifth Circuit decided that we had authority, in the listing and certification of colors, to differentiate between one food and another and one food use and another, and that in the case of food we were required to determine and establish safe tolerances for a particular food use—in this case, coloring of the skins of oranges—where the marketability of the food would otherwise be seriously prejudiced and an important segment of the industry depended upon the marketing of the colored commodity. The holding as to our tolerance authority and duty was bottomed on the view that in such a case the addition of color was "required in the production" of the food within the meaning of section 406(a) of the act, which provides that a poisonous or deleterious food additive shall be deemed to be unsafe unless "required in the production" of the food or unavoidable by good manufacturing practice and that, if it is so required or unavoidable, the Secretary shall establish safe tolerances therefor (*Florida Citrus Exchange* v. *Folsom*, 246 F. 2d 850 (1957)). This case is now pending for review in the Supreme Court.

3. Effective date and grandfather clause: The bill would become effective 6 months after the date of enactment. However, any color additive in use immediately prior to the date of enactment "in accordance with a sanction or approval previously granted" would be deemed to have been listed as suitable for use at the levels of use prevailing when the bill was enacted unless and until such presumed listing is "modified" by the Secretary.

II. COMMENT

We believe that, while the bill should be modified in certain substantive and technical respects, the concepts of the permanent provisions of the bill (as distinguished from the grandfather clause) are basically sound in view of (a) the inflexibility of the present law; (b) the resulting threat to the continued availability of color additives suitable for use in (or on) foods, drugs, and cosmetics in which they have long been used; (c) the fact that scientific procedures are available for determining whether such color additives may be safely used and, if so, in which commodities and under what conditions (including tolerance limitations); and (d) the anomaly of the present law in establishing different ground rules as between so-called coal-tar colors and other additives. It seems desirable to set forth the reasons for these conclusions.

1. The problem: The use of synthetic or other substances in food, drugs, and cosmetics for the purpose of imparting an attractive or distinguishing color to the commodity or, in the case of certain cosmetics, for the purpose of enhancing the appearance of the human body through added color, has long been established and is growing. It is widely accepted, and in many cases consciously demanded, by the consuming public. In the case of food, for example, synthetic color subject to listing and certification under the act is used in (or on) a wide range of commodities, including butter, margarine, oranges, sausage casings, cakes, cookies, pies, bread, processed cheese, spreads, canned and frozen vegetables, confectionery, ice cream, gelatin desserts, puddings, soft drinks, condiments, soups, pickles, prepared dishes, etc. Many housewives also purchase certified color directly and use it in their kitchen in making cakes, icings, desserts, and milk drinks, canning fruit, etc. And before the special tax on colored margarine was repealed, housewives often purchased the color separately and went to the trouble of mixing it with uncolored margarine. The Food and Drug Administration, in the fiscal year 1957, certified 1,581,000 pounds of primary colors listed as suitable and harmless for use in food, a quantity sufficient to color over 1 billion pounds of food. Color has come to be an economic necessity in the marketing of a variety of foods and other commodities covered by the act.

This development has, for more than half a century—i.e., since the enactment of the Pure Food and Drugs Act of 1906—taken place in the shelter of a national policy of allowing the use of synthetic colors, subject only to safeguards considered necessary to protect the public health and prevent deception of consumers. The provisions of the present act (enacted in 1938), prohibiting the use of so-called coal-tar colors other than harmless certified colors, were designed to give legislative sanction to, and to extend to drugs and cosmetics, a longstanding administrative practice in certifying "harmless" colors for food. While the congressional committees recognized that most so-called coal-tar colors were toxic—which was the reason for singling them out for special control—it was thought—and this is the central premise of these provisions—that an adequate supply of harmless ones, i.e., those demonstrated to be without adverse physiological action, had been developed under this administrative practice and, presumably, would continue to be developed as needed; hence, the stringency of the law as we read it (S. Rept. No. 361, 74th Cong. See also H. Rept. No. 2139, 75th Cong.). However, present-day scientific methods are providing this premise to have been largely illusory.

Within the past few years, new scientific testing methods have shown that some of the coal-tar colors which were permitted in food because earlier testing showed that they were harmless, are capable of causing harm when ingested. Three of these, as above mentioned, have therefore been removed from the list of permitted food colors and have been transferred to the list restricted to use in externally applied drugs and cosmetics, and proceedings have been commenced to remove four more, including a yellow color commonly used in margarine. These tests, conducted with a view to determining whether the colors are themselves harmless, were not aimed at determining, and hence were not adequate to show, whether we could establish for such colors safe levels of use in or on particular foods, drugs, or cosmetics, and, if so, whether their actual use exceeded those levels. As these modern tests are applied to other colors, it is not unlikely that more and more of them will be found to be toxic and thus will have to be removed from the list.

The process could eventually pose a serious threat to established coloring practices in the food, drug, and cosmetic fields. The threat is already present in the case of food colors. There were only 19 primary coal-tar colors listed for food use when the delisting process began. These have now been reduced to 16 (subject to the use on oranges permitted under court order and under temporary legislation) and would be reduced to 12 if the present proceedings on 4 other colors should end in delisting. While acceptable substitute mixtures of still listed primary colors have been developed for most (not all) food uses in which the three delisted colors were employed, substitution will obviously become more and more difficult as additional primary colors are taken off the list. Nor has it been found technically feasible, in most of these cases, to develop satisfactory non-coal-tar color substitutes.

In this situation, a legislative reexamination of the entire subject of color additives for use in the food, drug, and cosmetic supply of the country is indicated, and we should, in our view, be given new and clear statutory directives as to national policy in this field and as to our duty in carrying out that policy.

The process of judicial interpretation, even if it were finally to establish that we can or must fix tolerances for toxic colors, is not likely to lend itself in this instance to the establishment of the kind of rational scheme—with appropriate controls and with criteria for allocating the aggregate tolerance for a color among different commodities where necessary—which, we believe, would be necessary if coal-tar colors or other color additives were to be admitted to the food, drug, and cosmetic supply under tolerances established by this Department. In this connection, it should also be noted that the decision of the Court of Appeals for the Fifth Circuit in the orange color case is based on a provision of the act relating to food additives (sec. 406(a)) which has no counterpart in the drug and cosmetic provisions of the act. Moreover, legislation can also relieve, through suitable transitional provisions, the special consumer protection problem caused by the fact at the present rate of testing in the Food and Drug Administration's laboratories it would take many years to complete the task of reexamining the toxicity of all coal-tar colors now on the list. (See the discussion, below, of the grandfather clause of the bill.)

2. Basic approach of bill: The question, then, as we see it, is not so much whether the law should be changed, but, rather, what changes should be made so as, on the one hand, to avoid upsetting needlessly the established coloring practices and, on the other hand, to protect fully the public health and the consumer's interest in honesty and fair dealing.

(a) Scope of coverage: We do not believe that the present distinction between coal tar colors, so-called, and other color additives, whether synthetic or extracted from natural sources, is sound. The assumption that a color additive is necessarily safe when extracted from a plant, or when synthesized with a chemical structure which will not bring it under the term "coal-tar color," whereas a so-called coal tar color is safe only when subjected to special restrictions, is not scientifically tenable. We, therefore, believe that the same ground rules should apply to non-coal-tar color additives for food,

drugs, and cosmetics as are applied to coal-tar colors. In this respect the bill is therefore soundly conceived. (Pending enactment of color-additive legislation, food additives which are non-coal-tar colors should, of course, continue to be included in the proposed food additive legislation. See H.R. 6747.)

(b) Tolerances and other specifications of conditions of use of colors: There are few substances which are wholly inert and without any physiological effect, beneficial or harmful, when ingested by man or animal even in normal quantity. To the toxicologist, moreover, harmlessness in the abstract is an unrealistic concept, for it is one of the cardinal principles of toxicology that every substance has a toxic dose, though that dose may in actual practice never be reached. This, of course, does not mean that public health protection requires a tolerance limitation for every substance added to food. And it may well be true that certain color additives have such properties, or are suitable and intended for use in such limited circumstances, that it would be entirely safe to list them for use without quantitative restraint, at least for given uses, without establishment of a tolerance. In such cases we should be authorized to admit such colors for use without being required to establish a tolerance, though we would wish to be able to prescribe other conditions of use.

We are satisfied, however, that many color additives, though useful and presumably capable of safe use at given levels, are sufficiently toxic to give no assurance of safety in actual use in the absence of a governing tolerances limitation, since in the case of such colors individual food processors might otherwise, out of ignorance or carelessness, exceed the safe limit. This is true of all the colors we have delisted, or have so far proposed to delist, for food use. And the more toxic the color, the more this is true. As already indicated, we are likewise satisfied that, unless such colors are admitted under safe tolerances, the adequacy of the supply for continuation of established coloring practices will be in jeopardy. In this setting, a committee of recognized scientists, appointed by the National Academy of Sciences to review the coal tar color research program of the Food and Drug Administration, said in 1956: "This committee feels compelled to indicate that certification of a compound as 'harmless and suitable for use' in food, drug, and cosmetics, as required under present law, is unrealistic, unless the level of use is specified." It is not unreasonable to suppose that if Congress, when enacting the present act, had been aware that it was acting on a false premise in assuming that the color sections of the act were sufficient to assure an adequate supply of safe color, it would have permitted the establishment of tolerances under proper safeguards.

We are, therefore, in accord with the proposal that we be permitted to admit colors for use under appropriate tolerance and other prescribed conditions of use in specified foods, drugs, and cosmetics. In this connection, it will be recalled that, in our proposal on protesting of food additives (H.R. 6747), we conceded the desirability of permitting per se toxic additives in the food supply under safe tolerances if they have functional value, instead of limiting such additives to situations where they are required in production or are unavoidable by good manufacturing practice. In using the term "functional value," we did not intend to exclude nondeceptive additives designed for eye appeal, any more than additives intended for gustatory appeal.

(c) Certification of colors—Exemptions: While providing for certification of batches of color, as in the case of existing law, the bill would permit us to grant exemptions where certification is not necessary to protect the public health. The present requirement of certification for coal-tar colors is intended to assure food processors and housewives that the color is free from toxic impurities and otherwise complies with regulations defining the color's identity. We believe that power to exempt colors from the certification requirement is desirable, especially if the coverage of the law is broadened to include all types of color additives.

III. PRINCIPAL RECOMMENDATIONS FOR IMPROVEMENT OF BILL

While, as above shown, we agree in principle with the concepts embodied in the permanent provisions of the bill, we believe that the bill is in need of material revision in a number of respects.

1. Grandfather clause: (a) Listed colors: This provision of the bill (sec. 11(b)), while not altogether clear, would apparently have the effect of exempting from the bill preexisting uses and levels of use of coal-tar colors which are on the approved list at the time of enactment of the bill, until the Department has been able to do the necessary scientific work to establish tolerances and properly list them. The Food and Drug Administration estimates that completion of its present retesting work on all listed coal-tar colors at the current rate of testing in its laboratories would take about 25 years, even though these tests are not conducted with a view to the establishment of tolerances. Evaluation of the listed food colors alone, on which considerable work has already been done and which are relatively few in number, is expected to take at least 7 to 8 years at the current rate. Tests adequate for determining the precise toxicity of all these colors with a view to the establishment of tolerances would, of course, take as long or longer.

We, therefore, believe that in its present form this provision is not compatible with adequate protection of the public health. Industry, we believe, should at least share the task of retesting, thereby greatly accelerating its completion. We would therefore recommend that the bill be modified so as to require all the colors now on the permitted list to be reexamined and, unless existing data establish their toxicity in a reliable way, retested within a reasonable period of time by industry to establish satisfactory proof of the precise toxic potential of each color, so that the levels at which the colors may safely be used in food, drugs, or cosmetics can be set. Our food additives bill (H.R. 6747) could furnish a guide for what is a reasonable period.

Moreover, in view of the many uses for which listed colors are now employed, the probable toxicity of many of them, and the long time required for adequate retesting by the Food and Drug Administration at its present rate, enactment of the grandfather clause in its present form would, for many years to come, so devitalize the health protective aspects of the permanent provisions of the bill as to cast serious doubt on the acceptability of the bill as a whole, even if the bill were otherwise modified in accordance with our recommendations. Our suggestion for modification of the grandfather clause should, therefore, be considered as integrally and inseparably related to our position on the bill as a whole.

(b) Other color additives already in use: With respect to color additives which are not coal-tar colors, and which were in commercial use prior to January 1, 1958, we likewise suggest that a reasonable period be allowed for compliance with the bill. Such period, we believe, should follow the one contained in the grandfather clause of H.R. 6747, less any part of the period already elapsed under H.R. 6747 in the event of its prior enactment.

2. Related substances: The bill should be clarified by granting the Department specific authority in listing and setting a tolerance for a color to consider the additive effect of chemically or pharmacologically related substances in the diet.

3. Antideception provision: Added color, especially in the case of food, often lends itself to deception. The bill should expressly forbid the listing of a color for a use which will promote deception of the consumer or violate any provision of the basic act. In the case of new uses, the burden should be on the applicant for listing to satisfy the Secretary that it will not promote deception.

4. Barring violative colors from commerce—Verification of distribution: In order to facilitate enforcement, we believe that the bill should be amended so as to make contraband any color additive which is marketed in interstate commerce for use in food or drugs, or for use in or as a cosmetic, if such color additive is not listed or certified (when required) for such use, or if, in the case of a listed color additive, such additive or its packaging or labeling is not in conformity with requirements of the applicable regulation. It seems desirable to authorize the Secretary expressly to establish such packaging and labeling requirements instead of leaving this to implication. Also, we believe that the requirement, now contained in regulations, that color manufacturers maintain and afford access to records of disposal of listed colors should be expressly provided for by the bill.

5. Allocation of aggregate tolerance to one or more commodities: The bill, as we interpret it, authorizes the Secretary to decide which foods, drugs, or cosmetics may bear a color and in what amounts. A situation may arise whereby the entire safe tolerance of a particular color is used in one type of food. This would exclude its use on all other types of food until the former use has been delisted. Conceivably this could cause considerable difficulty. In the case of drugs and cosmetics, the bill lays down no criteria to guide the Secretary on how to allocate the supply of a color as between one commodity and others for which it is suitable and desired. Even in the case of food, the bill is not clear. It states that the Secretary may provide for different tolerances for the same color additive in or on different foods, "depending upon the relative importance of each color additive to the several foods in which it is used and the relative significance of those several foods in the human diet." We hope that the hearings will elucidate the intent of this phrase and, perhaps, develop specifications which will be less difficult to apply. Moreover, we hope that, at least in general, the allocation of a limited tolerance as between two or more color uses originating after enactment of the bill, or as between a use antedating the bill and a subsequently proposed use, can be based on a first-come, first-served basis.

6. Other improvements: In order to expedite this report, we are not commenting at this time upon a number of other revisions, of a subordinate or purely technical character, which we believe to be desirable. Such comment will be submitted at a later stage if desired.

IV. COST

Enactment of the bill would require a material expansion of enforcement and educational activity on colors to afford consumer protection equivalent to that available today. While the cost of the listing and certification service would be defrayed out of fees (sec. 10 of the bill) as at present, the cost of enforcement and education activities would necessarily have to come from appropriations out of general revenues. This additional cost is estimated, for the first year, to be about $825,000.

Under the present certification system, the food and drug inspector need only determine that the colors being used in a food plant are certified, in order to assure himself that the law is being complied with. If

known poisonous colors are used with tolerance limitations, he will have to determine not only whether the color is certified, but also the level at which it is employed, a determination which will have to be checked by periodic laboratory examination of samples of foods, drugs, and cosmetics. According to our best estimates, a minimum control at the Federal level under the tolerance-setting procedure would require approximately 75 additional employees (50 inspectors and 25 analysts).

V. CONCLUSION

To summarize: While we cannot support the bill, and especially the grandfather clause, in its present form, we favor the basic principles of the bill and would favor its enactment if modified along the above-suggested lines. We should be glad to submit such technical and other assistance to that end as the committee may desire.

The Bureau of the Budget, while perceiving no objection to the submission of this report, advises that, in the event of enactment of the bill, the level of appropriations to be requested in the President's budget would be determined in the light of broad budgetary and program considerations then prevailing.

Sincerely yours,

ELLIOTT L. RICHARDSON,
*Assistant Secretary.*

Mr. KING of Utah. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I raise my voice at this time in unalterable and violent objection to the passage of this bill. I feel that it is one more example of the authorization of corruptive additives to our food, which has become the fad, today, but which I believe is dangerous in the extreme. I believe that if the members of the American public who will be buying these oranges were informed of the fact that these oranges have been artificially colored with coal tar products they would unite en masse here to object to the passage of this bill.

I realize, Mr. Speaker, that this bill calls only for the coating of the outer peel of the orange, and I suppose it will be argued that these materials do not reach the inner orange, and that they are not consumed. That, however, is not true. There are many people today who feel, and I think with reason, and I believe supported by scientific evidence, that the peel of the orange is also a source of great nourishment, and particularly of vitamins. I know of several nutrition textbooks myself which advocate the use of orange peels, grated and simmered over a fire, the liquor or the juice to be poured off and consumed as an aid in the cure of many diseases.

There are many people who consume the orange peels in that manner. Children, of course, suck on oranges. Millions of people make or consume marmalade made with orange peels. So coal tar products are taken into the system. Notwithstanding the fact that it has been reported that there is no evidence that this particular coal tar formula is damaging to the system, the fact still remains that no one on this earth can state absolutely and authoritatively that coal tar products will not cause damage to the human system. We are traveling here in the realm of the unknown. This is a dangerous thing. Now, at a day when we are witnessing 35,000 deaths every year from lung cancer alone, and alarming death rates from cancer in other parts of the body, it would seem to me the better part of wisdom that we eliminate all artificial and synthetic additives until more evidence is available. For that reason, I earnestly urge the Members of this House to reject this bill.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman from Florida.

Mr. HALEY. The gentleman said just a moment ago that if people knew these oranges were colored they would not buy them. Every orange is plainly stamped "color added."

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman from Iowa.

Mr. WOLF. I should like to associate myself with the gentleman's remarks and thank him, and congratulate him on his statement.

Mr. HARRIS. Mr. Speaker, I move to strike out the last word, in order that the RECORD may be perfectly clear that the Food and Drug Administration has thoroughly tested this formula and that it is thoroughly safe.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. PUCINSKI. I understood earlier from the remarks of the Pure Food and Drug Administration that they had approved an earlier dye only to reverse itself a couple of years later; is that correct?

Mr. HARRIS. No; that is not my understanding that they had approved it. They had investigated it over a period of time and while they did not hold that that particular formula was unsafe, they held that it was harmless when used to color the outside of oranges. They held that the new color is safer and, therefore, recommend it.

Mr. PUCINSKI. But is there any assurance then that they may not reverse themselves on this again?

Mr. HARRIS. They are coming up with general legislation on color additives which they say in this letter they are going to recommend to the Congress.

Mr. DELANEY. Mr. Speaker, will the gentleman yield in order to clarify one point?

Mr. HARRIS. I yield.

Mr. DELANEY. Under the 1938 Food and Drug Act, no minimum tolerance was created for coal tar dyes. There was an absolute prohibition and zero tolerance is in order. However, the Food and Drug Administration did establish a tolerance which was appealed to the United States Supreme Court and the decision came down last December sustaining the contention that no minimum tolerance would be permitted.

Mr. HARRIS. I appreciate the gentleman's statement clarifying that point.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. VANIK. Mr. Speaker, I want to take this opportunity to express my opposition to this legislation to permit the temporary certification of citrus red No. 2 for coloring oranges. The purpose of this legislation is to make the fruit more attractive and salable by the use of artificial coloring.

Although the proposed coloring is alleged to be less harmful than a previously authorized coloring, it obviously does not meet the requirements of the Food and Drug Act. This legislation very cleverly shifts to the Congress of the United States any responsibility for error in judgment. It also has the effect of relieving the industry from any legal responsibilities if the coloring substance should subsequently prove to be harmful. The acceptance of this legislation will delay the development of coloring substances which can meet the requirements of the Food and Drug Act.

I believe the American people are capable of learning the use of uncolored oranges—particularly if they are made available at an attractive price. The industry can pass on to the consumer the savings in color and the high cost of color application. The vitamin-starved population should have an opportunity to purchase uncolored, lower-priced fruit.

An orange by any other color would be just as sweet—just as nourishing, and just as marketable.

At the present time and under existing official and unofficial controls, the citrus industry is doing very well. The price of citrus concentrates has continued at high levels invoked by artificial controls in marketing and processing. This artificial manipulation of concentrate pricing is every bit as wrong and as harmful as artificial coloring.

I hope this legislation is defeated.

Mr. WIER. Mr. Speaker, I will refrain, of course, from pursuing a policy of asking for a rollcall. I know that many have left and I do not want to leave anybody minus their right. I do hope at least, since I am going to oppose this bill, I want the RECORD to show my opposition to it and I do hope that a sufficient number here at least will answer and vote "Yes" or "No."

Mr. ROGERS of Florida. Mr. Speaker, I am in favor of this legislation which has been sponsored by my colleague, Hon. JAMES HALEY, of Florida.

F.D. & C. red No. 32, which is being continued under this bill for a period of 60 days until a new color can be certified, has been in use since before the passage of the Food and Drug Act in 1938. After complete hearings it was certified as harmless and suitable for use in foods in 1939 and more than 300 million boxes of color-added fruit have been shipped from Florida and large numbers from Texas without any complaint or claim of harm. A high percentage of the oranges shipped from both of these States is colored with this color. In one or more years in Texas 100 percent of fruit was so colored.

The new color leaves less residue and has a high level of use and is estimated to have 50 times the safety factor of the other color. This bill is intended to be only temporary legislation pending the adoption of the general color legislation

and the Department of Health, Education, and Welfare approved substantially the same feature in the general legislation in its approval of the Curtis bill. The Department favors this bill. As a matter of fact, this bill was carefully worked out by the Department and the industry so as not to disrupt the industry and at the same time protect the public safety.

No one claims that the present color is harmful as used in the coloring of oranges. The claim is that at high levels it would be harmful in other foods.

On February 28, 1955, the Commissioner of Food and Drugs wrote letters to Senator HOLLAND, Senator SMATHERS, and Representative HALEY in which he stated:

> There is, however, no evidence that, in the amounts used, and in the manner of use, in the coloring of citrus fruit, the product so colored is not safe for human consumption.

These letters were under the seal of the Department. I enclose for your information a copy of the letter to Congressman HALEY.

The Secretary of Health, Education, and Welfare in his report on H.R. 7732, 84th Congress, 1st session, stated that "the evidence so far available does not establish a likelihood of injury to man," and so forth.

Dr. Larrick, the Commissioner of the Food and Drug Administration, testified to substantially the same thing. No one actually claims that it is harmful as used in the coloring of oranges. The circuit court of appeals and even the Supreme Court of the United States so pointed out. The Supreme Court in the case of Flemming against Florida Citrus Exchange, and others, handed down on December 15, 1958, pointed out that the record does not show that it is harmful as used in the coloring of oranges and "it is conceded by the Secretary that there is no evidence that the level of ingestion of red No. 32 involved in human consumption of color-added oranges is harmful."

Nearly a quarter of a million dollars has been spent in developing a new color as contemplated by the special act of 1956 and this bill would allow the Secretary to certify such color with proper tolerances.

The color is on the outside and is an oil soluble color which does not even penetrate the white or rag of the orange. The tests show that with red No. 32 a person would have to drink 5,000 gallons of juice per day or eat at least 250 oranges, peeling and all, per day to show harm. Of course, the ordinary food products at such levels would be harmful. I have furnished Congressman HALEY with a detailed analysis made by Dr. Gerwe if this should be needed.

WHY THE NEED FOR COLOR?

The orange is one of the very few fruits which has blossoms, small fruit and fully mature fruit on the tree at the same time. In the fall until the cool days come a fully ripe and mature fruit may be green on the outside; when cool weather comes the late variety of orange may have a rich color on the outside and not be fully mature inside. Later in the spring when the chlorophyll—green color—rises in the tree it goes into the leaves and new fruit and likewise goes into the mature and ripe fruit "regreening it," causing it to be green on the outside although it is fully mature and by reason of this it is impossible to sell unless it is colored.

The Department of Agriculture, even when the Food and Drug Administration was within its department, recognized and encouraged the coloring and the Congress has recognized that it is an economic necessity and the Court of Appeals of the Fifth Circuit likewise recognized it. For your convenience I attach excerpts of certain departmental publications.

The necessity is borne out by the fact that for the seasons of 1945–46 through 1956–57, 68.2 percent of all oranges shipped out of the State of Florida used this color and the color-added range varied from season to season and ran from a low of 60 percent to a high of 76.3 percent and in Texas in some years 100 percent.

THE USE OF THIS COLOR DOES NOT RESULT IN DECEIT

Under the laws of Florida fruit cannot be colored for the purpose of concealing defects. This is also true of the Federal statutes. The fruit to be colored must have a higher standard than is required for fruit generally. No immature fruit can be colored. The amount of color added is limited. The law prohibits the use of color beyond the natural varietal color of the fruit.

The words "color added" are stamped upon each and every orange so colored.

Right now is the beginning of the regreening season and Valencia oranges, the late variety, which were a beautiful color a few days ago are beginning to regreen. The passage of this legislation is urgent. Failure to pass it will result in reducing employment and creating a chaotic market condition. The passage will allow the Congress to consider permanent legislation and allow the use of the color, which has been in use for more than 30 years and which is harmless as used, for 60 more days during the transition period and then allow the use of a new color with 50 times the "no effect" level of the old color for the period set forth herein.

Not all Florida oranges are colored. Those colored are so marked.

Mr. HALEY. Mr. Speaker, S. 79 would permit the listing and certification of a new color, citrus red No. 2, for the coloring of mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare. Thus, the bill would permit the continuation of an established coloring practice which began in the mid-thirties with the use of citrus red No. 32.

On November 10, 1955, the Secretary of Health, Education, and Welfare ordered citrus red No. 32 removed from the certified list, based on tests in 1951 to 1953 which cast doubt on the harmlessness of the color. The tests indicated that when red No. 32 was fed to test animals in substantial amounts, there was evidence of toxicity. The Secretary, therefore, held he had no authority, under present law, to list and certify red No. 32 because it was not found to be completely harmless. The Department construed the term "harmless" to mean without toxicity, and took the position that so long as there was any evidence of toxicity, regardless of the minute amount of the color used, the Secretary had no authority to certify that color for use. The Secretary's order was upheld by the U.S. Supreme Court on December 15, 1958.

The delisting of red No. 32 created an emergency for the citrus industry in Florida and Texas. Consequently, in 1956, the 84th Congress enacted Public Law 672 to permit the industry to continue for a maximum of 3 years—until March 1, 1959—the use of red No. 32 for coloring oranges. The enactment of this law, Public Law 672, was considered appropriate and necessary since the coloring of oranges was determined to be an economic necessity, and since there was no likelihood of injury to man from the use of red No. 32 on the exterior of oranges at the levels of use involved. Further, there was no evidence that injury to consumers had resulted from the consumption of oranges colored with red No. 32. I might add that citrus red No. 32 has been used for more than 20 years. More than 300 million boxes of color-added fruit have been shipped from Florida and a large amount from Texas without any complaint or claim of harm.

At the time of enactment of Public Law 672, it was understood the industry would conduct necessary scientific study toward the development of a harmless substitute for red No. 32. Pursuant to that understanding, the industry has developed citrus red No. 2 at a cost of approximately $200,000. The level of toxicity of the new color is one-fifth that of red No. 32, by the most conservative reports. In addition, the new color has greater tinctorial power than red No. 32. As a matter of fact, only one-fifth as much red No. 2 is required to color oranges as is necessary with red No. 32. Thus, it is easily seen that the new color has at least 25 times the safety factor of the other color. Even so, under present law, the Secretary of Health, Education, and Welfare is not authorized to list and certify red No. 2. Hence, the need for this legislation.

With respect to the new color, I am pleased to point out that in his report on this bill, the Secretary reported that, if authorized, the Department would be able to establish a safe tolerance for the use of citrus red No. 2. The Food and Drug Administration has reported that the provisions of this bill are such as to fully safeguard the public health, and that the requirements for certification of each batch of the color and the application of a tolerance are practicable and workable provisions.

Mr. Speaker, it should be pointed out that Florida and Texas color a large percentage of the fresh oranges shipped. For the seasons of 1945 to 1946 through 1956 to 1957, 68.2 percent of all oranges shipped out of the State of Florida used red No. 32. The color-added oranges varied from season to season, running

from a low of 60 percent to a high of 76.3 percent. I understand that coloring of Texas oranges has run as high as 100 percent of the fresh oranges shipped in a season. The fact that such a high percentage of the fresh oranges shipped are colored indicates that for some reason, people do not buy oranges whose color is green, but rather select the orange with the orange color. It is because of this that the coloring of oranges is an economic necessity.

It is a well-known fact that the economy of Florida is largely dependent on its sunshine, its warm climate, its tropical beauty, and its citrus industry. It is because of its wonderful climate that the Florida oranges must be colored artificially in order to have the eye appeal necessary to maintain a high volume of sales. This is due to the fact that in the fall of the year, or until cooler weather, the fully ripe and mature orange may be green on the outside. Cool weather, on the other hand, may cause the late varieties of orange to have a rich orange color on the outside even though it is not fully mature on the inside. Later in the spring, or with warmer weather, green color rises in the tree and into the leaves and oranges, thereby regreening the mature and ripe fruit.

I want to point out that under the laws of Florida, the fruit to be colored must have a higher standard than is required of other fruit. Coloring may not be used for the purpose of concealing defects. No immature fruit may be colored under Florida law. Further, under the Federal Food and Drug Act and the regulations promulgated by the Food and Drug Administration, the amount of color that may be used is limited and the words "color added" is required to be stamped on each and every orange so colored. Therefore, there is absolutely no danger of injury to the public.

Mr. Speaker, Public Law 672, 84th Congress, expired February 28, 1959, and at the present time the citrus industry is not permitted to use any coloring on oranges. We are now at the beginning of the regreening season and the late varieties of oranges, which had a beautiful orange color a few days ago, are beginning to regreen. Therefore, this legislation is urgent. Failure to enact this bill will result in reduced employment in Florida and will create a chaotic market condition. I respectfully request approval of this bill.

Mr. METCALF. Mr. Speaker, here is an ideal situation for application of Dr. Flemming's famous formula. You will recall that Dr. Flemming, Secretary of Health, Education, and Welfare, has said that if the States would and could do the job of building schools they would and could build 75,000 classrooms. Of course, the States would have to change their constitutions and revise their basic tax structure, but under Dr. Flemming's formula that is an unimportant matter.

Not only could we have brilliant orange oranges growing in both California and Florida, but we could have red oranges, blue oranges and, for next Tuesday, we could have ripe green oranges. To accomplish this might require a change in the molecular structure of the orange tree and cooperation of the orange itself, but under the Flemming formula those are minor obstacles.

Mr. CRAMER. Mr. Speaker, I strongly urge the Members of the House of Representatives to vote favorably on S. 79, which would permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare.

In 1956 Congress passed a bill to permit the industry to continue for a maximum of 3 years the use of red No. 32 for coloring oranges to allow time for necessary scientific study in the development of a harmless color. The industry then developed red No. 2, a much less toxic dye.

This legislation is needed because the Supreme Court has held that the Secretary has no right to certify for a limited purpose or to grant tolerances. There was no claim anywhere in the record by the Food and Drug Administration or anyone else that the old color was harmful as used in the coloring of oranges, but the Supreme Court case hinged on the use of the word "harmless," and they held that it could not be certified if harmful at high levels and in other uses in food.

This legislation will allow the use of a new color with a very much higher safety factor than FDC red No. 32, although as stated before it was not claimed that this was harmful as used in the coloring of oranges.

The coloring of oranges is not done to deceive as the colored oranges are marked "color added" and only mature oranges meeting a higher degree of maturity than other oranges can be colored.

The need for coloring was brought out in the hearings, because the early orange does not color until the cold nights come and may be fully mature and yet be green on the outside. The later orange may be immature when it has a rich orange color and then as the chlorophyll comes into the leaves in the spring it regreens and the green gets in the orange, so a green-looking orange may be of greater maturity than a rich, ripe-looking one.

In answer to my distinguished colleague from California [Mr. TEAGUE], who commented on coloring of California oranges, I wish to suggest that we in Florida do not have the California smog through which to filter our sunshine, and the gentleman from Arizona [Mr. RHODES], with regard to the oranges from his State, I suggest that while he has the hot sunshine to color the oranges it also has the effect of drying them out to some extent. I also might remind my distinguished colleagues that it is not the hot sunshine that colors the oranges, but rather it is the cooler weather that adds the color. Florida offers the perfect climate for growing juicy, sweet oranges.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 61, noes 21.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 213, nays 94, not voting 127, as follows:

[Roll No. 14]

YEAS—213

| | | |
|---|---|---|
| Abernethy | Gathings | O'Brien, Ill. |
| Adair | Gavin | O'Hara, Ill. |
| Albert | George | O'Neill |
| Alexander | Granahan | Oliver |
| Alford | Grant | Passman |
| Alger | Gray | Patman |
| Anderson, Mont. | Hagen | Perkins |
| | Haley | Pfost |
| Andrews | Hardy | Pillion |
| Ashmore | Hargis | Pirnie |
| Aspinall | Harris | Poage |
| Avery | Harrison | Porter |
| Baldwin | Hays | Preston |
| Baring | Healey | Prokop |
| Barr | Hechler | Quie |
| Bass, Tenn. | Hess | Rains |
| Bates | Holifield | Reece, Tenn. |
| Baumhart | Holland | Rees, Kans. |
| Beckworth | Huddleston | Reuss |
| Belcher | Ikard | Rhodes, Ariz. |
| Bennett, Fla. | Jarman | Rivers, Alaska |
| Bennett, Mich. | Jennings | Rivers, S.C. |
| Bentley | Johnson, Calif. | Rogers, Colo. |
| Berry | Johnson, Colo. | Rogers, Fla. |
| Betts | Johnson, Wis. | Rogers, Tex. |
| Blitch | Jonas | Rooney |
| Boggs | Jones, Ala. | Roush |
| Bolling | Jones, Mo. | Rutherford |
| Bonner | Kee | Saund |
| Bow | Keith | Saylor |
| Brewster | Kilburn | Schenck |
| Brock | Kilday | Selden |
| Brooks, La. | Kilgore | Short |
| Brooks, Tex. | King, Calif. | Sikes |
| Brown, Ga. | Kitchin | Sisk |
| Brown, Ohio | Kluczynski | Slack |
| Budge | Landrum | Smith, Iowa |
| Burke, Ky. | Lankford | Smith, Kans. |
| Burke, Mass. | Latta | Smith, Miss. |
| Bush | Lennon | Spence |
| Byrne, Pa. | McCormack | Steed |
| Carnahan | McCulloch | Stratton |
| Chenoweth | McFall | Stubblefield |
| Clark | McIntire | Teague, Calif. |
| Colmer | McMillan | Teague, Tex. |
| Cooley | McSween | Thompson, La. |
| Cramer | Machrowicz | Thomson, Wyo. |
| Curtin | Mack, Ill. | Thornberry |
| Curtis, Mass. | Mahon | Toll |
| Dague | Matthews | Trimble |
| Davis, Ga. | May | Tuck |
| Dent | Meader | Udall |
| Derwinski | Metcalf | Ullman |
| Devine | Michel | Utt |
| Dollinger | Miller, Clement W. | Van Zandt |
| Dorn, S.C. | | Vinson |
| Dowdy | Milliken | Wallhauser |
| Downing | Mills | Wampler |
| Doyle | Minshall | Watts |
| Durham | Mitchell | Weis |
| Dwyer | Moeller | Whitten |
| Edmondson | Montoya | Widnall |
| Elliott | Moore | Williams |
| Everett | Moorhead | Willis |
| Fascell | Morris, N. Mex. | Wilson |
| Fenton | Morris, Okla. | Winstead |
| Flood | Mumma | Withrow |
| Flynt | Murphy | Wright |
| Forrester | Murray | Yates |
| Frazier | Natcher | Young |
| Gallagher | Nelsen | Younger |
| Gary | Norrell | |

NAYS—94

| | | |
|---|---|---|
| Addonizio | Cannon | Dooley |
| Ashley | Cederberg | Dulski |
| Barry | Chamberlain | Feighan |
| Becker | Church | Flynn |
| Blatnik | Cohelan | Foley |
| Boland | Conte | Forand |
| Bosch | Cook | Ford |
| Boyle | Corbett | Fulton |
| Brademas | Cunningham | Giaimo |
| Breeding | Daddario | Green, Oreg. |
| Broomfield | Delaney | Griffin |
| Burdick | Denton | Griffiths |

| | | |
|---|---|---|
| Gross | McDonough | Robison |
| Halpern | Mack, Wash. | Rodino |
| Hiestand | Madden | Rogers, Mass. |
| Hoffman, Ill. | Mailliard | Scherer |
| Holt | Marshall | Schwengel |
| Hosmer | Miller, George P. | Siler |
| Irwin | Miller, N.Y. | Simpson, Ill. |
| Jensen | Norblad | Smith, Calif. |
| Johansen | O'Hara, Mich. | Springer |
| Karsten | O'Konski | Sullivan |
| Karth | Ostertag | Thompson, N.J. |
| Kastenmeier | Pelly | Tollefson |
| Kearns | Poff | Vanik |
| King, Utah | Powell | Van Pelt |
| Knox | Price | Walter |
| Langen | Pucinski | Westland |
| Levering | Rabaut | Wier |
| Libonati | Ray | Wolf |
| Lindsay | Rhodes, Pa. | Zablocki |
| Lipscomb | | |

NOT VOTING—127

| | | |
|---|---|---|
| Abbitt | Fallon | Martin |
| Allen | Farbstein | Mason |
| Andersen, Minn. | Fino | Merrow |
| Anfuso | Fisher | Meyer |
| Arends | Fogarty | Monagan |
| Auchincloss | Fountain | Morgan |
| Ayres | Frelinghuysen | Morrison |
| Bailey | Friedel | Moss |
| Baker | Garmatz | Moulder |
| Barden | Glenn | Multer |
| Barrett | Green, Pa. | Nix |
| Bass, N.H. | Gubser | O'Brien, N.Y. |
| Bolton | Hall | Osmers |
| Bowles | Halleck | Philbin |
| Boykin | Harmon | Pilcher |
| Bray | Hébert | Polk |
| Brown, Mo. | Hemphill | Quigley |
| Broyhill | Henderson | Randall |
| Buckley | Herlong | Riehlman |
| Burleson | Hoeven | Riley |
| Byrnes, Wis. | Hoffman, Mich. | Roberts |
| Cahill | Hogan | Roosevelt |
| Canfield | Holtzman | Rostenkowski |
| Carter | Horan | St. George |
| Casey | Hull | Santangelo |
| Celler | Jackson | Scott |
| Chelf | Johnson, Md. | Shelley |
| Chiperfield | Judd | Sheppard |
| Coad | Kasem | Shipley |
| Coffin | Kelly | Simpson, Pa. |
| Collier | Keogh | Smith, Va. |
| Curtis, Mo. | Kirwan | Staggers |
| Daniels | Kowalski | Taber |
| Davis, Tenn. | Lafore | Taylor |
| Dawson | Laird | Teller |
| Derounian | Lane | Thomas |
| Diggs | Lesinski | Thompson, Tex. |
| Dingell | Loser | Wainwright |
| Dixon | McDowell | Weaver |
| Donohue | McGinley | Wharton |
| Dorn, N.Y. | McGovern | Whitener |
| Evins | Macdonald | Zelenko |
| | Magnuson | |

So the bill was passed.

The Clerk announced the following pairs:

Mr. Smith of Virginia with Mr. Martin.
Mr. Monagan with Mr. Arends.
Mr. Hébert with Mr. Auchincloss.
Mr. Morrison with Mr. Allen.
Mr. Pilcher with Mr. Simpson of Pennsylvania.
Mr. Lane with Mr. Taber.
Mr. Burleson with Mr. Merrow.
Mr. Chelf with Mr. Baker.
Mr. Evins with Mr. Halleck.
Mr. Fallon with Mr. Curtis of Missouri.
Mr. Garmatz with Mr. Dixon.
Mr. Friedel with Mr. Fino.
Mr. Nix with Mr. Ayres.
Mr. Green of Pennsylvania with Mrs. Bolton.
Mr. Teller with Mr. Broyhill.
Mr. Quigley with Mr. Canfield.
Mr. Thompson of Texas with Mrs. St. George.
Mr. Staggers with Mr. Bass of New Hampshire.
Mr. Scott with Mr. Osmers.
Mr. Riley with Mr. Mason.
Mr. Roberts with Mr. Laird.
Mr. Hull with Mr. Judd.
Mr. Kirwan with Mr. Glenn.
Mr. Sheppard with Mr. Frelinghuysen.
Mr. Loser with Mr. Derounian.
Mr. McGinley with Mr. Dorn of New York.
Mrs. Kelly with Mr. Gubser.
Mr. Zelenko with Mr. Andersen of Minnesota.
Mr. Donohue with Mr. Bray.
Mr. Philbin with Mr. Byrnes of Wisconsin.
Mr. Fogarty with Mr. Weaver.
Mr. Fountain with Mr. Taylor.
Mr. Herlong with Mr. Riehlman.
Mr. Hemphill with Mr. Chiperfield.
Mr. Roosevelt with Mr. Wainwright.
Mr. Shelley with Mr. Wharton.
Mr. Boykin with Mr. Cahill.
Mr. Santangelo with Mr. Collier.
Mr. Keogh with Mr. Lafore.
Mr. Anfuso with Mr. Horan.
Mr. Allen with Mr. Jackson.
Mr. Buckley with Mr. Hoffman of Michigan.
Mr. Multer with Mr. Henderson.
Mr. Holtzman with Mr. Hoeven.

Mr. REUSS changed his vote from "nay" to "yea."

Mr. RODINO, Mr. BARRY, and Mr. KEARNS changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their own remarks in the RECORD on the bill just passed immediately prior to the vote.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## EXTENDING SPECIAL ENLISTMENT PROGRAMS

Mr. RIVERS of South Carolina. Mr. Speaker, I call up the bill (H.R. 3368) to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. RIVERS]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 262 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1013), is further amended by deleting the date "August 1, 1959" in the first sentence of section 262(a) and inserting in lieu thereof the date "August 1, 1963".

Mr. RIVERS of South Carolina. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill before the House today extends the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended, for a period of 4 years, until August 1, 1963. It is this authority upon which the Department of Defense has established its 6 months' training program for individuals between the ages of 17 to 18½. Under present law, the authority for this program, among other things, will expire on August 1, 1959. The Department of Defense has indicated that extension of this authority is considered essential to the maintenance of the strengths and mobilization readiness of the Reserve components.

As you will recall, the Congress during the past month has voted an extension of the induction provisions of the Universal Military Training and Service Act until July 1, 1963. The provisions of this proposal would similarly extend those provisions of the Armed Forces Reserve Act which permit the deferment and exemption from draft liability of individuals who agree to perform 6 months of active duty for training with the Armed Forces and thereafter continue to perform satisfactorily in the Reserve Forces.

Now let me refresh your memory on the history of the Armed Forces Reserve Act, as amended.

In 1955 the Congress, in response to a Presidential request, amended the Armed Forces Reserve Act of 1952 to provide the President with the authority to establish Reserve component enlistment programs for young men between the ages of 17 and 18½ and for persons who have critical skills and are engaged in civilian occupations in any critical defense-supporting activity or in any research activity affecting national defense.

This amendment to the Armed Forces Reserve Act of 1952 was part of the Reserve Forces Act of 1955 (69 Stat. 598) which had, as its primary purpose, the development of an efficient and well-trained Ready Reserve force. The authority provided in section 262 of the Armed Forces Reserve Act was not an independently conceived program but an integral part of the effort made by Congress in 1955 to overhaul the Reserve structure to provide the machinery by which our Reserve Forces could be well organized and efficiently trained. In the event of war they could be mobilized quickly and would be capable of effectively augmenting the Active Forces in defense of our country.

Under the authority contained in section 262, the Armed Forces, under such quotas as may be determined by the President—not to exceed 250,000 annually—are authorized until August 1, 1959, to establish special enlistment programs in units of the Ready Reserve for persons who, first, are mentally and physically qualified for service; second, have not been ordered to report for induction; and third, are under 18½ years of age.

This section further prescribes that the enlistment period for this special program must be for 8 years including an initial period of not less than 3 months or more than 6 months of active duty for training, with satisfactory service in the Reserve thereafter. In the case of individuals in attendance at high schools, the requirement of the 3- to 6-month period of active duty for training is deferred until the individual completes high school or reaches 20 years of age. Except for war or national emergency, individuals enlisted under this program and who serve satisfactorily are exempt from induction under the Universal Military Training and Service Act.

Included in section 262 is authority to establish an enlistment program for individuals possessing critical skills who are engaged in civilian occupations in any critical defense-supporting industry or in any research activity affecting national defense. In the case of such individuals the law provides that the program will also require an 8-year enlistment period with an initial period of active duty for training of not less than 3 nor more than 6 months. However, the law prescribes that such individuals may be enlisted without regard to age and even though ordered to report for induction.

On the basis of the statutory authority contained in section 262 of the Armed Forces Reserve Act of 1952, as amended, the President, by Executive order in the summer of 1955, authorized the acceptance of enlistments under this program in units of the Ready Reserve. Subsequently, by Executive order in early January of 1956, the President established the authority for the administration of the special enlistment program designed for individuals possessing critical skills. Both programs, authorized by the statute, were put into operation soon after Congress had acted to permit this development.

The Honorable Hugh M. Milton II, Under Secretary of the Army, in testimony before the Armed Services Committee on February 17, 1959, on the extension of section 262 of the Armed Forces Reserve Act, made the following comment which reflects the importance of the enlistment and training programs authorized by this law:

When we requested legislative authority for the direct enlistment and training of qualified young men for service in the Reserve components nearly 4 years ago we emphasized the then unsatisfactory state of our Reserve Forces. You were told that too large a percentage of reservists had not undergone basic training; that in the Ready Reserve of the Army Reserve only 1 out of 10 trained enlisted men was actively participating in unit training and that the Reserve could not be built to a minimum state of combat readiness in an acceptable period of time. We sought the opportunity to show what we could do to correct these deficiencies and promised you that we were determined to do a good, sensible job. The section 262 enlistment programs providing for the direct Reserve component enlistment of young men in the 17–18½-year age group and critically skilled specialists employed in national defense activities represents your response, interest and determination to develop a strong Reserve.

We have had the law and the special enlistment programs for nearly 4 years now and there is no doubt in my mind that the Reserve components of the Army have attained the highest degree of mobilization readiness, deployment availability, and combat potential in history.

Continuation of the section 262 programs will assure the Reserve Forces a steady supply of men basically trained and qualified to participate as members of a Reserve unit. The 6 months' training period provides the sound basis for their integration into the unit team and the future development of their ability and skill through more advanced training and application.

I am sure that you are aware of the favorable reaction given the 6 months' enlistment and training programs by parents, educators, civic and religious leaders, and the young men of our country.

As you are also no doubt aware, the Reserve Forces Act of 1955 required the National Security Training Commission to report annually to the Congress with respect to the welfare of certain members of the Ready Reserve undergoing 6 months' active duty for training. In June 1957 the commission reported to Congress that—

The services are doing an excellent job in looking after the welfare of trainees. The manner in which they have conducted the 6 months' Reserve training program has been a credit to themselves and to the Nation. * * * Now that the Reserve program is well under way, the commission feels that its mission has been accomplished. * * * The commission believes that the Defense Department and the various Armed Forces can adequately look after the welfare of the trainees without the aid of a civilian body. Therefore, the commission recommended, and President Eisenhower agreed, that it should terminate its activities on June 30, 1957.

The military services are unanimous in their endorsement of this enlistment and training program and each utilize or will utilize its provisions to the degree most compatible to the requirements of their Reserve component.

In view of the foregoing it is easy to understand why the Department of Defense looks upon section 262 of the Armed Forces Reserve Act of 1952 as the cornerstone upon which its 6-month training program is based.

Mr. Speaker, I am convinced that the Congress in its enactment of the Armed Forces Reserve Act of 1952 provided our Armed Forces with an instrument of inestimable value in terms of national security and preparedness. Our Reserve Forces in their utilization of this statute have attained a posture with regard to mobilization readiness and combat potential unparalleled in history.

The Committee on Armed Services strongly recommends enactment of the proposed legislation which will extend until August 1, 1963, the authority upon which the Armed Forces presently base their 6 months' training programs. Extension of this authority will parallel extension of the Universal Military Training and Service Act and will assure a continued flow of well-trained young men into the Ready Reserve components of our Armed Forces.

Mr. VAN ZANDT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there is little more that I can add to the detailed explanation that has just been presented by my colleague, the gentleman from South Carolina [Mr. RIVERS].

He has given you a thorough explanation of the need for this legislation and has fully justified the 4-year extension of the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended.

There are, however, a few aspects of this measure that I consider worthy of mention in some little detail.

We have heard of the benefits of this legislation insofar as our country and its security is concerned. There is another important aspect of this matter which should be mentioned. I refer to the relative security this legislation offers the young men of our Nation in terms of their future. I would like to quote from section 262 of the Armed Forces Reserve Act of 1952 wherein it is stated:

Performance of such initial period of active duty for training by any person enlisted under this section while satisfactorily pursuing a course of instruction in a high school shall be deferred until such person ceases to pursue such course satisfactorily, graduates from such course, or attains the age of 20 years, whichever first occurs.

Thus, through the enactment of this provision of law young men have been provided with an opportunity to volunteer their services in such a manner as to permit minimum interference with educational plans while satisfying the requirements of a military service obligation. This, to my way of thinking, is extremely important when we consider the urgent need for brainpower in so many of our national and international activities. This legislation positively reflects the interest of Congress in the educational well-being of our country as well as its national security. While contributing to the storehouse of national assets in terms of better educated young people properly prepared to take their places in the world of tomorrow, we strengthen the military security of the Nation.

The Honorable Hugh M. Milton II, Under Secretary of the Army, in testimony before the Armed Services Committee on February 17, 1959, on the extension of section 262 of the Armed Forces Reserve Act, made reference to this aspect of the matter when he stated:

I think this is a wonderful provision of law.

He continued by saying:

If you will recall, 4 years ago, one of the problems which we were worried with was trying to adjust our Reserve component training so that youngsters who wanted to go to college, who wanted to get into some sort of arts and training, would not have their programs interrupted. And I am very much in favor of this 17–18½ provision, because it just works splendidly with these youngsters.

Later in his testimony before the committee, Secretary Milton made reference to the effect that these young men had on the Reserve components of our Armed Forces when he stated that:

Qualitatively the influx of these basically trained young men has contributed significantly to the present high status of readiness, training, stability, and efficiency of the Reserve components. It is considered noteworthy that for the first time in the history of the Army's Organized Reserves, selected units have begun basic unit training. This will serve to reduce the post training mobilization training requirements of these units by up to 17 weeks. Noteworthy too is the high mental caliber of the young men attracted to the program. During fiscal year 1958 more than 17 percent of those enlisted were in the highest mental grouping. This compares most favorably with the 9.6 percent of Regular Army enlistees in this category and the 7.8 percent of those inducted.

Mr. Speaker, the young men of this Nation recognize and understand their

military service obligation and the necessity for maintaining our military strengths. They have recognized the opportunities provided by this legislation to discharge such responsibilities in a voluntary manner as evidenced by the overwhelming success experienced by the military services in its administration. It is widely known that enlistment and training programs provided by this legislation are congressionally sponsored and that they provide statutory draft deferment and eventual exemption.

I think it is important at this point to tell you that not one single voice was raised in opposition to extension of section 262 of the Armed Forces Reserve Act of 1952, as amended, during the course of the Armed Services Committee hearings on February 17, 1959. On the contrary its extension was highly recommended by the National Guard Association, the Reserve Officers Association, the American Legion, the Veterans of Foreign Wars of the United States, the Jewish War Veterans of the United States, as well as representatives of the military services.

When Congress enacted the Armed Forces Reserve Act of 1952, as amended, it initiated a new era in the history of the Reserve components of our Armed Forces and for that reason the Congress should continue to identify itself with this program through its endorsement of the bill now before the House.

In addition and finally I am convinced that extension of these special enlistment and training programs as provided for in H.R. 3368 is essential to the maintenance of the strength and mobilization readiness of the Reserve components of our Armed Forces.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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## AUTHORIZING CONSTRUCTION OF NAVAL VESSELS

Mr. DURHAM. Mr. Speaker, I call up the bill (H.R. 3293) to authorize the construction of modern naval vessels and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DURHAM]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized to undertake the construction of not to exceed twenty thousand tons of amphibious warfare vessels and landing craft and not to exceed four thousand tons of patrol vessels.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary for the construction of the foregoing vessels.

Mr. DURHAM. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this bill is identical in all respects to a number of bills which the Congress has passed over the last several years.

This year's bill would authorize the construction of five ships as follows: One amphibious transport, dock; one amphibious assault ship; two escort vessels; and one submarine chaser.

The ships are described in detail on pages 3 and 4 of the report. The dimensions, tonnage, and function are all clearly set out in that portion of the report.

Briefly stated, the amphibious assault ship and the amphibious transport form the nucleus of the assault landing force. They were developed by the Navy and Marine Corps especially for use in assault by vertical envelopment. Both of them carry helicopters and one of them, the amphibious transport, carries landing craft underneath the flight deck.

The two escort vessels are actually a type of destroyer escort. They will be highly mobile, very fast, and will be equipped with the most modern antisubmarine weapons.

The submarine chaser is a hydrofoil. Previously, a prototype of this vessel was authorized and has proved highly successful. As you know, a hydrofoil provides that the body of the ship be placed on what I will call skis. As the ship increases in speed, its body is lifted out of the water and the only contact with the water from that point on is that made by the skis.

The ship is very fast and can operate even in rough water up to a distance of 200 miles from shore. It, too, will be equipped with submarine detection devices and will be a most effective antisubmarine weapon.

This bill represents only a small fraction of the total shipbuilding program of the Navy for fiscal year 1960. All of the remainder of the ships will be built from tonnages currently available to the Navy from previous laws. This bill, however, is necessary because these five ships are in categories for which there is no available tonnage.

The Armed Services Committee had a very detailed hearing on this measure and reported the bill unanimously.

I know of no objection to the bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. GROSS. Does the gentleman intend to propose an amendment to provide that this $110 million shall come out of the foreign giveaway counterpart funds?

Mr. DURHAM. No; I do not expect to offer such an amendment.

Mr. GROSS. Would the gentleman be opposed to an amendment of that kind if offered to the bill?

Mr. DURHAM. I think I would have to oppose an amendment such as that.

Mr. NORBLAD. 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 Oregon?

There was no objection.

Mr. NORBLAD. Mr. Speaker, the gentleman from North Carolina [Mr. DURHAM], who is the chairman of the subcommittee which handled this bill, has given a clear and concise description of what this bill will do.

There is little that I can add to his fine explanation of the bill itself, but I do think it would be a matter of interest to the Members of the House—and to the public at large—to have some knowledge of the current status of our nuclear-propelled ships.

Five nuclear-powered submarines have been completed: U.S.S. *Nautilus*, U.S.S. *Seawolf*, U.S.S. *Skate*, U.S.S. *Swordfish*, and U.S.S. *Sargo*. There are 19 other nuclear-powered submarines now under construction, including 6 fleet ballistic missile submarines, 1 nuclear-powered guided missile submarine, and 1 nuclear-powered radar picket submarine. Nine other nuclear-powered submarines have not been awarded.

At present, there are three nuclear-powered surface ships under construction: The *Long Beach*, the *Enterprise*, and the destroyer leader guided missile-25—unnamed. The *Long Beach* is scheduled for delivery in October 1960, the *Enterprise* in September 1961, and the destroyer leader guided missile in October 1961. Physical construction is under way on both the *Long Beach* and *Enterprise*. With regard to the destroyer leader guided missile-25, orders have been placed for long leadtime items including key reactor components and steel; development of working plans is on schedule and prekeel fabrication began in February of this year. This ship, which is part of the fiscal 1959 program, was awarded in September of 1958. The *Long Beach*, with delivery scheduled for October 1960, will be the Navy's first nuclear-powered surface ship to become operational.

In addition, I would like to point out that at present three fleet ballistic missile submarines—SSBN—for which funds were provided in a supplemental fiscal 1958 appropriation, are under construction, the *George Washington* and the *Patrick Henry* at the Electric Boat Division of General Dynamics Corp., and the *Theodore Roosevelt* at the Mare Island Naval Shipyard.

Two other SSBN submarines, the *Robert E. Lee* and the *Abraham Lincoln*, both of which are part of the Navy's fiscal 1959 program, are also under construction, the former at the Newport News Shipbuilding and Drydock Co., the latter at the Portsmouth Naval Shipyard.

Of the four remaining SSBN submarines in the 1959 program, funds for which were added by Congress, only one, the SSBN-608, has been awarded. Electric Boat has received a contract to prepare working plans for this lead ship of a new class of SSBN submarines and to construct the prototype ship itself. Procurement of long leadtime components for all four ships has been in progress for some time.

Mr. Speaker, I trust that this brief explanation has given a reasonable picture of our progress in the field of nuclear propulsion and I urge that the House give favorable consideration to H.R. 3293 as an important forward step in our total defense picture.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

## REPEAL OF EXCISE TAXES ON TELEPHONE AND TELEGRAPH SERVICES

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, I have again the honor to lay before this House a memorial enacted by the 50th Legislative Assembly of the State of Oregon. This memorial prays the repeal of the Federal excise taxes on telephone and telegraph services.

In the text of the memorial are set forth several good and ample reasons why these taxes, relics of the wartime period, should be removed from the statute books. But chief among these reasons, from the point of view of the State which I have the honor and privilege to represent in the Congress, and from the point of view of her sister States of the West and, in particular, the two newest members of the Union, is that set forth in the seventh paragraph of that memorial, to wit:

The continued imposition of this tax is discriminatory upon businesses in the western United States who market their products competitively in the East, with communication service to such eastern markets essential to such competition.

I might add to this the discriminatory effect which the excise taxes on these services has upon the people, as well as the business firms, of our Western States. These taxes, Mr. Speaker, are unfair in their incidence, bereft of the wartime justification for their enactment, and long overdue for repeal.

SENATE JOINT MEMORIAL 2

*To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:*

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Federal Government levies an excise tax on telephone and telegraph services; and

Whereas such tax was levied during World War II as a wartime emergency tax to help defray war costs and to discourage unnecessary use of such services; and

Whereas the wartime emergency has expired and there is no longer a justification for imposing such tax for the purpose for which it was initially levied; and

Whereas the tax on telephone and telegraph bills imposes an undue hardship upon millions of individuals and businesses in this country, and is discriminatory; and

Whereas telephone and telegraph services are essential to the orderly transmission of information required in transaction of business and personal affairs and should not be taxed in the same manner as luxury items such as furs, jewelry, and other nonessentials; and

Whereas the continued imposition of this tax is discriminatory upon businesses in the Western United States who market their products competitively in the East, with communication service to such eastern markets essential to such competition; and

Whereas the maintenance of an adequate communication system is essential to the economic prosperity and welfare of the people of this country: Now, therefore, be it

*Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein)*, That the Legislative Assembly of the State of Oregon respectfully memorializes the Congress of the United States to repeal the excise tax levied upon telephone and telegraph services; and be it further

*Resolved*, That copies of this memorial be sent to the President and Vice President of the United States, the Speaker of the House of Representatives, the chairman of the Ways and Means Committee of the House of Representatives and to all Members of the Oregon congressional delegation.

## DIRE ECONOMIC AND FOREIGN POLICY CONSEQUENCES WILL RESULT FROM PRECEDENT-SETTING MANDATORY QUOTAS ON OIL IMPORTS

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. IRWIN. Mr. Speaker, President Eisenhower's precedent-setting imposition of mandatory quotas on oil imports can have only dire and damaging effects upon the Nation's economy and upon our relations with foreign powers.

It is my opinion—one, I believe, shared by many others in this Nation—that the President's action will increase the cost of oil and its products, thereby contributing to the inflationary pressures which the administration has been accusing the Democrats in Congress of fostering.

And in imposing compulsory quotas on oil imports, Mr. Eisenhower has established a precedent in recognizing the protectionist interests of one group at the expense of all others and particularly of the public welfare.

I question, Mr. Speaker, the President's contention that oil imports are on such a scale as to threaten to impair our national security.

Import restrictions, such as those imposed by the administration, should not be established unless deemed a necessity to our national security by appropriate, unbiased, and knowledgeable nongovernmental advisory groups.

It is my belief, Mr. Speaker, that this hemisphere can only be adequately defended if petroleum can flow freely between countries.

I contend that our experiences in World War II and during the Suez crisis should have taught us that healthy Canadian, Latin, and South American crude oil production is vitally important to this Nation.

The administration to the contrary, we are still quite dependent upon our neighbors for fuels to supplement our own resources in peacetime and provide for full mobilization in wartime.

It seems obvious to me, Mr. Speaker, that the administration's action constitutes a surrender to certain special interests motivated by desire for greater profits rather than any national, economic or industrial security measure.

I am wholeheartedly in agreement with an editorial in the New York Times of March 12 which declares that the imposition of compulsory quotas on oil imports will result in a further major intrusion of Government control in our economic life, with consequent weakening of the free-enterprise system.

Certainly, we appear to have committed a calculated act of economic warfare by, in the words of the Times editorial, "again repudiating our frequent protestations of desire for the freest possible flow of international trade."

I would like, Mr. Speaker, to introduce into the RECORD, the following highly informative editorial from the New York Times on this precedent-setting action by Mr. Eisenhower:

OIL IMPORT QUOTAS

President Eisenhower's decision to set up a system of compulsory import quotas covering crude petroleum and its products is an unhappy victory for a group of special interests whose gain will be at the expense of the general welfare and perhaps, ultimately, even at the expense of those who sought this move. If the immediate aims of these interests are served, the new restrictions on imports will tend to raise the cost of oil and its products, and perhaps also of coal, thus further intensifying the inflationary pressure which, in other respects, the Government is seeking to combat. And if, as is hinted in the President's statement, the Government seeks to police the price of oil and its products by changing the levels of permitted imports in response to price changes in this country, the result will be a further major intrusion of Government control in our economic life, with consequent weakening of the free-enterprise system.

The national security argument for these controls is not convincing. This is shown most obviously by the inclusion of Canada in the list of countries whose oil exports to us are curbed, though there is no threat of interruption of seaborne transport in the case of Canadian oil. Beyond that, if serious attention need be paid to assuring sufficient petroleum for future emergency needs there is much to be said for keeping as much of our oil as possible in storage under the ground and increasing, not reducing our use of imported oil.

Nor can we look with equanimity upon the probable foreign repercussions of this move. The Canadian Trade Minister has already protested it, and similar resentment is undoubtedly felt also in Venezuela and other sources of imported oil. To many abroad this will look like still another calculated act of economic warfare by the United States against its friends, an act they will interpret as again repudiating our frequent protestations of desire for the freest possible flow of international trade. It is an unhappy precedent which has been set.

## DISCONTINUANCE OF EXCISE TAX ON TELEPHONE SERVICE

Mr. DADDARIO. 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 Connecticut?

There was no objection.

Mr. DADDARIO. Mr. Speaker, I am calling to the attention of the House a petition from the Public Utilities Commission of Connecticut relative to the excise tax on telephone service. I request unanimous consent that the text of the petition be placed in the body of the RECORD with my remarks.

I have had a good deal of correspondence from people in my district opposing the continuance of this tax. The telephone is certainly an essential part of our communications, and it is hard to recognize why a tax on its use should continue so long after the war has ended.

Knowing the many difficult problems that face the Ways and Means Committee, I would expect that this has been brought to their attention. But I would stress that Connecticut and Hartford County feels that the purpose of the tax has long since been outmoded and that there is a substantial claim for reconsideration. In reviewing the tax laws, the Ways and Means Committee should recommend the end of this particular excise.

The petition follows:

PETITION AND RESOLUTION OF THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CONNECTICUT PERTAINING TO FEDERAL EXCISE TAXES ON TELEPHONE SERVICE

It appearing, that Federal excise taxes on telephone service were levied initially or greatly increased during World War II to assist in defraying the expenses of conducting the war, and to discourage the unnecessary civilian use of telephone service; and

It appearing further, that the Congress has recognized that wartime excise taxes should be eliminated and many such eliminations have been made; and

It appearing further, that telephone service is not in the class of luxuries but is an essential public utility service; and

It appearing further, that at this time, almost 14 years after the end of World War II hostilities, the excise tax on telephone service is still in effect and is continuing to discourage public use of this essential service—the only household utility service which is the subject of Federal excise taxes:

Now, therefore, we, the undersigned, comprising the Public Utilities Commission of the State of Connecticut, petition and memorialize Connecticut Representatives and Senators in Congress that the Federal excise taxes on telephone services are not consistent with the maintenance of a reasonably priced and nondiscriminatory public telephone service and, therefore that such Federal excise taxes should be repealed.

We hereby direct the secretary of this commission to forward a copy of this petition and resolution to each Connecticut Representative and Senator in Congress.

EUGENE S. LOUGHLIN,
HENRY B. STRONG,
BASIL P. FITZPATRICK,
*Public Utilities Commission.*

Dated at Hartford, Conn., this 11th day of February 1959.

## AREAS OF SUBSTANTIAL LABOR SURPLUS

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 20 minutes.

Mr. FLOOD. Mr. Speaker, it is with regret that once again I am compelled to point out that joblessness in this country is on the increase and that at this moment upward of 5 million Americans are out of work.

This is not only a distressing situation but a stern challenge to our Government. This Nation, confronted as it is with a grave military threat, particularly in Berlin, and an intensified Soviet economic war, cannot afford to treat this problem casually.

Action is demanded to deal with unployment—action on a broad front—action that will mobilize the economic resources of the Nation. We need a program, and need it quickly, that will put to work the potential of millions of hours of productive effort that are now being wasted. We need job-creating policies and programs to bring these idle workers into the battle against inflation, and to strengthen America's hand in the deteriorating cold war.

It becomes my unpleasant duty to inscribe on the record the latest unemployment compilation of distress areas, which constitute a record-breaking peak of joblessness in recent years.

This bad news confirms the necessity of legislation like the Douglas-Flood bill to provide for the redevelopment of chronically distressed communities. Earlier this week I testified before the House Banking and Currency Committee on my area redevelopment bill, H.R. 3466, which is designed to meet the problems of these jobless-plagued regions, and I strongly urge that this badly-needed legislation be brought to early enactment by the Congress so that its constructive, beneficial provisions can begin to minister to the national economy and welfare at the earliest possible date.

The growth and widespread nature of chronic unemployment throughout the United States is grimly borne out by the following tables, ably assembled and prepared by the Area Employment Expansion Committee, 99 University Place, New York City, under the direction of Mr. Sol Barkin, executive secretary.

I would like to point out, Mr. Speaker, the fact that of the 149 major labor market areas, 72 will become eligible for assistance by January 1960, under my bill, H.R. 3466 and S. 722, but only 19 areas will become eligible for assistance by that date under the administration's bill H.R. 4264 and S. 1064.

The aforementioned compilation and tables follow:

AREA REDEVELOPMENT FACT SHEET NO. 34—COMPARATIVE IMPACT OF H.R. 3466 AND H.R. 4264 (THE ADMINISTRATION BILL) ON MAJOR LABOR MARKET AREAS IN THE UNITED STATES

Twenty-eight major labor market areas are currently eligible for assistance (grants and loans) under H.R. 3466. Of these only 12 are currently eligible for assistance under H.R. 4264.

Of the remaining 44 major labor markets with substantial labor surpluses in January 1959, all but one would be eligible under H.R. 3466 for assistance (grants and loans) in 1959, if substantial unemployment continues.

Under H.R. 4264, only 7, in addition to the 12 enumerated above as immediately eligible, would become eligible in 1960. The remaining 53 would, at best, become eligible in 1961 or much later.

Similar information is being developed for smaller and very small labor markets by individual States since the Bureau of Employment Security has not made available data for them.

I. Major labor markets currently eligible for assistance under both H.R. 3466 and H.R. 4264:

Indiana: Evansville, Terre Haute.
Massachusetts: Lawrence, Lowell, New Bedford.
New Jersey: Atlantic City.
Pennsylvania: Altoona, Johnstown, Scranton, Wilkes-Barre-Hazleton.
Rhode Island: Providence.
West Virginia: Charleston.

II. Additional major labor markets currently eligible for assistance under H.R. 3466:

Massachusetts: Fall River.
Michigan: Detroit, Flint, Grand Rapids, Lansing, Muskegon.
New York: Utica-Rome.
North Carolina: Asheville, Durham.
Oregon: Portland.
Pennsylvania: Erie.
Tennessee: Chattanooga, Knoxville.
Washington: Spokane, Tacoma.
West Virginia: Huntington-Ashland.

III. Dates of eligibility of major labor markets with substantial labor surplus on January 1959 for assistance under H.R. 3466 if substantial labor surpluses continue:

MARCH 1959

Connecticut: Bridgeport.
Pennsylvania: Pittsburgh.

APRIL 1959

Connecticut: New Britain, Waterbury.[1]
Ohio: Lorain-Elyria.
West Virginia: Wheeling-Steubenville.[1]

MAY 1959

Kentucky: Louisville.
Michigan: Battle Creek.

JUNE 1959

New Jersey: Newark-Jersey City, Paterson-Clifton-Passaic, Perth Amboy-New Brunswick, Trenton.
New York: Buffalo.

JULY 1959

Alabama: Birmingham.
Connecticut: New Haven.
Illinois: Joliet.
Indiana: Fort Wayne, South Bend.
Maine: Portland.
Maryland: Baltimore.
Massachusetts: Brockton, Springfield-Holyoke, Worcester.
Minnesota: Duluth-Superior.
Missouri: St. Louis.
New York: Albany-Schenectady-Troy, New York, Syracuse.
Ohio: Canton, Toledo, Youngstown.
Pennsylvania: Allentown, Bethlehem-Easton, Philadelphia, Reading, York.
Tennessee: Memphis.
Texas: Beaumont-Port Arthur, Corpus Christi.
Wisconsin: Racine.[1]

SEPTEMBER 1959

Alabama: Mobile.
Illinois: Chicago.
Michigan: Saginaw.
Missouri: Kansas City.
Virginia: Roanoke.

JANUARY 1960

New York: Binghamton.

IV. Dates of eligibility of major labor markets with substantial labor surplus on January 1959 for assistance under H.R. 4264 if substantial labor surpluses continue:

A. Seven major labor markets will become eligible for assistance under H.R. 4264 in 1960 if substantial labor surpluses continue in 1959:

Indiana: South Bend.
Massachusetts: Fall River.

[1] All but these three will become eligible after 18 months of substantial surplus. These three labor markets are likely to be eligible after 15 months, since their rate is 9 percent or more.

Michigan: Detroit, Flint, Muskegon.
North Carolina: Asheville.
Tennessee: Knoxville.

B. The dates for the other labor markets becoming eligible are 1961 or later so that estimates are not at all feasible.

TABLE I.—*Annual averages of unemployment as a percent of labor force, major areas of substantial labor surplus, 1955–58*

| Labor market areas | 1955 | 1956 | 1957 | 1958 |
|---|---|---|---|---|
| Alabama: | | | | |
| Birmingham | 4.5 | 3.7 | 3.9 | 7.2 |
| Mobile | 5.2 | 4.0 | 3.9 | 6.7 |
| Connecticut: | | | | |
| Bridgeport | 3.2 | 2.2 | 3.9 | 10.8 |
| New Britain | 3.1 | 2.4 | 3.9 | 11.3 |
| New Haven | 2.3 | 1.5 | 2.5 | 6.9 |
| Waterbury | 4.7 | 3.1 | 5.3 | 11.1 |
| Illinois: | | | | |
| Chicago | 4.1 | 2.6 | 3.1 | 7.5 |
| Joliet | 3.6 | 1.9 | 2.7 | 8.4 |
| Indiana: | | | | |
| Evansville | 7.3 | 8.9 | 6.8 | 10.2 |
| Fort Wayne | 4.1 | 2.8 | 4.4 | 9.1 |
| South Bend | 6.8 | 6.8 | 5.2 | 13.0 |
| Terre Haute | 12.8 | 11.3 | 7.7 | 8.5 |
| Kentucky: Louisville | 4.2 | 4.7 | 5.6 | 8.5 |
| Maine: Portland | 5.3 | 4.4 | 4.8 | 7.8 |
| Maryland: Baltimore | 4.1 | 2.9 | 3.0 | 7.1 |
| Massachusetts: | | | | |
| Brockton | 4.1 | 4.4 | 5.5 | 8.4 |
| Fall River | 6.1 | 6.3 | 10.6 | 12.2 |
| Lawrence | 16.4 | 10.2 | 8.9 | 10.3 |
| Lowell | 8.8 | 6.7 | 7.0 | 11.0 |
| New Bedford | 8.6 | 6.1 | 6.6 | 11.2 |
| Springfield-Holyoke | 4.2 | 3.4 | 4.8 | 8.3 |
| Worcester | 4.3 | 2.8 | 4.2 | 8.8 |
| Michigan: | | | | |
| Battle Creek | 4.2 | 3.8 | 4.5 | 8.4 |
| Detroit | 4.3 | 7.7 | 7.3 | 16.1 |
| Flint | 2.2 | 6.5 | 9.7 | 14.0 |
| Grand Rapids | 2.5 | 4.2 | 7.4 | 12.0 |
| Lansing | 2.7 | 5.1 | 5.2 | 9.6 |
| Muskegon | 4.3 | 6.2 | 8.7 | 13.1 |
| Saginaw | 1.9 | 5.2 | 3.5 | 8.5 |
| Minnesota: Duluth-Superior | 7.2 | 5.2 | 5.0 | 11.1 |
| Missouri: | | | | |
| Kansas City | 6.2 | 6.2 | 4.8 | 6.6 |
| St. Louis | 5.2 | 4.1 | 4.4 | 7.7 |
| New Jersey: | | | | |
| Atlantic City | 10.1 | 9.3 | 9.4 | 11.5 |
| Newark | 5.3 | 4.7 | 5.1 | 8.3 |
| Paterson | 6.3 | 5.0 | 5.5 | 9.0 |
| Perth Amboy | 5.1 | 4.0 | 4.3 | 8.4 |
| Trenton | 5.3 | 5.6 | 5.6 | 8.8 |
| New York: | | | | |
| Albany-Schenectady-Troy | 5.6 | 3.6 | 3.9 | 7.0 |
| Binghamton | 4.7 | 3.3 | 2.8 | 6.1 |
| Buffalo | 4.4 | 4.0 | 4.5 | 11.4 |
| New York | 5.7 | 5.1 | 5.2 | 7.3 |
| Syracuse | 4.5 | 3.3 | 3.8 | 7.8 |
| Utica-Rome | 7.8 | 5.5 | 5.4 | 10.4 |
| North Carolina: | | | | |
| Asheville | 7.6 | 6.8 | 6.9 | 8.2 |
| Durham | 6.4 | 5.7 | 6.7 | 8.1 |
| Ohio: | | | | |
| Canton | 3.3 | 2.2 | 4.0 | 9.6 |
| Lorain-Elyria | 3.1 | 2.8 | 3.7 | 13.9 |
| Toledo | 5.3 | 5.1 | 4.3 | 8.2 |
| Youngstown | 3.5 | 2.6 | 3.5 | 10.9 |
| Oregon: Portland | 5.6 | 4.3 | 5.6 | 7.7 |
| Pennsylvania: | | | | |
| Allentown-Bethlehem-Easton | 3.9 | 3.0 | 3.7 | 7.9 |
| Altoona | 11.9 | 9.2 | 10.4 | 16.5 |
| Erie | 7.5 | 5.0 | 6.2 | 13.3 |
| Johnstown | 10.6 | 8.0 | 6.6 | 15.4 |
| Philadelphia | 5.3 | 4.9 | 5.2 | 7.8 |
| Pittsburgh | 6.1 | 4.5 | 4.5 | 11.0 |
| Reading | 5.6 | 4.6 | 4.9 | 8.4 |
| Scranton | 13.9 | 11.9 | 11.2 | 16.4 |
| Wilkes-Barre-Hazleton | 13.9 | 13.0 | 11.4 | 16.8 |
| York | 5.2 | 4.6 | 5.8 | 7.6 |
| Puerto Rico: | | | | |
| Mayaguez | 16.8 | 11.8 | 12.4 | 13.4 |
| Ponce | 14.5 | 13.3 | 11.8 | 12.2 |
| San Juan | 8.8 | 6.7 | 7.2 | 9.8 |
| Rhode Island: Providence | 8.7 | 8.0 | 9.8 | 13.1 |
| Tennessee: | | | | |
| Chattanooga | 5.7 | 5.6 | 6.0 | 7.8 |
| Knoxville | 6.8 | 6.9 | 7.0 | 9.7 |
| Memphis | 5.6 | 4.5 | 5.2 | 7.2 |
| Texas: | | | | |
| Beaumont-Port Arthur | 6.0 | 4.6 | 4.6 | 9.4 |
| Corpus Christi | 5.8 | 5.1 | 4.9 | 7.1 |
| Virginia: Roanoke | 4.7 | 3.1 | 2.8 | 7.6 |
| Washington: | | | | |
| Spokane | 5.4 | 4.7 | 6.0 | 8.6 |
| Tacoma | 5.2 | 4.5 | 5.2 | 7.8 |
| West Virginia: | | | | |
| Charleston | 11.5 | 8.7 | 8.2 | 11.6 |
| Huntington-Ashland | 7.0 | 5.8 | 5.9 | 14.0 |
| Wheeling-Steubenville | 4.5 | 4.4 | 5.2 | 12.0 |
| Wisconsin: Racine | 3.8 | 4.7 | 5.5 | 7.5 |

Source: Bureau of Employment Security.

## SAFEGUARD OUR NATIONAL SECURITY

Mr. SMITH of California. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALGER. Mr. Speaker, with every day's papers recounting the grave concern of congressional leaders over the adequacy of the President's defense proposals, one's confidence grows that these same men will spare no effort in seeing to it that we are fully prepared in every way to fight if need be, and to win.

Surely, men who regard as niggardly the administration's $41 billion military budget, and who call for even greater taxpayers' sacrifice in the interest of preparedness, surely such men will leave no stone unturned, no deal overlooked, in insuring that American boys will not have to fight for their lives with their hands tied behind their backs. Consequently, I am perfectly confident that Congress will act promptly on bills already introduced by Senator BUTLER, by the gentleman from Ohio [Mr. SCHERER], and today by myself, aimed simply at enabling us to protect ourselves and the forces in the field from crippling espionage.

The gentleman from Ohio did the Congress and the Nation a service when, on January 29 on this floor, he outlined in graphic detail our dangerous and potentially tragic impotency to deal with espionage. To any who may not have heard his remarks or seen them in the RECORD, on pages 1446–1448, I strongly urge that you read Mr. SCHERER's statement thoughtfully and soberly.

Equipped with ample and clear testimony, that the very communications tielines and the leased lines out of the Pentagon itself are exposed at this very moment to the surveillance of a Communist controlled unit, equipped with the knowledge that restricted messages from the Pentagon have already been intercepted by persons under discipline of this Communist controlled organization and there is presently nothing the Army can do about it, forewarned that the Pentagon knows of some 2,000 identified potential saboteurs employed in plants vital to our Nation's defense, but is powerless to remove them, surely Congress will act to meet the challenge.

In the face of the Pentagon's plea that "unless this legislation is enacted, we are not in a position to assure the Congress and the American people that all reasonable measures are undertaken to safeguard our national security," can a Congress, if seriously concerned over our defense preparedness, fail to act?

## RETIREMENT FOR SELF-EMPLOYED

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. STEED] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. STEED. Mr. Speaker, on January 27 I introduced H.R. 3507, a bill to permit the self-employed person to defer income tax each year on a portion of his own income set aside to provide for his retirement. This could be done on up to 10 percent of total income or $2,500, whichever is the lesser amount.

This bill is identical to H.R. 9 and 10, which were introduced by my distinguished colleague, the gentleman from New York, Congressman KEOGH, and the gentleman from Pennsylvania [Mr. SIMPSON]. It is a bipartisan measure, with bipartisan support, which passed the House in the closing days of the 85th Congress.

High taxes and inflated living costs have made it difficult for self-employed people to set aside money for their own retirement. On the other hand, tax deferments are already applicable in the case of corporate employees covered by private pension plans. This constitutes an inequity in treatment which badly needs correction. More and more qualified young men are going on a corporate payroll, rather than striking out for themselves. The factor of retirement planning often plays a significant role in their decision.

H.R. 10 would do much to correct this disparity. It has been favorably reported by the Committee on Ways and Means, and it is my understanding that it will come before the House for consideration on Monday. I believe this measure is a long-delayed step of tax justice.

The Keogh bill would affect a wide variety of self-employed people, totaling about 7,500,000 in number. This figure would include an estimated 13,000 persons in my own Fourth Congressional District of Oklahoma alone.

By far the majority of these are small retailers, farmers, and other independent proprietors. These are people who have the personal initiative to go out on their own, and who help promote the productivity that provides the basic strength of the American economy. Typical of those who have written me concerning this legislation are druggists, realtors, furniture-store owners, plumbers, savings and loan men, and certified public accountants.

I feel that my colleagues may be interested in a few of these expressions, especially because they indicate the wide range of persons who would be affected by the passage of the bill. For this reason, I now ask permission to extend my remarks in the RECORD to include a few of the communications I have received on this measure:

STILLWATER, OKLA.,
*February 25, 1959.*

Hon. TOM STEED,
*Congress of the United States,*
*Washington, D.C.*

DEAR MR. STEED: I am definitely in favor of the immediate passage of H.R. 10. In my opinion this is long overdue. Generally men in my profession have long seen the need for tax equality as being enjoyed by a few. My thoughts on this has been if one were

allowed to invest perhaps up to this amount in a deferred annuity contract or even an insured annuity contract. The actual cost of the insurance being taxable but the saving portion exempt. Insurance companies, no doubt, could furnish you a breakdown on this as to savings or retirements income, that is, the portion charged to insurance.

If in my limited way I can be of any service to you in this respect, please advise.

Sincerely yours,

PAUL M. KERR, *Realtor.*

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SHAWNEE, OKLA.,
*March 2, 1959.*

The Honorable TOM STEED,
*Congress of the United States,*
*House of Representatives,*
*Washington, D.C.*

MY DEAR MR. STEED: Thank you for your letter of February 24 relating to H.R. 10. I am somewhat familiar with this bill and I also was aware of the fact that you were one of the sponsors. I appreciate your interest and support in this bill, and feel as though it is a change which is long overdue.

In addition to offering you my support, I am also advising clients of my office about this bill and urging them to write you also. These clients are, for the most part, businessmen within the Shawnee area.

Yours very truly,

DREW FINLEY, Jr.
FINLEY & COOK,
*Certified Public Accountants.*

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NATIONAL ASSOCIATION OF
PLUMBING CONTRACTORS,
*Washington, D.C., March 12, 1959.*

Hon. TOM STEED,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. STEED: The average plumbing contractor in the United States employs between 8 and 11 persons.

The plumbing contractor operates a family business. In most cases he does some plumbing work himself, and frequently his wife and family handle the books and the office end of things.

There are about 80,000 plumbing contractors in the country. More equitable tax treatment for these self-employed men would reflect a great return to the Nation's economy. An inequity in the tax laws now works against the small self-employed businessman. For example, a man who works for someone else may be provided with certain fringe benefits at no cost to himself. These include in many cases sickness, accident, health, and welfare pensions, and similar benefits. The cost of providing these is deductible by the employee on his tax returns but need not be included in the employee's declaration of income.

A self-employed individual is not treated equally in this respect. He must pay the cost of such protection for himself and his family out of earnings remaining after income taxes have been paid. In many cases, the small businessman operates on a narrow and often fluctuating margin and is simply unable after payment of all expenses and income taxes on net earnings to provide the necessary retirement funds.

The National Asssociation of Plumbing Contractors feels there is great merit in the Keogh-Simpson proposal in H.R. 10 allowing a limited tax deduction for funds to provide for retirement. We appreciate support of this legislation on behalf of the nearly 10,000 members of our association, most of whom are self-employed small businessmen.

Sincerely yours,

LEONARD F. KILEY,
*Chairman, Public Relations Committee.*

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NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
*Washington, D.C., March 12, 1959.*

Hon. TOM STEED,
*House of Representatives,*
*Washington, D.C.*

MY DEAR CONGRESSMAN STEED: I know that you will be interested as to a recent poll of our nationwide membership of independent business and professional men, all voting members (not groups) that we recently presented to them for the fifth time, arguments for and against on the Keogh-Simpson bill. The argument we presented to our members is as follows:

ARGUMENTS FOR

Fair play for business and professional people, that's what this bill seeks. These people generate much of our prosperity and provide essential services. They should have the same chance to provide for retirement as have corporation officials and employees—which this bill would grant them. By exempting from tax the first 10 percent of income pay into these plans, it would help them finance programs for retirement. Congress went almost 75 percent of the way toward making this into law in 1958 * * * in all fairness, it should go all the way this year. This is nothing but simple justice.

ARGUMENTS AGAINST

There are a lot of injustices in our tax laws. Perhaps these bills would correct one of them. But in doing so, they would create others. Treasury officials have testified that the bills would throw a harpoon into budget balance work and promote further depreciation of the dollar. Others have argued that the bills would confer special privileges on higher, middle, and upper income groups at a time when all need a tax reduction. Congressional authorities say we should start with a general reduction in all tax rates, and eliminate all special exceptions. Let's start with a general tax cut.

Congressman STEED, this poll was recently completed and the vote was 76 percent for the proposition, 20 percent against, and 4 percent no vote.

We believe this information should prove of considerable interest to your colleagues.

Sincerely yours,

GEORGE J. BURGER,
*Vice President.*

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SHAWNEE, OKLA.

Hon. TOM STEED,
*House of Representatives,*
*Washington, D.C.*

DEAR TOM: I appreciate very much your letter of February 16, regarding H.R. 10, of which you are a joint sponsor.

This is the first time that I have given any serious thought to the bill and was quite interested in reading the comments in your letter as well as the leaflet enclosed, which more fully explained the purpose of the proposed legislation. It does seem to me that this would provide a solution for an inequity which now exists, and that those who are self-employed should not be penalized for attempting to provide for their retirement years.

I have no suggestions to offer but wanted you to know that my reaction to this bill is favorable.

Your very truly,

JOHN A. MERRILL,
*Vice President, First Federal Savings & Loan Association of Shawnee.*

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WETUMKA, OKLA., *February 28, 1959.*

TOM STEED,
*Member of Congress,*
*Washington, D.C.*

DEAR TOM: I am very interested in private pensions for self-employed persons. H.R. 10 is legislation that is fair and just, and I hope that it is approved and passed on soon.

I understand the legislation, so won't comment further.

Your friend,

W. M. LOVE.

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ADA, OKLA., *February 28, 1959.*

DEAR MR. STEED: Thank you for your letter concerning H.R. 10.

I am in favor of this bill. It seems to me that too much emphasis is being placed upon employees benefits with little or no relief for the employer.

Thank you.

HOMER H. HENSLER, Jr.

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CHANDLER, OKLA., *February 28, 1959.*

Congressman TOM STEED,
*House of Representatives,*
*Washington, D. C.*

DEAR TOM: I am happy that you called your House bills (H.R. 10 and H.R. 9) to my attention, for I'm very much in favor of this voluntary pension plan, I happened to read about this plan in the newspaper some 2 or 3 weeks ago and thought about writing you at the time.

Again I want to thank you for being so thoughtful as to ask what or how I feel about the bill.

Sincerely,

FRIEND BURNHAM.

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SHAWNEE, OKLA., *February 27, 1959.*

Hon. TOM STEED,
*House of Representatives,*
*Washington, D. C.*

DEAR TOM: We are vitally interested in bills H.R. 10 and H.R. 9. It is something the self-employed person has needed a long while, we think.

Surely do appreciate your efforts on behalf of the bill.

Sincerely,

COY and LETA WINSETT.

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BARTLESVILLE, OKLA., *February 27, 1959.*

Hon. TOM STEED,
*House Office Building,*
*Washington, D. C.*

DEAR SIR: Our observation in the preparation of income tax returns for all classes of taxpayers has proved to us that the executive of a corporation approaches the retirement time in his life in a much more secure position than the average business or professional man.

The corporation employee has had the advantage of joining a company retirement plan and retires with payments from the plan with an income sufficient to care for him in his declining days. The self-employed has been unable for various reasons to provide for his declining days.

For these reasons we are highly in favor of the Keogh-Simpson bill (H. R. 10) and hope you will use your best efforts to assure its passage.

We could give many more reasons why we feel that this is commendable legislation but trust that this is sufficient to secure your support.

Yours very truly,

SEIDLE, WILSON, JONES, & SEIDLE,
GENE E. WILSON, *Partner.*

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## GEOPOLITICS AND NATIONAL POWER

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, during the past several years I have devoted much time and study to interoceanic canal policies and other matters related to our national power. In examining such questions, the evidence is cumulative of the imperative necessity for deriving our policies to present a reasoned line of thought in relation to actual conditions with a view to improving them.

Thus, it was most gratifying to read in the March–April 1959 issue of the Military Engineer, the journal of the Society of Military Engineers, published bimonthly in the Nation's Capital, a thoughtful article on "Geopolitics and National Power," by Capt. William T. Greenhalgh, U.S. Navy. Also in this issue is the following brief biographical sketch of the author:

Capt. W. T. Greenhalgh has served for the past 3 years as Assistant Chief of Naval Material and Director, Supply Programs Division in the Office of Naval Material. His interest in foreign affairs began as a student at the Industrial College of the Armed Forces where he served as an instructor in "Military and Economic Potential of World Areas." Following this, he served as chief of foreign production on the Munitions Board, and participated in the establishment of NATO requirements for the first military aid program. In 1951 he was ordered to the staff of SHAPE, where he served as logistics officer under Generals Eisenhower and Gruenther. Captain Greenhalgh received his education at the University of Pennsylvania. In the field of foreign affairs, he studied under former Ambassador to the U.S.S.R. George Kennan, and Father Edmund Walsh, of Georgetown University.

To give Captain Greenhalgh's article wider circulation as well as to record it in the permanent annals of the Congress, under leave accorded to extend my remarks, I quote the indicated article:

GEOPOLITICS AND NATIONAL POWER

(By William T. Greenhalgh, captain, U.S. Navy)

In these days of international confusion which call for swift and drastic national actions, it is important to be fully aware of the basic philosophies upon which American foreign policy is based and to manifest an interest in how these policies are affected by current events. If they are not understood, it is possible to arrive at erroneous interpretations of the events or actions.

Many of the factors and recommendations included here have been expressed before, but the passage of time sometimes puts old problems in new settings; and it may be the essence of great wisdom to make time the creative ally of diplomacy. Even though history is moving with long and rapid strides, previously proposed courses of action cannot be discarded without careful consideration, for they may involve new and dynamic courses which are vitally necessary. The world today is begging for words of guidance to cheer its toilsome march across the chasm of these perilous years.

Geopolitics, as a science, affects philosophies and policies both foreign and domestic. It is far broader than the two aspects expressed in its title—geography and politics. It also involves national and racial attributes, national traditions, social mores and customs, environment of the people, and to a very large extent, military philosophies such as those expressed by Clausewitz and Mahan and to some extent by national leaders and statesmen.

Geopolitics can be for the thinker a kind of extension in space and time of his experience, a deepening and a widening of his private world. Even though it may seldom move one emotionally, it can give the inquisitive and imaginative mind a magnificent ranging ground.

The present overall strategic policies of the United States and the U.S.S.R. have their basis in the geopolitical theories set forth some 50 or 60 years ago. While time and the accelerated progress in technology have challenged the validity of these theories, it is essential to understand them and the effect that they have had in the last half century. Today it may be vital to examine even visionary philosophies in an effort to find either a catalyst or a dynamic counterphilosophy to communism.

For example, the tallest buildings are nothing more than an extension of the earth's surface—manmade caves constructed from materials taken out of the earth and transformed and fashioned into shapes suitable to current desires. Such structures would never be built without knowing the strengths, the tensions, and the wearing qualities of the materials used or all facts concerning the foundation. The same is true in the building of geopolitical philosophies and the formulation of foreign policies. While others may be charged with the responsibilities of creating such philosophies and policies, it is, nevertheless, vital for everyone affected by them to be fully aware of the basic concepts underlying their adoption.

BASIC EARLY PHILOSOPHIES

Seapower: In 1890 Adm. A. T. Mahan developed his theory of insular dominance. He pointed out[1] that nations may rise or fall but no nation may stand still. He believed that expansion was essential to national greatness. His theory was that to expand, a nation must be wealthy; to be wealthy, it must have a large and prosperous foreign trade; to have a large and prosperous trade, it must have a large navy. Insularity, according to Mahan, was an invaluable asset in the struggle to control the sea. No state with insecure land frontiers could compete for maritime primacy with a comparably strong state that was completely insular; hence, the state which controlled the oceans and narrow seas could be the leader in world politics through its grip on the seaborne movement of commerce and military forces.

Mahan believed that a physically secure base, such as an insular base, would be free of the economic burden of having to defend insecure land frontiers. This is exemplified by Great Britain and the NATO forces in Europe.

Fifty years ago Mahan predicted that America's possession of an economically strong and secure insular base of continental proportion might well be the means of her succeeding Great Britain as the dominant maritime power of the globe.

Landpower: The theory that landpower was more essential than the development of maritime supremacy was first advanced by Sir Halford K. Mackinder, when he challenged the maritime supremacy theories of Admiral Mahan in 1904.[2]

Mackinder's concepts were formulated around the greatest land mass—Europe, Asia, and Africa—which he aptly named the world island. He considered the world island to be composed of two very different regions, with the rest of the world lying in a third region. Of the two regions comprising the world island, the first included the interior of the Eurasian land mass, dependent upon overland communications and relatively inaccessible to the influence or domination of seafaring peoples. This he named the heartland of Eurasia. The second region was exterior, comprising those outer areas of the world island which are generally accessible to the sea and dependent upon sea communications for a large element of their economic strength. The maritime outer region he named the coastland or inner crescent of the world island.

Mackinder warned that if some central European power were to unite the advantages of the heartland with the advantages which would accrue through access to the sea, there might arise a combination of land and sea power that could easily dominate the world. He feared that possible leadership for just such a superpower could be found in the Germanic peoples of central Europe.

It was not until 1919, however, that the strategic concept of Mackinder's theories was made known to the world. In that year he published his "Democratic Ideals and Reality," a book addressed to the Allied statesmen then sitting at the peace table following World War I. In it he pointed out the ever present threat to the peace of Europe through German-Russian rapprochement or through German domination of Russia. He cautioned his readers that: who rules Europe commands the heartland; who rules the heartland commands the world island; and who rules the world island commands the world. He feared that Germany would get control of Russia and in time accomplish the conquest of the world.

APPLICATIONS OF THE HEARTLAND THEORY

The world ignored Mackinder's warning but one man studied it carefully. Gen. Karl Haushofer, a German soldier and scholar, combined the theories of earlier geopolitical scholars with the thoughts expressed by Mackinder. He saw in these theories a logical plan for German conquest.

The story is told that Rudolf Hess, a disciple of Haushofer's took him to see Hitler in the Landsberg jail. From this and subsequent visits came chapter XIV of "Mein Kampf"—Mackinder's heartland theory twisted to Germany's ends. And to this theory Hitler added action.

Haushofer's aim was to bring about a tripartite alliance between Japan, Russia, and Germany. But, as is well known, this was not to be. Nazism and communism included an identical objective—world revolution and eventual domination. They jointly expressed the two most dynamic principles in the European balance of power and were historically and politically destined for eventual collision. Both secretly understood the nature of the breathing spell afforded them by the Russo-German nonaggression pact of 1939. They knew it to be merely a breathing spell to prepare for the inevitable struggle between the two titans, between the two philosophies of political and economic life most concerned with the domination of the heartland. It must be recognized that the U.S.S.R. was thrown not so much into the camp of the Allies as back into her original domestic defense position respecting Nazi Germany. She was fighting with the Allies against a common enemy, but neither guaranteeing nor underwriting the common objectives of the United Nations. This fact was not understood, or else it was ignored, by many of America's leading statesmen.

On the other hand, Japan was convinced that an alliance with Germany and Russia would assist in securing Asia for the Asiatics with Japan calling the plays. Fortunately for the world, Tojo and Hitler failed to heed fully Haushofer's warnings. With Russia lost to the alliance, he counseled Japan to strike first against the British Pacific Empire and the other European

[1] In his book, "The Influence of Seapower Upon History."

[2] In a paper presented before the Royal Geographic Society that year.

colonies in the Pacific. His advice to Hitler was to direct the Nazi conquest primarily toward the Middle East with the idea of meeting the invasion forces of Japan somewhere in India. Thus both the heartland and the interior of the Chinese mainland would be cut off and isolated.

Instead of turning south, however, Japan started her drive on the continent of Asia. At the other end of the Berlin-Tokyo axis the clash with Russia became inevitable.

With the defeat of Germany and Japan, the heartland extended its tentacles in all directions. While seizing Eastern Europe and buffer areas in Asia, the Kremlin also attempted to gain control of areas in north Africa and the Middle East (Tripolitania and the Kars-Erzurum area of Turkey). Failing in the latter attempts, the U.S.S.R. has consistently tried to foster the creation of a Kurdistan Republic—to be carved out of Turkey, Iraq, and Iran—which would seal off all entrances to Soviet territory through the Middle East. All of these moves follow the heartland theory and its ultimate aim of controlling the world island.

CONTAINMENT AND THE RIMLAND THEORY

But how do the geopolitical ideas tie in with American attempts to halt this growing Red tide? Shortly after Mackinder advanced his heartland theory, the late Prof. N. J. Spykman, of Yale, pointed out what he believed to be fallacies in the Mackinder theory. Among others, he felt that the inner crescent, composed of the Mediterranean Basin, the European Peninsula, and the Asiatic coastlands, with its seapower and its own natural barriers, was of greater strength and power than the heartland. He paraphrased Mackinder by saying that who controls the Rimland, or inner crescent, rules Eurasia; who rules Eurasia controls the destinies of the world. Apparently the United States and other allied nations, either by choice or necessity, favor the rimland theory. This, of course, accounts for the accent on Western Europe and the determination to hold Japan, Formosa, and southeast Asia, and foster the American position in the Middle East. This, in essence, is the containment policy.

Containment means, first of all, the prevention of the extension of Communist control into the rimland—a policy which was inaugurated officially back in 1947 with American aid to Greece and Turkey. The philosophical basis for the pursuit of such a policy has often been cited as set forth in an article entitled, "The Sources of Soviet Conduct," by George F. Kennan, career Foreign Service officer.

Kennan's thesis rests on the premise that there are two basic facts: First, that the Russians live in a vast, defenseless plain, where they have always been surrounded by hostile forces; and, second, that their society and culture have ever been weak, disorganized, and primitive, according to Western standards. As a result, Kennan contends, the Russians have traditionally suffered from a sense of insecurity and their rulers from feelings of inferiority. They have always been consumed by fear—fear of foreign penetration; fear of what would happen if the Russian people learned the truth about the world outside, or if foreigners learned the awful truth about the world inside; fear of direct contact between the Western World and their own. Thus, Russia's rulers have learned to seek security only in waging a patient but deadly struggle for the total destruction of rival power—never in compacts and compromises with it.

The advent of Marxism in Russia, Kennan holds, and its doctrine of the irrepressible conflict between Marxism and capitalism, is just a convenient vehicle, serving to enhance the concept of Old Mother Russia encircled on all sides by hostile forces. It has served merely to provide Russia's rulers with a plausible apology and justification for the exercise of autocratic power, and with an intense faith in the ultimate triumph of Russia's cause, without the urgency of adhering to any fixed timetable to insure ultimate success.

To Kennan the most effective policy for the West is a long-range containment effort, pursued as steadily, patiently, and resourcefully as the policy pursued by the Russians. This involves the diligent application of Western power at a series of constantly shifting geographical and political points, corresponding to the shifts and maneuvers of Soviet policy. The West must confront the Communists with unalterable counterforce at every such point. The United States must demonstrate to the world that she is capable of dealing successfully with her own internal problems, that she is a country that knows what she wants, and that she possesses a spiritual vitality capable of holding her own among the major ideological currents of the time.

In summary, Kennan believed that such a program of continuous pressure applied from the outside, if vigorously pursued for a period of 10 to 15 years, would so frustrate and disillusion Russia's leaders as to result in either a genuine mellowing of Soviet power or its complete collapse.

Considerable encouragement has been found by Mr. Kennan in the trend of events in Eastern Europe during the last year such as Zhukov's dismissal, and the outbreaks in Hungary and Poland. Soviet communism today remains what it proclaimed itself to be 40 years ago—a threat to the non-Communist world. But the nature of the threat has changed. There was a real possibility that the bitterness and frustration generated by World War I (and to some extent World War II) would turn men's minds to communism and touch off revolutions in other countries besides Russia. In those days Russia was militarily helpless to the point of impotence; propaganda and examples were the weapons of the Communist government.

Now, except possibly in some of the more backward areas of Asia, Communist Party propaganda has lost much of its power of appeal. Soviet living conditions are not calculated to induce workers or anyone else to embrace its theories in the hopes of reproducing these conditions in other countries.

But, rapid Soviet mastery of deadly weapons and a willingness to brandish these weapons for purposes of blackmail pose new and worse threats.

Today the sea and air power of the Western allies depend upon the fringing rimlands of Eurasia and the bordering islands and continents, such as Africa, for forward bases. This insular concept of strategy was entirely valid in the days before the airplane and the atomic bomb and it still has some validity today. But island bases, fringing continental land masses such as Great Britain, Japan, and Formosa, are less secure in the age of airpower and hydrogen weapons than in the decades when surface ships were supreme.

Around the Eurasian periphery—on the continental rimland and the fringing islands—the United States and its allies have the advantage of hundreds of air and naval bases, which virtually encircle the Communist heartland. The Communists, on the other hand, would have no such bases in the Western Hemisphere; attacks on the United States would have to cross great distances of sea and air. This condition has made the development of the intercontinental ballistic missile (ICBM) a Soviet necessity, while shorter range missiles and bombers are still suitable for the West.

THE WAY TO PEACE AND FREEDOM

The American defense problem in the age of nuclear plenty is twofold. She must maintain her strategic power, enough of it so that any prospective enemy must believe that he cannot survive a war against it. Such strength will serve as a deterrent to prevent general war. Equally, America must be prepared to exert her force successfully in limited conflicts. The two requirements are parallel. Neither has priority; both are necessary. America faces destruction if she becomes incapable of an annihilating stroke, but she can just as surely be destroyed piece-by-piece if she cannot manage the so-called little threats. It might take longer to destroy her that way, but probably not much. She cannot sit idle while her foundations are chiseled away. And, of course, it is also true that little threats can bring on general war if they are not adequately dealt with at the start.

Advances in transportation and communication have made a smaller world, into which the tremendous destructiveness of nuclear weapons must be crowded. Someone has suggested that the United States and the U.S.S.R. are like two deadly enemies locked in a small room, each armed with a hand grenade. For this problem, the analogy may be refined by assuming that Russia also has a knife. If America does not provide herself with a weapon to parry Russia's knife, she can be cut to ribbons, with no defense that is not also suicide. If America should also have a knife she is then in a position to put up a suitable defense, and possibly find a way out of the room.

The Soviet cold war tactics will succeed only if America and her allies fail to move together. It is imperative to recognize that the Soviet Union and her satellites are employing a combination of military, political, and economic techniques all over the world to achieve Communist ends. The West requires no less an integration of its own strategy, and must realize that wise use of economic and political power is just as necessary as increased military power.

In the postwar years the non-Communist countries, even though they differed among themselves in opinions, desires, and needs, have been pushed together by the pressure of a common opponent and a common danger.

There may have been a time, long before written history was set forth when primitive people, huddled over their fires with the cold and darkness pressing in on them, realized with some suddenness that they must be brothers if they were to withstand the perils of the wilderness. Something like that has happened today. The fire America and her allies cherish and strive to keep alive is the bright flame of civilization and freedom. The cold and darkness are the possibilities of Communist despotism menacing the human spirit. Much that was good came from the conquest of the old and simpler danger. Perhaps the new danger also carries some reward, for when freedom is menaced it is valued the more; when civilization is attacked it is realized how bleak the world would be if the attack were to succeed. Americans must not merely oppose the Communist terrorism but hold up to the world a glowing and warmhearted alternative. Let America offer her friends her confidence and cooperation as equal to equal.

America has lived for some time in a kind of winter of the modern world chilled by the cold war. There have been short periods when there seemed to be a coming of spring—a possible end to the cold war, but each time her hopes have been in vain. It might be said of Americans in particular that no people in all history ever wanted more to be let alone. If the thought of American military forces being stationed in Europe, in Asia, or anywhere else overseas is accepted, it is because it is believed that this action, so many miles away, may make it a little more certain that the Americans at home may go more peaceably about their business.

America wants peace and knows that mankind cannot survive without it. Perhaps the peoples of the Communist countries would understand the principles of peace and freedom and meet the West halfway if they could be reached. For this reason America cannot afford to reject completely Communist avowals of goodwill just because she is not convinced of their sincerity. Issues such as unification of Germany and Western mutual influence in the Middle East, where Communist and Western national interests clash, must be made susceptible to negotiation. Naturally, it must be a genuine negotiation in which both sides are no longer looking for the ultimate destruction of an enemy but for the accommodation of a rival in the sincere belief that the survival of both is of more advantage to each than the destruction of either. It would indeed be difficult to make peace with Russian communism; however, peace is not made with the doctrine of communism, but with the national interests of Russia. Unfortunately, it is believed that this is the only way in which the nuclear fires may be escaped, the true creative energies of free society released, and freedom served.

The contest between the Communist and the free world must, therefore, be fought out on the diplomatic battlefields, where the battle will be won or lost by the possession or the lack of certain basic elements which decide international contests on any field. These elements include the imponderable but indispensable support of the moral forces of the world, which must recognize the justice of the Western cause, and which in the long run have toppled even the strongest tyrannies. Equally important are both military and economic strength to permit America to negotiate from a position of strength with a world power which has only contempt for weakness. In both these categories the United States must still aid the free world where necessary, and any reduction in either respect, due to either a false sense of security or a false economy, can spell disaster.

This is the way of diplomacy and power; it can spare America neither trial nor tension, but in the interminable struggle will demand realism and risktaking. It is the only way left to the free people between the distant alternative of full agreement and the near alternative of continued conflict.

TECHNOLOGY, DIPLOMACY, AND POWER

Every great achievement of modern technology may be used to bring to humanity hope and promise if mankind will work together for the common good, or may lead to despair and disaster if used for the purposes of aggression, death, and destruction. So it is with the space satellite. The rocket motors which sent it into the upper atmosphere may be harnessed for a great cooperative scientific assault on the barriers of distance in space, or they may be used to propel destruction upon defenseless millions. The fantastic speed of modern scientific and technical advance permits no procrastination in deciding on the course to take.

Wise, forward-looking diplomacy, supported with effective power, offers free men a rational hope for survival. It will tax them not only in resolution but also in resources. To prevail with diplomacy and power against the Communist world, America must undo its lies with truth and must challenge its threats of aggression with superior power. No more formidable task has ever confronted the American people. No more fearful judgment has ever awaited them should they fail.

## OPENING THE BANKERS' EYES TO CREDIT UNIONS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. PATMAN. Mr. Speaker, last week the American Bankers Association held its 56th Annual Savings and Mortgage Conference in New York.

The American Banker has reported that the bankers attending this conference "got an eye-opening report on one of their liveliest competitors, the credit unions." The eye-opening report in question was delivered by Dr. Rudolf Modley who told the bankers that credit unions now have assets amounting to $4.3 billion and they have share holdings amounting to nearly $4 billion.

These figures bring up some important comparisons, and they raise some important questions for the future of the commercial banking system of the country.

PAID-IN CAPITAL ABOUT EQUAL

First, consider this: The share holdings, of credit unions or what we would call "paid-in capital" in commercial banking, is now about the same as the paid-in capital of all member banks of the Federal Reserve System. On June 23 of last year the paid-in capital of all these banks amounted to only $4.5 billion, or roughly one-half billion dollars more than the paid-in capital of the credit unions.

On that date the paid-in capital, plus notes and debentures of all insured commercial banks in the country, came to only $5.3 billion. In the case of all insured commercial banks, I do not have a separation of the figures as between capital stock on the one hand and the notes and debentures on the other. But that is unimportant.

The contrasts in the ways which the credit unions and the commercial banks use their paid-in capital make the interesting points.

SEVENTY-SEVEN BILLION DOLLARS OF GOVERNMENT OBLIGATIONS ON CREATED MONEY

As has beeen noted, the total assets of the credit unions are only $4.3 billion—only slightly more than their paid-in capital. Unlike the commercial banks, the credit unions do not create money. Credit unions have a certain amount of money invested, by their members, and they can lend and invest no more than the members have put in. They can make loans to their members. They can invest in certain amounts of U.S. Government securities and in insured building and loan and savings and loans institutions.

The commercial banks, on the other hand, create money. As of June 23, 1958, the insured commercial banks, on their $5.3 billion of paid-in capital, had acquired and were holding $63.5 billion of interest-bearing obligations of the U.S. Government. These holdings of U.S. Government obligations alone amounted to about 12 times the amount of their paid-in capital.

In addition, these banks held at least $13.7 billion of tax-exempt obligations of the States and subdivisions. This was the amount of such obligations which they held at the end of 1957, and such holdings have long been on the increase. It is probable that by midyear 1958 their holdings of these obligations were substantially larger.

All of the assets of the insured commercial banks on June 23 came to $225.9 billion. These assets included, in addition to the securities I have mentioned, $95 billion in loans outstanding to business, consumers, security dealers, and so on, and included about $43 billion in cash.

On the liability side of the account, insured commercial banks had, of course, some earnings on their paid-in capital which had not been distributed to the stockholders. In other words, there are earnings from previous years on the created money which by one method of comparison should be counted as invested capital. These banks had on June 23, $3.7 billion of undivided profits; $8.4 billion of surplus, and about $0.5 billion in reserves which, when added to capital, makes a total capital account of $17.9 billion. If we compare their total capital account to their holdings of U.S. Government obligations, we find that their holdings of these obligations amount to 3½ times their total capital account.

PRIVILEGES TO BANKS INTENDED FOR SERVICES TO LOCAL COMMUNITIES

I have some serious reservations about allowing the commercial banks to create money—which is done on a delegation of the power of the U.S. Government—to acquire U.S. Government securities and tax-exempt securities of the State and local governments. If it is wise to allow the commercial banks to do this, should the law be amended to permit the credit unions to operate on a fractional-reserve system and create money to buy and hold these kinds of securities?

The original idea which justified all the privileges extended commercial banking—the privilege of chartering, with limited monopoly protection, the privilege of creating money on the credit of the United States, and so on—was that the commercial banks would use these in service to the local communities. It seems to me the commercial bankers are getting too far away from their proper function—serving the credit needs of their local communities when they become simply holders of securities of the United States and tax-exempt securities of the State and local communities.

## THE CORNEY DRAINAGE SYSTEM

Mr. BURDICK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. DINGELL. Mr. Speaker, the State of Louisiana is proud of its fishing and hunting areas, made possible by a plentiful supply of surface waters. Many of these are parallel streams which flow from southern Arkansas into Louisiana, thence to the Ouachita River. One such system of streams and bayous is called the Corney drainage system, consisting

of Corney Lake, Corney Creek and other tributaries.

Once the Corney Drainage System was an abundant source of fish and small game, an established recreation area, supporting commercial fishing, trapping, and providing water for livestock.

In southern Arkansas, however, oil was discovered. Large fields of oil wells sprang up along the borders of streams which formed the Corney system. Although the operation of these wells brought in valuable oils, also supplied in even greater quantity was an utterly valueless byproduct a brine of high salt and acid content.

Getting rid of the large volumes of brine was most cheaply accomplished by discharging them to the surrounding land from which they made their way into the waters of the Corney drainage system. Later, holding pits of earthern walls were hastily constructed by bulldozer operation. These were far from waterproof and the brines continued to seep into the nearby surface streams. Residents of the sportsmen's paradise in Louisiana soon found that the blessings of oil enjoyed by Arkansas signified a curse to themselves.

Pollution of these waters became so severe and complaints mounted so high, that the Public Health Service, under its enforcement powers, was called in to conduct a hearing, to look into the matter. Witness after witness took the stand to testify about the ways in which the pollution from Arkansas was damaging the stream, their uses of it, and their properties. They told of large-scale fish kills, corroded metal boat parts, disintegrated fishing lines, and the disappearance of the formerly abundant fish and wildlife. Farmers who depended upon the stream as a source of water for livestock were compelled to sell their cattle and, in one case, abandon land which, once flooded by the acid-laden waters, could no longer produce crops.

One farmer, relating his experiences, indicated the nature and effects of the water in the following colloquy:

Question. When you noticed the bad effects of this water, did you taste it?

Answer. Man, it stunk so bad you couldn't afford to taste it. Too much slime in it, and stuff like that * * * I had a nice peach orchard, selling peaches every year, and I had this land all plowed up and broke up there, and this overflow backed in on it there, and in 6 weeks' time every tree was dead.

Another farmer, in matter-of-fact language that masked what must have been a personal economic catastrophe, described how the polluted water affected him.

Question. Will you explain what you were doing on those 90 acres of land and what occurred to you?

Answer. Well, we used it mostly as a dairy farm. We had a lot of other land rented that we also used, and in 1952 pollution hit us; we felt a little results of it. In 1953 it almost got us; and in 1954 it completely got us.

Question. When you say it completely got you, what happened?

Answer. We quit.

Question. How many head of cattle did you have?

Answer. We had a total of about a hundred and thirty or forty head.

Question. What did you do with them?

Answer. We lost 96 head of them, they died.

Question. What happened to the timber along the creek where the creek overflowed?

Answer. It began to die, and also, the land it backed out on, approximately 60 or 70 acres, it ruined it totally as a pasture and as farm land.

A trapper told of how his business of trapping along Corney Creek was damaged:

Everything has been killed in the creek, and the furbearing animals has done quit traveling it. They don't feed there any more; there's nothing there for them; not even a frog.

And another citizen of the area who spent several thousand dollars building a private camp along the waters of the creek was forced to give up the use of it because of the pollution:

Of course the loss to me has been the loss of the use of my camp which has been rendered entirely useless, but the principal loss to me is the loss in my family recreation with my two boys whom I used to be able to take out of school at three o'clock in the afternoon and take them up there for a nice fishing trip.

As a consequence of this testimony, the Public Health Service compelled the oil-well operators to install equipment for pumping brines back into the wells themselves in order to avoid further contamination of the streams. Despite these installations, because the soil in the area has been so thoroughly impregnated with brines which still wash into the stream each time it rains, it will be years before the waters of the Corney drainage system are restored to their former quality.

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## NATIONAL MILK SANITATION BILL

Mr. JOHNSON of Wisconsin. Mr. Speaker, on Monday, March 9, a number of my colleagues from Wisconsin, Minnesota, and Iowa and I called to the attention of the House the national milk sanitation bill we are sponsoring. My bill is H.R. 3840. On the afternoon of that day, Al Stedman, an outstanding editorial and feature writer, farm editor, and recognized authority on Federal milk sanitation standards and milk orders, wrote an editorial in the St. Paul (Minn.) Pioneer Press, entitled "Uncle Sam's Milk." This is one of the leading newspapers in the Midwest. In this editorial, he calls attention to what is going on under our eyes in the way of a new Federal milk order in the Washington area. This order is so far-reaching that—and I quote Mr. Stedman's editorial—"it applies itself to sales of milk to all Government agencies, whether Federal, State, or local. This includes all defense agencies and military posts, docks, wharves, piers, and ships in the Nation's key defense area. And it applies specifically to fresh or frozen concentrated milk that can be and often has been sold to Government defense agencies at economical costs to them." Mr. Stedman also states: "Finally, an order omission opens the way for Washington area milk prices and Government milk costs to rise as high as the artificial restriction of supply helps push them. The order regulates supplies but not prices."

Mr. Speaker, I include with my remarks the article by Mr. Stedman along with the proposed Federal milk order. I think it would be well if the proper committee would look into this new Federal milk order, as it will affect our Armed Forces in the Washington, D. C., area.

Mr. Stedman's article follows:

In formidable and bipartisan strength, Midwest House Members in Washington this afternoon will raise for later decision a key issue. This is the question of abolishing Federal, State, and municipal barriers against freedom of interstate commerce in milk of established wholesomeness and quality. Their abolition would be achieved by enactment of the Lester Johnson bill.

Special target will be the new Federal milk order now being proposed for the Washington area by the U.S. Department of Agriculture. This amazing 15,000-word Government edict would regulate milk supplies for the District of Columbia and nine surrounding counties in Virginia and Maryland. The order is in itself a summation of types of milk barriers being used to wall out milk that can compete with local dairy monopolies.

The order starts by complaining against "increasing competition" from such outside milk. It proceeds to impose the usual Federal restrictions plus some more. Then it gives special Federal sanction to milk regulations of surrounding municipalities. Thus it authorizes them to bar any outside milk they choose by simple refusals to inspect, as Washington already does.

From that point, the proposed order applies itself to sales of milk to all Government agencies whether Federal, State, or local. This includes all defense agencies and military posts, docks, wharves, piers, and ships in the Nation's key defense area. And it applies specifically to fresh or frozen concentrated milk that can be and often has been sold to Government defense agencies at economical costs to them.

Finally, an order omission opens the way for Washington area milk prices and Government milk costs to rise as high as the artificial restriction of supply helps push them. The order regulates supplies but not prices. Its stipulated prices are merely minimums. Right now actual Washington area milk prices are much above the order's show-window figures.

Of course, the 2,000 or so dairy farmers supplying that market have a natural advantage due to location and hauling costs that cannot be taken from them. But why deliberately erect artificial barriers on top of the natural one? Our Government claims to be founded on principles of freedom of competition and enterprise. These principles can be applied in ways that treat Government suppliers fairly. Or, in the face of severe budget problems, they can be flouted to discriminate between citizens and inflate Government costs.

Midwest dairying asks that these principles be reaffirmed by enactment of the Johnson bill. Our farmers, cooperatives, and milk handlers are Americans, too. They pay taxes to the Government. Their sons help man its defenses. They ask Congress by enacting the Johnson bill to get rid of such harmful and costly discriminations as the proposed Washington order exemplifies.

[From the Department of Agriculture, Agricultural Marketing Service, 7 CFR pt. 902, Docket No. AO-293]

HANDLING OF MILK IN WASHINGTON, D.C., MARKETING AREA—NOTICE OF REVISED RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS THERETO WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure, governing the formulation of marketing agreements and marketing orders (7 CFR pt. 900), notice is hereby given of the filing with the hearing clerk of this revised recommended decision of the Deputy Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, with respect to a proposed marketing agreement and order regulating the handling of milk in the Washington, D.C., marketing area. Interested parties may file written exceptions to this recommended decision with the hearing clerk, room 112, Administration Building, U.S. Department of Agriculture, Washington 25, D.C., not later than the close of business the 10th day after publication of this decision in the Federal Register. The exceptions should be filed in quadruplicate.

Preliminary statement: A public hearing on a proposed marketing agreement and order was called by the Agricultural Marketing Service, U.S. Department of Agriculture, following receipt of a petition filed by the Maryland and Virginia Milk Producers Association. The hearing was held in Washington, D.C., on April 8–19, 1957, pursuant to a notice duly published in the Federal Register on February 27, 1957 (22 F.R. 1116). The period until June 14, 1957, was allowed interested parties for the filing of briefs on the record.

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on May 26, 1958 (23 F.R. 3719), filed with the hearing clerk, U.S. Department of Agriculture, his recommended decision on all issues except the issue of class I price. It was stated in the decision that the hearing would be reopened to receive further evidence on this issue. The period until July 2, 1958 was provided for the filing of written exceptions to the recommended decision.

The reopened hearing was held on September 22–25, 1958, pursuant to a notice duly published in the Federal Register (23 F.R. 6909). The notice set forth a revised class I price proposal made by the proponent cooperative association and stated that interested parties might submit additional evidence on all issues included in the original hearing notice. The period until November 3, 1958, was allowed interested parties for the filing of briefs on the record.

In arriving at the conclusions and recommendations set forth in this revised decision consideration has been given to the record evidence of the reopened hearing and to the exceptions filed to the initial recommended decision.

The material issues of record related to:

1. Whether the handling of milk in the market is in the current of interstate commerce or directly burdens, obstructs or affects interstate commerce in milk or its products;

2. Whether marketing conditions justify the issuance of a marketing agreement or order; and

3. If an order is issued what its provisions should be with respect to:

(a) Scope of regulation;

(b) The classification of milk;

(c) The level and method of determining class prices;

(d) The method to be used in distributing proceeds among producers; and

(e) Administrative provisions.

Findings and conclusions: Upon the evidence adduced at the hearing and the record thereof, it is hereby found and concluded that:

Character of commerce: The handling of milk in the Washington, D.C., marketing area is in the current of interstate commerce and directly burdens, obstructs, or affects the handling of milk and its products.

The Washington fluid milk market is an interstate market encompassing not only the District of Columbia but the immediately adjacent counties of both Maryland and Virginia. Within this market there is a substantial and continuing interstate commerce, both in the procurement of milk and in the sale of fluid milk and its products.

The District of Columbia which is but a part of the area comprising the whole market, is entirely urbanized and must rely completely on movements of milk in interstate commerce for its supply. Milk for the market is regularly supplied by dairy farmers in the four-State area of Maryland, Pennsylvania, Virginia, and West Virginia. Statistics presented by the Maryland and Virginia Milk Producers Association, whose members produce approximately 90 percent of the total market supply, indicate that for the month of March 1956, 49 percent of their milk originated from farms located in the State of Virginia, 46 percent from farms in the State of Maryland, 2 percent from farms in the State of Pennsylvania and 2 percent from farms in the State of West Virginia. In addition, at least two substantial handlers in the market procure their milk supply from other sources. One of these dealers procures his supply through the Capitol Milk Producers Association from farms located in the States of Virginia and Maryland. The other dealer, whose bottling and distributing plant is located outside the District of Columbia in the State of Maryland, procures his supply primarily from two cooperative associations, one of whose plants is located in the State of Pennsylvania and the other in the State of Virginia. Milk from the Virginia plant is supplied by dairy farmers located in Virginia and in West Virginia. The milk from the Pennsylvania plant is supplied by dairy farmers in Pennsylvania, Maryland, and in West Virginia.

Distributors whose plants are located in the District of Columbia have regular and substantial route sales, both wholesale and retail, extending into the adjacent counties of both Virginia and Maryland. One such distributor also makes regular sales into the State of Delaware as well as on the Eastern Shore of Maryland and Virginia. Distributors whose plants are located in nearby Maryland and distributors whose plants are located in nearby Virginia regularly compete with distributors whose plants are located in the District of Columbia for contract sales to Federal and/or State installations in the District of Columbia and in Maryland and Virginia. One substantial handler processes and packages frozen concentrated milk at his Washington, D.C., plant which milk is later transported to naval installations in the State of Florida. In addition, the Maryland and Virginia Milk Producers Association makes substantial spot sales of bulk milk to outlets in the States of New Jersey, North Carolina, and Florida.

Milk produced for the local fluid market, but which may be in excess of current fluid needs, is processed into manufactured milk products in nearby manufacturing plants which products are sold on the national market in competition with similar products from all parts of the country. In addition manufactured dairy products such as cottage cheese, sour cream, and ice cream are distributed in the local market from sources outside of the District of Columbia or the States of Maryland and Virginia.

From the foregoing it is evident that the vast majority of the milk in the Washington market does move in the current of interstate commerce and directly burdens, obstructs or affects interstate commerce of milk and its products.

Need for an order: Marketing conditions in the Washington, D.C., marketing area justifying the issuance of a marketing agreement and order.

For a period of about 14 years from February 1940 to August 1954, marketing conditions in the Washington market were, in general, orderly and stabilized. During the period from February 1940 until April 1947 the market was regulated under Federal Order 45. That order was terminated effective April 1, 1947, at the request of the Maryland and Virginia Milk Producers Association, a cooperative association representing the majority of the producers supplying the market. Throughout the period in which the order was in effect the market was generally in short supply and supplemental outside milk was regularly imported to meet the fluid needs of the market. After the termination of the order the market continued to be in short supply until early in 1951. Throughout the period in which the market was in short supply the blended prices returned to all producers on the market were very near the class I price.

Subsequent to the termination of the Federal order the Maryland and Virginia Milk Producers Association continued to market the milk of its producer-members on a classified use basis and to return a blended price to its members. The Capitol Milk Producers Association, which markets the milk of its producer-members through one substantial handler in the market, on the other hand, has sold the milk of its members on a flat price basis which price has approximated the blended price which the Maryland and Virginia Milk Producers Association has returned to its members. The handler who purchases this milk has maintained a very high Class I utilization, currently about 95 percent. The utilization of the Maryland and Virginia Milk Producers Association, while varying, has in some months of 1956 been as low as 65 percent in class I.

A substantial handler who prior to October 1, 1954, purchased his milk from the Maryland and Virginia association on a classified use basis now purchases his milk from two cooperatives, one in Virginia and one in Pennsylvania, on a negotiated flat price basis. The handler's current utilization approximates 95 percent of class I. The loss of this class I outlet has increased the volume of milk from members of the Maryland and Virginia Milk Producers Association utilized in manufacturing uses, thus lowering the blended prices returned to the members of this association, and indirectly, the returns to members of the Capitol Milk Producers Association whose milk is purchased on a price related to the Maryland and Virginia blended price. At the same time the advantage which the handler buying milk through the Capitol Milk Producers Association has maintained over other handlers in the market in the cost of class I milk has been further enhanced. The record evidence does not reveal the prices paid by the one handler to the two cooperatives who supply his needs. However, it does show that the prices paid to the two cooperatives are not necessarily the same and do vary from month to month.

The trend of increasing milk supplies in the Washington market is typical of the

dairy industry generally throughout the country. With the increase in milk supplies locally and in adjacent markets, Washington handlers who purchase their milk on a classified use basis have encountered increasing competition in their regular route distribution as well as on contract sales to Federal Government installations. Government contract purchases in the Washington area represent a substantial part of the total class I sales in the market. In recent years Washington area handlers have encountered increased competition from outside dealers using milk surplus to their normal market with the result that bid prices to supply class I milk to Government installations currently reflect values only slightly in excess of milk disposed of in manufacturing use.

In an effort to preserve their established class I outlets the Maryland and Virginia Milk Producers Association has priced milk to its buyers at prices calculated to meet the competition from the flat price buyers in their regular trade and the outside dealers on contract business for Government installations. One substantial handler testified that his company paid as many as six different class I prices for the same quality milk. This must be presumed to be typical of all other handlers in the market since the association witnesses pointed out that all of the regular buyers purchasing milk for any particular outlet were charged the same prices. Notwithstanding the efforts of the local producers to hold their class I outlets, local handlers have not been entirely successful in holding the contract business.

The Maryland and Virginia Milk Producers Association currently supplies nearly 90 percent of all the class I milk for the market and an even greater proportion of the reserve supply. In earlier years arrangements with one of the larger handlers in the market who maintains a receiving and manufacturing plant at Frederick, Md., provided a basis whereby the cooperative association could direct milk to the several handlers in the quantities and at the time needed. Milk not needed for fluid uses was held at the Frederick plant for manufacturing uses. In order to better service the market and to return the highest possible prices to its producer-members the association in 1955 acquired its own manufacturing plant. This acquisition has provided substantially greater flexibility in marketing on the part of the association. Notwithstanding, the loss of class I outlets, and the extensive price cutting which has prevailed over an extended period, have resulted in increasing market instability, which if continued, may lead to a complete breakdown of the marketing system. This situation constitutes a continuing and serious threat to a dependable supply of pure and wholesome milk for the Washington area.

It is concluded that the issuance of a marketing agreement and order for the Washington market will contribute substantially to the stabilization of the fluid milk market and will tend to effectuate the declared policy of the act. The adoption of a classified price plan based on audited utilization of handlers will provide a uniform system of pricing of milk to all handlers and will assure a fair division of returns to all producers. The public hearing procedure required by the Agricultural Marketing Agreement Act will provide opportunity for representation of producers, handlers, and to the public to present information on marketing conditions and participate in the determination of prices for milk in the area.

The marketing area: The Washington, D.C., marketing area should include all of the territory in the District of Columbia; the city of Alexandria and the counties of Arlington, Fairfax, Prince William, all in the State of Virginia, and the counties of Prince Georges (exclusive of the corporate limits of the town of Laurel), Montgomery, Charles, and St. Marys; the southern portion of Calvert County, and the southern portion of Frederick (including the city of Frederick), all in the State of Maryland, together with all piers, docks, and wharves connected therewith and including all territory within such boundaries which is occupied by Government (municipal, State, or Federal) installations, institutions, or other establishments.

The maximum area of regulation as set forth in the several proposals contained in the hearing notice included, in addition to the area herein proposed, the counties of Accomack and Northampton in Virginia and the counties of Talbot, Dorchester, Wicomico, Worcester, Somerset, the remaining portion of Calvert County and portions of the counties of Washington, Howard, and Anne Arundel, and the town of Laurel in Prince Georges County, all in the State of Maryland.

The population of the area as herein proposed, according to the 1950 census, is in excess of 1,500,000 persons, of which approximately 800,000 are in the District of Columbia. Unofficial population estimates introduced in the record of the hearing indicate an overall population growth in this area from 1950 through 1956 of more than 33 percent, the greater part of which has taken place in the nearby Maryland and Virginia counties. The principal populated areas outside of the District of Columbia include: Alexandria, Arlington, Falls Church, Fairfax and Manassas, Va.; Bethesda, Chevy Chase, Rockville, Silver Spring, Hyattsville, Riverdale, Mount Rainier, College Park, La Plata, Leonardtown, Prince Frederick, and Frederick, Md. The major Federal installations in the area include Andrews Air Base, Bolling Field, Bethesda Naval Hospital, Cameron Station, Fort Belvoir, Fort Myer, Fort McNair, Mount Alto Veterans' Hospital, National Institutes of Health, Naval Air Station, Naval Gun Factory, Naval Receiving Station, Patuxent Air Station, Quantico Marine Base, St. Elizabeths, and Walter Reed Hospital.

Milk for the marketing area as herein proposed is produced under the applicable health regulations of the District of Columbia, or the States of Maryland and Virginia and in some instances local jurisdictions. Milk produced under District of Columbia inspection is sold throughout the area since it is acceptable under all of the applicable ordinances. Milk produced under State or local health inspections, while generally of similar quality, cannot be distributed in the District of Columbia and it is not clear from the record to what extent the respective State or local health authorities accept reciprocal inspection. Distributors from the District of Columbia compete with one another throughout most of the area herein proposed. The greater part of their business is done in the highly urbanized area comprised of the District of Columbia, Montgomery and Prince Georges Counties in Maryland, and the city of Alexandria and the counties of Arlington and Fairfax in Virginia. Throughout this area District of Columbia handlers are the primary handlers. However, they meet substantial local competition in both Virginia and Maryland.

District of Columbia handlers also do the preponderance of the overall fluid milk business in Charles and St. Marys Counties, Md., and are substantial handlers in the southern portion of Calvert County and the Frederick County, Md., area and in Prince William County, Va. These areas, though substantially more rural in character than the other parts of the proposed area, represent substantial sales areas in which District of Columbia handlers operate.

The Frederick County area herein proposed for inclusion was specifically requested by local handlers who are the primary distributors there but who would be brought under full regulation by virtue of the sales which they make into Montgomery County. A local Frederick handler appeared at the reopened hearing to support the inclusion of additional territory in Frederick County, contending that he had substantial business beyond the proposed limits of the marketing area and would be disadvantaged in the sale of milk outside the marketing area in competition with unregulated milk.

The area in question was not noticed in either the original or the reopening notice of hearing and no point in this regard was raised in exceptions filed to the recommended decision. Inclusion of territory not previously noticed in accordance with the applicable rules of practice and procedure cannot be considered on the basis of this record. However, if after an order is promulgated it appears desirable to consider inclusion of additional territory in Frederick County in the marketing area this may be accomplished through an amendment hearing.

It was concluded in the initial recommended decision that all of Calvert County, Md., should be included in the marketing area. On the basis of exceptions filed to the recommended decision and evidence adduced at the reopened hearing, it is now concluded that Baltimore handlers do the preponderance of business in the northern portion of this county and accordingly, that only the area of Calvert County which lies south of Maryland State Highways 507 and 263 appropriately should be included in the marketing area.

Prince William County has experienced a very considerable suburban development in recent years, particularly in the Manassas area. With the exception of the southernmost tip, the county is served exclusively by District of Columbia handlers and by local Virginia handlers who would be regulated by virtue of their business in other parts of the proposed area.

Proponents for inclusion of the Quantico Marine Base contend that under present circumstances the contract milk distributed through the base commissary is a serious disruptive factor over a wide area of Prince William County. The Quantico Marine Base has been a substantial outlet for handlers who will be brought under regulation by the order. While such handlers have not exclusively held this contract they have been the primary suppliers. In order to remove this source of disruption to orderly marketing within the regulated area Quantico Marine Base must be included.

The record indicates that the boundaries of the Quantico Marine Base extend beyond Prince William County into Stafford County. However, that portion of the base in Stafford County is exclusively used as a maneuver and firing range. The inclusion in the marketing area of that portion of the base within Prince William County will encompass all of the administrative barracks, quarters, and sales area of the base and will tend to implement the intent of regulation.

A dealer who operates a plant at Fredericksburg, Va., proposed that the portion of the Fredericksburg area of the Virginia State Milk Central Commission which lies in Prince William County, with the exception of the Quantico Marine Base, be excluded from the marketing area. This particular dealer was the principal proponent for the inclusion of the Quantico Marine Base in the area. It would be impractical to exclude this area if the Quantico Marine Base is included. The extent of business done by this dealer in the immediately surrounding area is such that with little adjustment in his business he may become fully regulated or remain outside the scope of regulation as he deems best. In any event, the provisions of the order are so drafted that he has substantial latitude of choice in the matter of impact

of regulation upon his operations. In the interest of orderly marketing, it is necessary that the entire area of Prince William County be included in the marketing area.

It is intended that the sales of fluid milk from piers, docks, and wharves and to crafts moored thereat be included in the marketing area. It is also intended that the area include all the territory occupied by Government reservations, institutions, or other such establishments whether municipal, State, or Federal if they fall within the limits of the area as defined. The record indicates that in general the quality requirements for milk for such installations are patterned after the U.S. Public Health Standards and are similar to those for milk sold in other parts of the marketing area. These, by location and past performance represent logical areas of distribution for Washington, Virginia, and Maryland dealers who are in substantial competition with one another in the marketing area. Unless they are included, regulated handlers will be placed at a serious competitive disadvantage in competing with unregulated dealers for such sales. The inclusion of these areas will tend to assure uniform and equal costs as between handlers.

The marketing area as herein defined comprises a contiguous, generally heavily populated territory served by the same handlers. Such area is in reality a single milk market, all part of which are regulated by health ordinances generally similar in scope and enforcement, which constitutes a practical unit for the proposed regulation.

The town of Laurel, in Prince Georges County, Md., historically has been served almost exclusively by Baltimore distributors. While Washington area handlers who would be brought under regulation by this order, have some sales there, such sales are a minor portion of their total sales and the inclusion of the town might bring under regulation Baltimore distributors who do the major portion of their business beyond the limits of distribution of Washington handlers.

Although the extreme southern portion of Anne Arundel County and a portion of Howard County were proposed for inclusion in the marketing area, the record provides no basis for determining the extent of business done in this area by Washington dealers and it is not possible to ascertain whether in fact Washington, Baltimore, or local dealers are the primary distributors. It is apparent that distribution here by Washington handlers is not extensive and inclusion of these areas under regulation is unnecessary at this time.

While one substantial Washington handler distributes milk through an independent vendor in the Eastern Shore counties of Dorchester, Somerset, Talbot, Wicomico, Worcester, Accomack, and Northampton, this area is basically rural in character and its inclusion in the area would bring under regulation a number of distributors doing a large portion of their business in other parts of Maryland and the State of Delaware where Washington area handlers have little or no distribution. This distribution by the Washington handler constitutes a minor portion of his overall fluid business. It is neither administratively feasible nor necessary to include within the marketing area all of the territories in which Washington handlers do any business. Ideally, the established marketing area boundaries should encompass that area in which handlers who would be regulated do the preponderance of their business and should leave a minimum of competition with unregulated handlers outside the area. The inclusion of any part of the eastern shore area would not tend to implement this position, but would place local handlers serving the area in a disadvantageous position relative to their competition in their normal area of distribution outside of the marketing area.

Although a portion of Washington County, Md., was proposed for inclusion in the marketing area the record fails to substantiate the fact that any handler who would be regulated is presently serving this area and its inclusion at this time is unnecessary.

Milk to be priced: The plants which distribute milk in the Washington, D.C., marketing area disposed of the major portion of their milk receipts for fluid consumption. Milk intended for fluid consumption in the Washington area is required to be produced in compliance with inspection requirements of the duly constituted health authorities having jurisdiction in the area. The minimum class prices of the order should apply to such milk which is regularly received from dairy farmers at plants primarily engaged in the fluid milk business and which pasteurize and bottle milk for fluid distribution on retail or wholesale routes (including routes of vendors) or through plant stores in the marketing area or which is received at plants which are regular and substantial suppliers of milk to such pasteurizing, bottling or distributing plants. This milk may be identified by providing appropriate definitions of the terms: "Approved plant," "pool plant," "handler," "dairy farmer," "dairy farmer for other markets," "producer," "producer-handler," "producer milk," and "other source milk."

These definitions are designed to identify the supplies of milk on which the market regularly and normally depends. However, under the terms of the order herein proposed milk may be disposed of for fluid consumption in the marketing area by and from plants not meeting such criteria. It is necessary, therefore, to establish definitive standards of performance which may be used in determining which plants and what milk constitute the regular sources of supply and therefore become fully subject to regulation. Such standards are set forth in the order and apply uniformly to all plants wherever located. Any plant, regardless of location, may bring itself under regulation by performing in the manner required. Any plant may relieve itself from regulation by no longer operating in a way that brings it within the scope of the order. Under the circumstances, the decision as to whether a plant will be regulated or unregulated is determined by the decision of the plant operator.

The class I price under a Federal order is fixed at a level which exceeds the value of milk for manufacturing uses. This value or differential over milk used for manufactured dairy products is essential as an incentive to producers to supply the market with an adequate supply of pure and wholesome milk for fluid consumption. The extra cost incurred by producers who supply milk which meets the requirements for class I milk must be borne by that portion of the milk which is marketed as class I milk. Milk in excess of class I uses, although an essential part of the fluid milk business, cannot be expected to return producers more than a manufacturing value. The only outlet for reserve milk not needed for fluid uses is in the form of manufactured milk products and such products must be marketed on a national market in competition with similar products which can be, and are, made throughout the country from ungraded milk.

In establishing an appropriate class I price it is intended that the level shall be such as will attract only that volume of milk which is needed to meet the fluid needs of the local market plus the necessary reserve to assure an adequate supply throughout the year.

Because of the distances that eastern fluid markets are from areas of alternative supply in the Midwest, the price for milk for fluid uses in eastern markets is higher in relation to manufacturing milk values than is the case in the Midwest. Under such circumstances there might be an incentive for dealers in unregulated adjacent markets to seek a class I outlet in the Washington market for temporary or seasonal surpluses in excess of their local market needs. Because of the substantial number of Government installations in the area which procure their milk supplies on a competitive bid basis for relatively short periods there is a considerable opportunity, unless appropriate safeguards are provided, for such unregulated dealers to market milk excess to their local needs at prices below the value of milk for fluid uses. They may do this by bidding off available contracts at such Government installations. This situation, would be a serious disruptive factor to orderly marketing in the Washington marketing area. It is essential, therefore, that the order be constructed in a manner which will safeguard the market from serving as a surplus disposal area for surrounding markets.

As indicated elsewhere in this decision, marketwide pooling of producer returns is considered essential to the stable and orderly functioning of the market. One of the primary problems in setting up a marketwide pool is to establish appropriate standards which accommodate the sharing of class I sales among those dairy farms who constitute the regular source of supply for the marketing area. Performance standards, therefore, should be such that any milk plant which has as its major function the supplying of milk for fluid use in the marketing area would participate in the marketwide equalization pool. On the other hand, such standards should be sufficiently flexible to permit intermittent shipment of milk from supply plants not regularly identified with the local market and direct distribution from plants which have only a minor part of their overall fluid business in the area without subjecting such plants to full regulation.

Full regulation of such plants is unnecessary to accomplish the purposes of the order and might result in placing such plants at a competitive disadvantage in supplying the unregulated but primary markets with which they are normally associated.

Any plant which disposes of milk in the marketing area as Class I milk or which supplies milk to a plant which disposes of class I milk in the area is intended to be an "approved plant." An approved plant other than that of a producer-handler, from which class I milk equal to not less than 50 percent of its receipts of milk from dairy farmers is disposed of in the form of class I milk during the month on routes (including routes operated by vendors) or through plant stores to wholesale or retail outlets and which disposes of not less than 10 percent of such receipts on such routes in the marketing area should be a fully regulated pool plant. The pool plant definition should also include an approved plant which has no direct distribution in the marketing area but which disposes of 50 percent of its receipts from dairy farmers during any month(s) of October through February or 40 percent of such receipts during any month(s) of March through September to another plant(s) which disposes of class I milk equal to 50 percent or more of its receipts from dairy farmers and receipts from other approved plants and which disposes of at least 10 percent of such receipts as class I milk on routes in the marketing area.

Any plant distributing fluid milk in the marketing area and which disposes of less than 50 percent of its total receipts from dairy farmers as class I milk cannot be considered as primarily in the fluid milk business and any distributing plant which does

less than 10 percent of its total fluid business in the marketing area cannot be considered as substantially associated with the local market.

In like manner, any supply plant which during the shortest production months does not ship at least 50 percent of its total receipts from dairy farmers to fully regulated distributing plants cannot be considered as primarily associated with the market. Any such plant which is a pool plant in each of the months of October through February should be a qualified pool plant in each of the months of March through September regardless of the quantity then shipped unless the operator thereof elects to withdraw the plant from regulation. This provision will accommodate the pooling of all milk primarily associated with the market under changing supply-demand relationships which occur from season to season.

A plant which was a nonpool plant during any of the months of October through February should not be permitted pool plant status in any of the immediately following months of March through September in which it is operated by the same handler, an affiliate of the handler or any person who controls or is controlled by the handler. It would be inappropriate to permit a handler pooling status during the flush months of production if his milk were used to supply outside class I markets during the short production months when such milk would be most needed by the local market. This provision, however, will permit a handler, who during certain short production months ships the required percentages, to pool his plant(s) in those months in which the standards are met. If the milk is utilized for other markets during part of the short season, it will not permit the pooling of such supplies during the months of flush production.

It is recognized that the demand for milk from supply plants may vary seasonally and will be greatest during the season of low production. During the months of flush production supplies of milk received at plants located in or near the marketing area may be sufficient to supply the class I outlets, in which case it would be more economical to leave the most distant milk in the country for manufacturing and utilize the nearby milk for class I use. Performance standards under the order should not force milk to be transported to distributing plants during the flush months merely for the purpose of maintaining eligibility for pooling.

To avoid uneconomic movements of milk provision should be made whereby a plant may maintain pool status throughout the year if it supplies a substantial portion of its producer milk to the market during the normal low production months. The order, however, should not force such a supply plant to pool during the flush if it does not meet the current supply requirements and the operator thereof elects to withdraw his plant from the pool. The order provisions are drafted to require qualification of a supply plant on the basis of the current month's performance except that a plant which has previously qualified in each of the months of October through February may retain pool status during the March through September period unless application is made to the market administrator to be a nonpool plant during those months.

Provision should be made whereby pool plant status is accorded any manufacturing plant operated by a cooperative association if the production of at least 70 percent of its members is regularly received at other pool plants. The Maryland and Virginia Milk Producers Association, whose members supply nearly 90 percent of the milk for the market, operates a manufacturing plant to provide for orderly disposition of the excess or reserve milk in the market. This association, acting as the marketing agent for all of its producer members, daily moves milk (by assigning producers) directly from the farm or through receiving stations to its buyers in the amounts required for class I and related uses. Milk not so needed in the market and for which no class I outlet is available is moved to the association plant for processing. The volume of receipts at this plant varies from day to day and month to month depending on the needs of the several handlers and the variation in production. Although the operation of this plant is very beneficial to the orderly marketing of milk for this market, the nature of the operation carried on would not result in pool status under the standards for distributing or supply plants.

The qualification for pool plant status is a means of establishing identity of plants with the fluid market. In this regard, however, it must be recognized that the arrangement of the Maryland and Virginia Milk Producers Association is unique and does not lend itself to performance requirements of the usual nature. The milk of its producer members which is received at its manufacturing plant is a part of the regular supply for the local fluid market and is available to the several handlers in the market whenever needed. While the manufacturing plant does not carry District of Columbia health approval, this in no way affects its status as a surplus disposal plant or its functions of carrying the reserve supply of milk for the market.

The performance standards herein provided for a manufacturing plant operated by a cooperative association describe a particular basis of operation in this market and will accommodate the pooling of milk regularly associated with this market.

It was proposed at the hearing that provision be made whereby a system of distributing and supply plants could qualify as a unit if the overall system met the distributing plant pooling requirements. It was concluded in the recommended decision that the system pooling requested was not needed and that the pooling requirements, as recommended, were reasonable and necessary to define those plants which were sufficiently associated with the fluid market to be included in the pooling arrangement. The proponent for a system pooling arrangement excepted to this conclusion stating that it was essential that the company's two manufacturing plants be accorded pooling status and that the provisions as recommended were inappropriate in that they would not accomplish this end. Exceptor further stated that if the pooling provisions were not revised some other procedure must necessarily be devised to permit their manufacturing operations access to pool milk.

It is not clear why exceptors hold that the pool should furnish a milk supply for their manufacturing operations. It is apparent that the market now operates almost exclusively under bulk tank handling and that the plants in question now have little function as supply plants. While they at one time may have been intimately associated with the market as receiving plants and/or as balancing plants, much in the same way as the cooperative association's plant now operates, they no longer are essential to the market as a whole in this role.

The order is intended to assure an adequate, but not excessive, supply of quality milk to meet the fluid needs of the market only. The pooling requirements herein recommended are minimum standards and under the existing market structure it is expected that virtually all distributing plants will have a substantially higher class I utilization than the 50 percent requirement established. To permit system pooling of supply plants and distributing plants as requested would tend to implement the inclusion in the pool of plants with little or no direct association with the market and primarily engaged in manufacturing operations.

Plants primarily engaged in manufacturing operations and not meeting the pool plant qualifications herein recommended should not be granted pool status, nor should the order be so drafted that handlers are encouraged to develop a milk supply solely for manufacturing uses. It is recognized that processing facilities must be available to the market to permit orderly disposition of the necessary market reserve and seasonal surplus resulting from day-to-day and month-to-month variations in supply and demand. To the extent that such surpluses exist, handlers with nonpool manufacturing operations need not be encumbered in their ability to process such surpluses through their own facilities. This can be accomplished through appropriate diversion provisions which will permit direct delivery from the farm to such nonpool plants without loss of pool status for the milk involved. However, to promote the integrity of regulation such diversion should be accommodated only to the extent necessary to assure orderly handling of the necessary market surplus. The diversion provisions hereinafter set forth will accomplish this end.

It was concluded in the recommended decision that when milk moves to market in tank trucks owned or operated by, or under contract of a cooperative association the cooperative should be held as the responsible handler. A number of exceptions were filed to this conclusion. Exceptors state that milk now moves to market via independent haulers and that holding the cooperative as the responsible handler would adversely affect present handler-producer relationships and quality programs which are currently being carried on. Certain proprietary handler exceptors also contend that if the cooperative were made the responsible handler the order must necessarily make clear that such cooperative would absorb any shrinkage between the farm and plant of first receipt. Cooperative exceptors on the other hand state that they would be placed in a disadvantageous position if required to absorb such shrinkage.

The record is not clear as to precisely what extent the cooperative actually controls the independent hauler. In view of the fact that proprietary handlers have expressed a desire to be held as the responsible handlers and the proponent cooperative is reluctant to accept the shrinkage resulting from farm to plant movements it is concluded that the operator of the pool plant at which producer milk is first received should be held the responsible handler. However, in the case of milk which is first received at the plant of a cooperative association and which is subsequently disposed of to a proprietary handler the order should require that such handler pay the cooperative association not less than the minimum order prices applicable at the location of the transferee plant. The act clearly establishes the intent that no cooperative association may sell milk to any handler at less than the prescribed order class prices.

Some milk distributed in the marketing area may be from plants which are fully subject to the classification and pricing provisions of other Federal milk marketing orders. To extend the application of this order to cover such plants which dispose of the major portion of their receipts in another area would result in unnecessary application of regulation. Accordingly, the order proposed herein provides that a distributing plant which would otherwise be subject to the classification and pricing provisions of another order and which disposes of a greater volume of class I milk in such other area than in the Washington area shall not be regulated by this order. Also, any supply plant which disposes of a greater volume of milk under another order and which would be subject to the classification and

pricing provisions of the other order would be exempted from regulation under this order. This condition would not be applicable during the months of March through September, however, if such plant had been a supply plant under this order in each of the preceding months of October through February. While some milk may be distributed in the marketing area from plants regulated under another order and will not be subject to regulation under this order, such plants should be required to report their receipts and utilization to the market administrator so their exact status under the order can be determined.

A "handler" should be defined as (1) any person in his capacity as the operator of one or more approved plants or any other plant which is a pool plant, and (2) any cooperative association with respect to the milk of any producer which it causes to be diverted to a nonpool plant for the account of such association.

Inclusion in the handler definition of the operator of any approved plant which does not qualify as a pool plant, including a producer-handler, is necessary in order that the market administrator may require reports as he deems necessary to determine the continuing status of such individual. In the case of an approved plant which is a distributing plant but does not acquire pool status because of insufficient direct sales in the marketing area, such reports are necessary to determine the amount payable by the operator of such plant on the milk distributed in the marketing area.

The handler definition should be sufficiently broad so as to include a cooperative association with respect to producer milk diverted by it from a pool plant to a nonpool plant for the account of such association. This arrangement will permit the cooperative association to divert milk for class I use which might otherwise be used or disposed of by the proprietary handler in class II and thus will promote efficient utilization of producer milk in the highest available use class. The handler definition should also include a cooperative association with respect to its operations of a manufacturing plant which meets the requirements of a pool plant hereinbefore described.

The term "dairy farmer" means any person who produces milk which is delivered in bulk to a plant. The term "dairy farmer for other markets" as herein proposed is intended to designate those dairy farmers whose milk production is primarily associated with other markets and which should not be accorded pooling status along with regular producers for the market.

Under usual circumstances the Washington market is adequately supplied with milk. Any needed supplemental supplies would most likely be required during the short production months. This is also the period when milk would be in greatest demand in other surrounding fluid markets which represent alternative outlets for milk produced by local dairy farmers. Under the marketwide type of pooling herein provided any dairy farmer or group of farmers with an alternative outlet during the short season might find it advantageous to leave the Washington market during those months when milk is in greatest demand and seek to return during the flush production months when the outside market was no longer available. While it is not intended that Federal regulation should preserve a market for any particular qualified producers to the exclusion of other qualified dairy farmers, the regulation should not provide a means whereby through manipulation certain dairy farmers may preserve their class I outlets for themselves and dispose of their surplus in the pool. Under the terms of the order as hereafter set forth a dairy farmer delivering milk to a pool plant during the flush production months of March through September, who during the preceding short production months of October through February delivered his milk to a nonpool plant operated by the same handler, or an affiliate thereof, would be considered a dairy farmer for other markets during the flush months of March through September.

The "dairy farmer for other markets" definition should also include those dairy farmers whose milk is received at the manufacturing plant of a cooperative association, which plant is a pool plant, for the account of another cooperative association which has no membership among producers delivering to other pool plants. The manufacturing plant of the Maryland and Virginia Milk Producers Association, herein proposed to be a pool plant, from time to time processes milk purchased from a cooperative association in the neighboring Baltimore market which milk is in excess of the fluid needs of the Baltimore market. Such milk is not available for fluid distribution in the local market. It is handled in the manufacturing plant of the local cooperative as a service to the Baltimore cooperative and hence cannot be construed to be a part of the normal milk supply for the Washington market. A continuation of this relationship will in no way adversely affect the application of regulation and will facilitate orderly marketing of milk both in the Washington and Baltimore area.

The term "producer" should be defined to mean any person other than a producer-handler or a dairy farmer for other markets, who produces milk which is approved by the appropriate health authority having jurisdiction in the marketing area for consumption as fluid milk in the area and which milk is received at a pool plant.

The definition should be sufficiently broad to include a dairy farmer whose milk is ordinarily so received but is diverted by a handler to a nonpool plant for his account on not more than 8 days (4 days in the case of every-other-day delivery) during any month of October through February and at any time during the months of March through September. In order that milk which is so diverted continues to be included in the regular pool computations, it should be treated as if received at the pool plant from which it was diverted.

As previously indicated, it is intended that the order shall assure an adequate, but not excessive, supply of milk for the fluid market. The order provisions should not be so drawn as to encourage an excess volume of milk to associate with the pool. During the months of October through February it is not necessary to accommodate diversions to nonpool plants except insofar as may be necessary to assure orderly handling of the weekend surpluses which accrue because plant bottling operations may be suspended during weekends.

The months of March through September are the months of greatest production during which unlimited diversion privileges are desirable in order to expedite the orderly disposition of the necessary surplus.

Milk disposed of to Government installations under contract sales is required to meet specified standards patterned after the U.S. Public Health standards which are similar to those in effect in other parts of the area. It is intended that dairy farmers whose milk is received at a plant used to fill contracts for Government installations in the marketing area shall be considered as qualified producers in such month(s) when their milk is so disposed of if the plant at which their milk is first received is a fully regulated pool plant during such month(s).

In the case of milk regularly received at a manufacturing plant operated by a cooperative association which is pooled on the basis of its function as a reserve plant, further identification standards are needed to properly define those dairy farmers whose milk is approved for fluid consumption in the marketing area. Without such identification milk may be received and included in the pool which does not meet the sanitation requirements for fluid consumption in the marketing area.

Under usual circumstances dairy farmers producing milk for fluid distribution in the marketing area hold individual farm inspection permits issued by the appropriate health authority having jurisdiction in the marketing area. However, under certain circumstances, milk may be received at distributing or supply plants serving the area from dairy farmers which do not hold such permits. It must be presumed in such cases that the milk is acceptable to the appropriate health authority having jurisdiction and therefore any dairy farmer whose milk is so received should be considered to be a producer.

The manufacturing plant of the local cooperative association as hereinbefore explained, does not have health approval to move milk to other pool plants for fluid consumption. Hence, it is possible that some of the milk received at this plant is not qualified for fluid distribution in the market. It would be impractical to require the market administrator to make individual determination as to whether each dairy farmer's milk so received is of acceptable quality for fluid use. It is therefore appropriate in the case of dairy farmers who deliver their milk to a manufacturing plant owned by a cooperative association, which is pooled on the basis of its function as a reserve plant for the market, to require that such farmers in order to acquire producers status hold valid farm permits issued by the appropriate health authority having jurisdiction in the marketing area.

The definition of producer as herein provided will identify those persons who deliver milk to pool plants which is acceptable to the appropriate health authorities for fluid consumption in the marketing area. It also identifies those persons to whom the minimum prices are to be paid and who share in the marketwide pool under the terms of the proposed order.

The term "producer milk" is intended to include all skim milk and butterfat contained in milk produced by producers and received at pool plants directly from such producers. As previously stated certain diversions are permitted and such diverted milk is considered as a receipt at the plant from which it is diverted.

A "producer-handler" is defined as any person who operates a dairy farm and an approved plant from which class I milk is disposed of in the marketing area and who received no other source milk or milk from other dairy farmers. Since a producer-handler receives only milk of his own production or pool milk from other handlers it is unnecessary to subject such an operation to the pooling and payment provisions of the order. However, as previously indicated it is necessary that the plant operator in his status as a handler be required to make reports to the market administrator in order that his continuing status as a producer-handler can be ascertained and to facilitate accounting with respect to transfers from other handlers.

The classification provisions of the proposed order should provide that any milk in the form of class I products transferred by a pool handler to a producer-handler will be class I milk. Any supplemental supplies of milk which may be obtained from other handlers, by virtue of the type of operation involved, may be presumed to be needed by the producer-handler for fluid use and should be classified in the supplying handler's pool plant as class I milk. A producer-handler may receive pool milk from other handlers and still maintain his status as a producer-handler.

Any milk which a handler receives from a producer-handler should be "other source milk" and would, therefore, be allocated to the lowest class utilization at the pool plant after the allocation of shrinkage on producer milk. Milk disposed of to another handler by a producer-handler must be presumed to be surplus to the operation of the producer-handler and since other producers do not share in the class I utilization of the producer-handler it would be unfair to ask such producers to share their class I utilization with the excess milk of a producer-handler. This method of allocating producer-handler milk will preserve producers' priority on the class I sales in the market.

Exceptors to the above conclusion suggested that some further limitation should be placed on producer-handlers, by restricting their ability to use milk other than own farm production, by limiting the number of farms which such individuals might operate or by limiting their volume of distribution. The record indicates that there are few producer-handlers operating in the market and there is no showing that they have been a disturbing factor in the market. Accordingly, it is concluded that further limitations of the proposed nature are not necessary at this time.

The term "other source milk" should be defined as all skim milk and butterfat utilized by a handler in his operation except milk and milk products in the form of class I milk received from pool plants, inventory in the form of class I milk and current receipts of producer milk. The term should include all skim milk and butterfat in products other than class I products from any source, including those produced at the handler's plant during the same or an earlier month, which are reprocessed or converted to other products during the month. Other source milk is intended to represent all skim milk and butterfat from sources not subject to the classification and pricing provisions of the attached order. If other source milk is disposed of in class I products, partial pricing and regulation is provided under compensatory payment provisions. Defining other source milk in this manner will insure uniformity of treatment to all handlers under the allocation and pricing provisions of the order.

Classification of milk: All milk and milk products received by pool handlers should be classified on the basis of skim milk and butterfat according to the form in which, or the purpose for which, such skim milk and butterfat was used or disposed of as either class I milk of class II milk.

Under an order, only producer milk is priced. Milk is received, however, at pool plants directly from producers, from other handlers and from other sources. Milk from all of these sources is intermingled in the handlers plant(s). It is necessary, therefore, to classify all receipts of milk to properly establish classification of producer milk.

The conditions in this market make it appropriate to provide for a two class classification scheme. Class I milk should include those products which are required by the local health authorities in the various segments of the marketing area to be made from milk from approved sources. Class II milk should include those products which compete on a national market with similar products. Such products are not required by the local health authorities to come from approved sources under their jurisdiction. Products which are permitted by the local health authorities to be sold in the area from milk from unapproved sources include ice cream, cottage cheese, sour cream, eggnog, evaporated milk, aerated whips, and milk in hermetically sealed containers. Although local health authorities require local handlers to use approved milk in their fluid milk plants in the manufacture of such manufactured products they permit similar and competing products to be sold in the marketing area from unapproved sources. Under such circumstances it would not be feasible economically to classify and price such products in class I. To do so would place local handlers at a competitive disadvantage in the disposition of such products and would virtually deny a market for the reserve milk supplies of the market. Moreover, the classification and pricing of such products in class I would extend regulation beyond the limits necessary for orderly and stable marketing.

The extra cost of getting quality milk produced and delivered to the market in the condition and quantities required makes it necessary to provide a price for milk used in class I products somewhat above manufacturing milk prices. This higher price should be at such level that it will yield a blend price to producers that will encourage production of sufficient quantities of milk to meet the market needs for these class I products and the necessary market reserve.

Milk not needed seasonally or at other times for class I use must be disposed of for use in manufactured products. These products must be sold in competition with products made from unapproved milk. Milk so used should be classified as class II and priced in accordance with its value in such outlets.

Under the proposed classification scheme, class I milk would comprise all skim milk (including that used to produce concentrated milk and reconstituted or fortified skim milk) and butterfat: (1) Disposed of (other than in hermetically sealed container) in fluid form or as frozen concentrated milk for human consumption as milk, flavored milk, skim milk, flavored skim milk, cultured skim milk, buttermilk, cream, (except sour cream) including any mixture of cream and milk or skim milk containing less butterfat than the regular standard for cream; and (2) not specifically accounted for as class II milk.

Class I products such as skim milk drinks and buttermilk to which extra solids have been added, or concentrated whole milk disposed of for fluid use, should be included under the class I definition. The quality requirements for the milk used to produce such milk solids or concentrated milk are the same as for the milk used to produce the skim milk to which such solids are added and other products included in class I. The classification scheme herein established provides for a full accounting of all skim milk and butterfat and in the event products classified as class II are later disposed of in a different form any reclassification should apply to the respective volumes of skim milk and butterfat originally used to produce such products.

All skim milk and butterfat used to produce products other than those classified in class I should be class II milk. This classification would include all of those products which are generally considered as manufactured milk products not required by the health authorities to be made from approved milk.

Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for the receipts and utilization. The accounting procedure will be facilitated by providing that end-of-the-month inventories of all class I products be classified as class II milk, regardless of whether such products are held in bulk or in packaged form. Inventories of such products on hand will then be subtracted under the proposed allocation procedure from any available class II disposition in the following month. The higher use values of any class I product in inventory assigned to current producer receipts during the month and which may be allocated to class I milk in the following month should be reflected in returns to producers. The mechanics of the attached order provide for the reclassification of inventories on that basis.

Inventories of class I products on hand at a pool plant at the beginning of any month during which such plant first becomes a pool plant should likewise be allocated to any other available class II utilization at the plant during the month. This will preserve the priority of assignment of current producer receipts to current class I use.

Under usual circumstances in the operation of a fluid-milk plant, small unavoidable losses of both skim milk and butterfat are experienced. Such losses are normally referred to in the trade as "shrinkage." Since it is intended that a handler be required to make a full accounting for all plant receipts on a classified use basis, it is necessary that provision be made for the classification of such plant shrinkage.

The operations carried on by local handlers are such that plant-shrinkage experience in this market is somewhat lower than the average market. The record clearly establishes that an allowable shrinkage on producer milk of not more than 1½ percent will cover normal plant operations. Accordingly, it is concluded that shrinkage of producer milk not in excess of 1½ percent of total producer receipts should be classified as class II and any shrinkage in excess of that quantity should be classified as class I.

In the determination of shrinkage of producer milk, total shrinkage should first be prorated between receipts of producer milk and receipts of other source milk. None of the shrinkage should be assigned to milk received from other pool plants since shrinkage on such milk is allowed to the transferring handler. All shrinkage of other source milk should be classified as class II. The classification procedure herein recommended gives adequate protection in the classification of shrinkage on producer milk and it is unnecessary to limit the classification of shrinkage on other source milk in class II.

Skim milk and butterfat are not used in most products in the same proportions as contained in the milk received from producers, and therefore should be classified separately according to their separate uses. The skim milk and butterfat content of milk products, received and disposed of by a handler, can be determined through certain recognized testing procedures. Some of these products such as ice cream and condensed products, present a more difficult problem of accounting in that some of the water contained in the milk has been removed. It is proposed, in the case of such products, that the respective volumes of skim milk and butterfat be ascertained by the use of adequate plant records made available to the market administrator or by use of standard conversion factors of skim milk and butterfat used to produce such products. The accounting procedure to be used in the case of any concentrated products such as condensed milk and nonfat solids should be based on the pounds of milk or skim milk required to produce such products.

Each handler must be held responsible for a full accounting of all of his receipts of skim milk or butterfat in any form. The handler who first receives milk from producers should be responsible for establishing the classification thereof, and for making payment to producers. This principle is followed consistently in federally regulated markets and is necessary to assure effective administration of the order.

Except for that shrinkage which may be classified in class II under conditions previously described in this decision, all skim milk and butterfat which is received and for which the handler cannot establish utilization should be classified as class I milk. This provision is necessary to remove any advantage to handlers who fail to keep complete and accurate records and to assure

that producers receive full value of their milk on the basis of its use.

Because of spoilage or as a result of the handler's inability to salvage route returns butterfat and skim milk in the form of class I products may be disposed of from time to time, for livestock feeding. It is provided that such a disposition shall be classified as class II if verifiable evidence of such disposition is available to the market administrator.

From time to time handlers may find it necessary to dump skim milk. Under such circumstances, the market administrator must be provided opportunity to witness the actual dumping, if he deems it necessary, and to otherwise have verifiable evidence to substantiate such reported disposition. Such class II utilization may be allowed only when the handler during normal business hours has given the market administrator at least 3 hours advance notice of intention to dump and information regarding the quantity of skim milk involved.

No allowance is made for butterfat dumped even though the skim milk dumped, and for which a class II classification is provided, is a component of a fluid milk product from which the butterfat has not been removed. Under normal circumstances, the butterfat component of any fluid milk product is salvagable and it is not desirable to permit dumping of butterfat under other than a class I classification.

Producer proponents at the hearing proposed a three-class classification scheme similar to the plan which they now employ in marketing their milk with handlers in the market. As previously indicated, under the order as herein proposed, skim milk and butterfat are classified separately in accordance with their actual dispositions and are priced in the class in which they are utilized. Under such circumstances it is unnecessary to provide for more than two classes of utilization. All of those products which are designated as class I are required by the local health authorities to be made from approved milk. Those products designated as class II are not subject to this requirement and local produced milk so disposed of must compete on a national market with similar products made from unregulated milk. To establish a separate classification and a higher pricing for milk disposed of in any of these products could seriously restrict such outlets as a disposition for the necessary reserve of the local market.

One handler proposed that milk which was disposed of as frozen concentrated milk to military installations for use outside the continental United States be classified in a class I-A and be priced below the price of milk disposed of in other class I products. Official notice is taken that the quality specifications established by the Defense Department for such milk are the same as those for fresh fluid milk. Under such circumstances it would be improper to classify and price milk so utilized as other than class I.

As previously indicated classification of skim milk and butterfat used for the production of class II products should be considered to have been established when the product is made. Classification of skim milk and butterfat used to produce class I products should be established when such products are actually disposed of. Classification of such class I products disposed of by transfer to another plant, under certain circumstances, should be determined on the basis of their utilization in the transferee plant.

Skim milk and butterfat in the form of any class I product transferred to the pool plant of another handler, should be classified as class I unless both handlers indicate in their reports to the market administrator that such classification should be class II. However, sufficient class II utilization must be available in the transferee plant to cover any claimed class II classification after the prior allocation of shrinkage, other source milk, and inventory of class I products. Skim milk and butterfat disposed of in bulk in the form of any class I product to an approved plant other than a pool plant or the plant of a producer-handler should be classified as class I milk up to the extent of such plant's disposition of skim milk and butterfat, respectively, as class I milk in the marketing area. Any remaining amount of such transfer or diversion should be assigned to the highest remaining utilization in the transferee plant after the prior assignment of receipts at such plant from dairy farmers who the market administrator determines constitute its regular source of approved supply for the outside area. This procedure will complement the application of the compensatory payment provision and will provide the nonpool handler with class I sales in the marketing area with the opportunity to choose whether he shall offset such class I sales with pool purchases or make compensatory payments to the pool. In either event the pool handlers have assurance that nonpool handlers will not have a price advantage on milk disposed of in the marketing area. It is not intended that pool milk should displace a nonpool handler's regular receipts from dairy farmers which meet the quality requirements of the health authority having jurisdiction in the area in which his outside sales are made. However, because of the known high quality of pool milk, transfers of pool milk to a nonpool distributing plant should take priority assignment in the highest available use class ahead of other receipts of milk at such plant except regular receipts from dairy farmers meeting local health approval.

Skim milk and butterfat disposed of in bulk in the form of milk, skim milk, or cream to a nonpool plant other than an approved plant either by transfer or diversion should be class I unless specified conditions are met. If the transferee plant is located not more than 300 miles distance from the zero milestone in Washington, D.C., by shortest highway distance the transferring handler should be permitted to claim classification as other than class I. In such instance the transferee handler must maintain adequate books and records of utilization of all skim milk and butterfat in his plant which are made available to the market administrator, if requested, for verification purposes and must have utilized at least an equivalent amount of skim milk and butterfat, respectively, in the reported use. Provision for verification by the market administrator is reasonable and necessary to assure that producer milk will be paid for in accordance with its utilization. The record shows that there are ample manufacturing facilities within a 300-mile distance of Washington to handle any prospective surplus of the market. Unless some limitation is provided on the distance beyond which shipments of milk, skim milk, and cream are permitted in class II classification, it would be necessary for the market administrator to follow any such shipments of milk, skim milk, and cream to their destination to determine utilization and classification. Such procedure would of necessity increase the costs of administering the order. Under usual circumstance in this market, milk, skim milk, and cream which is moved in excess of 300 miles distance from the zero milestone in Washington, D.C., is for fluid uses. It is appropriate therefore both for administrative convenience and for the conservation of market administrative funds to provide automatic classification in class I for milk, skim milk, and cream which is moved more than 300 miles distance from the zero milestone in Washington, D.C.

The class prices established by the order apply only to producer milk. Accordingly, since a plant may receive skim milk or butterfat from sources other than producer milk a procedure must be established whereby it may be determined what quantities of milk in each plant should be assigned to producer milk. The milk from producers who are regular suppliers of milk for the Washington market should be given priority of the assignment of class I utilization at pool plants. When milk is received from other sources it should be assigned to class II milk first. Unless this procedure is followed there can be no assurance that such other source milk would not be used to displace producer milk in class I when it is advantageous to the purchasing handler. If the order permitted handlers to obtain other source milk for class I uses whenever it was advantageous to do so while producer milk in the plant was utilized in class II the order would not be effective in carrying out the purposes of the act and the market would be deprived of a dependable supply of milk.

In the assignment of other source milk, any such milk received from sources not regulated by an order issued pursuant to the act should be first assigned to class II milk. The plant(s) supplying such milk may not have purchased it from dairy farmers on a classified use basis and it is not feasible to determine this or other conditions of sale. Following the assignment of such unregulated other source milk, other source receipts in the form of class I products received from plants regulated by other orders issued under the act should be assigned to the lowest remaining available use classification. Under this procedure a handler has assurance that if his producer receipts are inadequate to meet his class I needs and he purchases regulated milk from another Federal order market such milk will be assigned to class I. Since it is not intended that there be any compensatory payment on other source milk which is fully regulated under another order and which is disposed of for class I use in this market, this sequence of assignment will tend to minimize the application of the compensatory payment provision.

One proprietary handler proposed that following the assignment of unregulated other source milk an amount equal to 10 percent of the receipts from regular producers be allocated to class II prior to the allocation of other source milk from a regulated plant under another Federal order. Proponent contended that such procedure would protect the handler in months when his overall receipts from producers equaled or exceeded his fluid needs but were inadequate during certain days of the month.

The record evidence shows no need for such allocation during recent years. In fact, since 1951 there has been no milk purchased by Washington handlers from outside sources to supplement local producer deliveries for utilization in fluid products. Production by local producers has been running in excess of class I requirements during all months of the year. Further, the Maryland and Virginia Milk Producers Association has readily moved milk from surplus plants to its buying handlers for fluid uses. During recent years the Maryland and Virginia Association had supplied an adequate amount of local producer milk to meet all their fluid needs during every month of the year. With adequate supplies of milk available from local producers and with marketwide movements of such milk to the local handlers when needed, it would be inappropriate to permit such other source milk to displace producer milk in class I in this market.

If after making the various assignments of skim milk and butterfat pursuant to the allocation provisions of the order, the total of all class I and class II milk assigned to producer milk exceeds the amount of producer milk reported to have been received by the handler for whose pool plants the computation is being made, such overage should be assigned first to the available class II utilization and any remainder to class I.

Such overage should be paid for by the handler at the applicable class prices. In the allocation procedure recognition is taken of all receipts of other source milk reported by the handler. When utilization records indicate a disposition greater than receipts it must be presumed that the handler underreported his receipts of producer milk.

The accounting procedure as herein proposed would establish a calendar month as the accounting period. One handler proposed at the hearing that some flexibility be provided in the accounting period so that a handler might in as many as 3 months during any one year choose to break a calendar month into two accounting periods. It was contended that such a provision would provide reasonable assurance to a handler that in any month in which the relationship between his supply of producer milk and his class I utilization fluctuated to the point that during a part of such month he had a more than adequate supply, and during the remainder of such month an inadequate supply, his producer milk would not displace his necessary purchases of other source milk in class I. The Washington market is presently adequately supplied with milk from local producers and carries a sufficient reserve supply to meet all handlers' needs in all months of the year. This reserve supply, which when not needed for fluid uses, is processed at the manufacturing plant of the principal cooperative association in the market is available to all handlers in the market and may be readily shifted from plant to plant as needed. Under such circumstances no need was shown for this proposed provision in this market.

The level and method of determining class prices: In order to restore and maintain orderly marketing conditions in the Washington, D.C., marketing area, it is essential that minimum prices for class I and class II milk be established at such levels as will maintain an adequate but not excessive supply of quality milk for the fluid market and assure the orderly disposition of the necessary market surplus.

The production area for the Washington market is largely coextensive with that for the Baltimore market and in certain areas overlaps the production areas for the Philadelphia and New York markets as well as a number of local markets. It is essential in order to restore and maintain orderly marketing of milk in the area that producer returns maintain a close alinement with competitive prices paid to dairy farmers supplying these neighboring markets.

Class I price: A basic class I price of $5.10 per hundredweight for the months of March through June and $5.55 per hundredweight for the months of July through February should be established for the Washington market to be effective for the first 18 months in which the order is in operation. An adjustment mechanism should be provided which will move such price either upward or downward, as the case may be, to reflect the average movement in the class I price levels in the Philadelphia, New York, and Chicago markets.

Proponents at the original hearing proposed that a basic class I price level of $5.86 be established and that movements in the U.S. Wholesale Commodity Price Index, as published by the Bureau of Labor Statistics, U.S. Department of Labor, be used as a temporary mechanism for adjusting the basic price to meet current economic conditions. They pointed out that a committee of nationally recognized economists and specialists were then engaged in a detailed study of the local market with the purposes of developing a specific proposal for a pricing mechanism to reflect the peculiarities of the local market and of recommending an appropriate level for the class I price.

It was concluded in the initial recommended decision that the record did not support a price level of $5.86 and that the use of the U.S. Wholesale Price Index did not provide an adequate basis for maintaining the local price in alinement with milk values in the national market. It was further concluded that the hearing should be reopened on the issue of class I price after the committee had completed its investigations and a specific proposal had been received setting forth its recommendation for a class I pricing formula.

Members of the committee appeared at the reopened hearing and presented their recommendations and the reasons therefor. They proposed a basic annual price level of $5.55 with a price of $5.10 to be applicable during the months of April, May, and June and a price of $5.70 to be applicable in other months of the year. They further proposed that changes (from levels prevailing in the same months of 1957) in the Federal order class I prices for the Chicago, Philadelphia, and New York markets be used as a basis for automatic adjustment of the Washington class I price to assure continuing alinement of the local price with those of other markets and with changing conditions of supply and demand both regionally and nationally. And finally, they proposed that such pricing mechanism be made effective for a period of from 12 to 18 months and that after a year's operation of the order the provisions thereof be reviewed, and if necessary modified in light of experience under the order.

The committee, in recommending an annual class I price level of $5.55, concluded that such price, in conjunction with the class II price set forth in the original recommended decision, would return to dairy farmers a blended price approximating that which they had actually received in 1957. While they recognized that there had been a steadily increasing supply of milk over an extended period of time and that current supplies were somewhat in excess of the fluid needs of the market, they took the position that such excess was not unreasonably large and that there were positive indications of a leveling off of supplies. They therefore concluded that the blended prices actually returned to producers in the previous year could be considered as an appropriate level of prices for the first 12 to 18 months under an order.

While the committee was inclined to view the general leveling off of supply which occurred in late 1957 and through the spring of 1958 as an indication that prices were not sufficiently high to attract greater volumes of milk, such factors as the pool quality of feed resulting from the 1957 summer drought and the wet, cold spring of 1958 undoubtedly had an influence on production during this period. It is apparent that there is, and has been, a somewhat larger than necessary milk supply and that there are no physical barriers to further increased production. Moreover, even though proponents suggested that bulk tank handling will tend to deter such increase, the record indicates that only about half of the bulk tank milk is presently delivered daily and that farm tanks generally are not being used to capacity.

In any event, the class I price in the local market cannot be established at a level which would exceed the cost of securing dependable alternative supplies. The Chicago milkshed represents an appropriate area for determining such alternative cost, because of its existing dependable reserve supply and its past experience as a supply of milk to fluid markets throughout the country.

The 55–70 mile zone class I price under the Chicago Federal order during 1957 averaged $4.03 and in 1958 will approximate $3.92, both exclusive of supply-demand adjustments which reduced the price approximately 18 and 19 cents, respectively, in such years. Since the supply-demand adjuster in the Chicago order is intended to reflect the supply-demand situation in the local market it need not be a consideration in establishing the basic price level in a market as far distant as the Washington market.

Milk would not likely move to outside markets from near-in Chicago plants and it is appropriate therefore that price comparisons be related to the order prices in that market's surplus supply area. The committee suggested Shawano, Wis., as an appropriate point from which milk might move to the Washington market. Shawano is in the 12th zone under the Chicago order and a 22-cent location adjustment is applicable at that point. According to Rand McNally Road Atlas, Shawano is 914 highway miles from Washington, D.C. The schedule of transport rates for fluid milk issued by Dairyland Transport Company, a nationally recognized transport company doing considerable business in hauling between the Midwest and eastern markets, which was presented in evidence at the hearing, indicates a charge of $1.52 per hundredweight for moving milk 920 miles. The Chicago average 12th-zone price for 1958 adjusted for transportation to Washington, D.C., would suggest $5.22 as the appropriate level of class I price for Washington.

Proponents, however, contend that any price based on comparative costs from Chicago should recognize the markup which the seller of spot milk customarily includes in his selling price. They suggest that such charges may vary from 0 to 75 cents depending upon the market involved, the season and alternative outlets for milk.

In establishing an appropriate price level for the Washington market, the available alternative supply sources must be considered as a potential regular supply source in which case the charges, of the nature suggested, would not be applicable. Under the Federal order program it is a generally accepted principle that producers should bear the cost of moving milk from the farm to the central market. This is accomplished by pricing milk at the location of the plant of first receipt and by providing appropriate location differentials to reflect transportation costs to the market. When milk is received directly at the city the handler bears the costs associated with physical receipt of the milk.

In some instances handlers operate country receiving plants where milk is received, assembled and cooled for shipment to the city. In such cases, the country plant performs many of the necessary functions otherwise performed at the city plant. Whether milk is received at country plants, or directly at the city is largely the choice of the individual handler whose decision is undoubtedly related to his physical plant setup and can be presumed to result in the most economical overall cost to him. Hence, it is not appropriate that producers be asked to bear the cost of operating country receiving plants.

Nevertheless, it seems apparent, in the case of milk movements from the Chicago area to Washington, that the selling handler in recognition of his alternative outlets and use of such milk would pass on to the purchaser the cost of services performed in receiving, assembling and cooling. Under normal circumstances such costs should approximate the costs Washington handlers incur in direct receipt at city plants. Hence, costs of loading milk at the Chicago plant, and unloading at the Washington plant which costs are directly related to and for this purpose may be considered a part of the transportation cost, are additional necessary costs which may appropriately be considered in determining the cost of alternative supplies.

Official notice is taken of the decision of the Assistant Secretary on proposed amendments to the Philadelphia order issued on November 25, 1957 (22 F.R. 9600) in which it was found that the fixed costs associated with loading a tanker approximated 10 cents per

hundredweight and that the cost of receiving tanker milk at the city approximated 5.5 cents per hundredweight. It seems likely that such cost would not vary substantially between markets. Hence, it is appropriate for this analysis that a figure of 15.5 cents be added to transportation costs between Chicago and Washington to secure an appropriate alternative cost figure for establishing a Washington market price.

The addition of 15.5 cents to the Shawano, Wis., Chicago order price plus transportation would provide a price level of $5.375 per hundredweight which for administrative convenience is rounded to $5.40. This is concluded to provide an appropriate annual price level for the Washington market for the initial 18 months.

Milk prices in fluid milk markets throughout the country normally vary seasonally, being highest in the short production months and lowest in the months of flush production. Notwithstanding the fact that producers in the Washington market have not sold milk to dealers at seasonally varying prices (for reasons later explained) it is desirable that some seasonality be provided to insure that the cost of alternative supplies during the flush production months will not be sufficiently below the Washington price to encourage handlers to drop local milk during this period in favor of cheaper supply sources. The months of normal flush production in the several markets vary somewhat due primarily to variations in weather and pasture conditions. The months of March through July, however, are generally considered to constitute the period of flush production. Washington is a notable exception in that July is the month of lowest production. Under these circumstances, it is concluded that an appropriate intermarket pricing relationship can be maintained throughout the year if a price of $5.10 and $5.55 respectively is provided for the periods of March through June and July through February.

Notwithstanding the fact that the pricing herein recommended is limited to a period of 18 months, it is essential that some mechanism be provided to assure that the price during such period will reflect the current supply-demand situation in the market and maintain an appropriate relationship with prices in surrounding markets. Lack of marketwide information at this time deters the formulation of a supply-demand adjuster based on local market conditions. The committee recommended an adjustment mechanism based on the average movements in the Philadelphia, New York, and Chicago Federal order class I prices. They pointed out that the Washington market production area overlaps that of Philadelphia and to a degree that of New York and hence bulk milk supplies regulated by these orders are, in many instances, within easy trucking distance of Washington. They concluded, therefore, that notwithstanding the need for general price alinement with Chicago, for reasons previously stated, it is essential that a close alinement also be maintained between class I prices in the Washington, Philadelphia, and New York markets.

Since the adjustment mechanisms of the New York and Philadelphia orders are based on broad economic indications and the Chicago order uses a mechanism that relates the class I price to values of manufacturing milk, the relating of Washington price movements to the average price movements in these three markets will have the effect of bringing each of these to bear on the Washington price.

It is concluded that this mechanism will produce appropriate changes in the Washington class I price which reflect changes on the national market for milk and cost factors affecting the supply and demand for milk and will maintain a reasonable alinement of price between markets during the interim period of operation of the order. Since the interim class I price herein recommended is based on 1958 data it is appropriate that the three-market average movements be related to the same month in 1958 rather than 1957 as recommended by the committee.

The Washington market has not been accustomed to frequent price changes. Frequent price changes of a few cents would serve no useful purpose in this market. The committee recommended that the interim class I price be effective without adjustment within a range of plus or minus 15 cents from the three-market average for each month when compared to the corresponding month of the base year (1958) and that movements in the three-market average in excess of 15 cents but not exceeding 35 cents in total provide an adjustment of 20 cents in the Washington price. Subsequent adjustment to the Washington price would be made in 20-cent multiples following each 20-cent change in the three-market average price. The committee recommendations in this regard are concluded to represent an appropriate procedure for maintaining the desired intermarket price alinement.

Proponents for a larger marketing area than that herein recommended requested that, if their marketing area proposal was not acceptable, a separate classification and pricing mechanism be provided for fluid milk products sold outside the marketing area which would assure a price competitive with that of unregulated handlers in such area. It is concluded that such a provision would not be appropriate.

The essentials of the classified pricing plan as herein proposed and generally applicable to all Federal orders issued by the Secretary are to establish one level of price for milk which is sold as fluid milk or fluid milk products for fluid consumption and another lower price or prices for the necessary surplus of the market which is disposed of in lower-valued manufactured products. It is intended that the class I price herein proposed will bring forth a sufficient supply to meet the demands of milk for the marketing area, but not necessarily to fulfill the requirements of outside markets. Producer milk sold for fluid uses outside the marketing area has the same characteristics of bulk and perishability, is produced under identical conditions and cost and is subject to the same transportation costs in moving from the farm to the handlers' pool plant, as is milk disposed of in the marketing area. Different health and sanitation requirements in markets outside the marketing area might result in different costs of producing milk for those markets only, but would have no effect on the production costs of producer milk sold to Washington handlers.

Neither is it intended, moreover, that adjacent outside markets be used as dumping grounds for milk in excess of a regulated market's needs. The fixing of a lower price for milk sold in other markets could have a depressing effect on the price paid farmers by competing unregulated distributors in such markets. Such action would also tend to lower blended returns to producers in the Washington market with the result that the level of price for milk to be sold within the regulated market might have to be raised to provide incentive for the production of a sufficient supply to fulfill the market needs.

Class II price: Some milk in excess of class I requirements is necessary in order to maintain an adequate supply of fluid milk for the market on an annual basis. This excess milk must be disposed of in manufactured products which under the proposed classification system would be class II. The class II price should be maintained at the highest level consistent with facilitating the movement of class II milk to manufacturing outlets when it is not needed in the market for class I purposes. Such price should not be established at a level so low as to encourage handlers to procure milk supplies solely for the purpose of converting them into class II products.

The available manufacturing facilities associated with the market are sufficient to handle any prospective market surplus. The Maryland and Virginia Milk Producers Association, which handles the bulk of the market surplus, proposed that milk disposed of for other than class I purposes be priced on the basis of butterfat values as reflected in the Philadelphia market cream price quotations and skim values as reflected in the Chicago market dry milk price quotations. Substantially the same formula which proponents proposed, and which was generally supported by handlers in the market, has been used in the market as a basis for pricing milk surplus to fluid needs over an extended period of years dating back to and including the time during which order No. 45 was in effect.

The formula as herein proposed would base the butterfat value on the Philadelphia market weekly quotations per 40-quart can of 40 percent sweet cream approved for Pennsylvania and New Jersey for each week ending within the month as reported by the U.S. Department of Agriculture, and would provide a make allowance of $2 per can of cream. In order that butterfat values may not be unduly depressed by local market conditions in the Philadelphia area as reflected in such cream price it is provided that the butterfat value shall not be less than the average grade A (92-score) butter price at New York as reported by the U.S. Department of Agriculture for the month less 17 cents. This arrangement will provide assurance to local producers that the class II price will continuously reflect competitive eastern butterfat values.

The skim milk value under the formula as herein proposed would be based on the average of the Chicago daily market quotations for roller and spray nonfat dry milk as reported by the Department of Agriculture for the period from the 26th day of the preceding month through the 25th day of the month for which the class II price is being determined and reflects a make allowance of approximately 5½ cents per pound of powder.

It is concluded that values determined from the proposed formula will provide a proper basis of pricing class II milk in the Washington market. The formula as herein proposed would have yielded an average class II price of $3.23 for the year 1957. While such price is 17 cents higher than the New York class III price, it is only 2 cents over the Philadelphia class II price and appropriately reflects the value of milk going into manufactured products in this market. This level of class II pricing should provide for the orderly disposition of milk in excess of fluid needs and at the same time will return to producers a competitive use value for such milk. A higher price for class II milk than that herein proposed might result in a loss of outlets for local producer milk for manufacturing uses and hence, would not be in the interest of orderly marketing.

The classification system hereinbefore set forth provides for a full accounting of all skim milk and butterfat. While milk is priced to handlers at a basic test it is intended that the butterfat values be as precisely related to open market cream or butter values as is practical. Hence, the price to handlers for differential butterfat is rounded to the nearest one-tenth cent. For reasons later explained the butterfat differential to producers is rounded to the nearest full cent. Since a different butterfat differential is charged to handlers than is paid to producers it is necessary that the payments for differential butterfat be cleared through the producer-settlement fund.

The health regulations applicable in the marketing area permit the standardization of milk for consumer use. Open market cream can be sold in a substantial part of the marketing area. Excess cream must be disposed of in the open market or utilized in manufactured products. Producer milk delivered to Washington handlers is intended primarily for fluid milk requirements of the market and the butterfat differential should be designed to encourage the production of milk with a butterfat content about the same, or at least as high, as the butterfat content of fluid milk products sold by handlers. To set the butterfat differential above competitive values would encourage handlers to utilize alternative sources of butterfat. Setting the producer butterfat differential at a higher level than competitive prices would encourage producers to produce milk with a higher butterfat content than needed for fluid uses.

The basic test at which milk has been sold to handlers and uniform prices paid to producers historically has been 3.5 percent in this market. Both producers and handlers proposed that the 3.5 percent basic test be maintained. Producers and handlers generally supported a proposal that the butterfat differential be determined on the basis of open market cream values.

It is concluded that the class I butterfat differential value should directly reflect the open market value of sweet cream for fluid uses as determined from current price quotations on the Philadelphia cream market. Such value may be derived by dividing by 334.8 the average of all weekly quotations for 40-quart cans of 40 percent sweet cream approved for Pennsylvania and New Jersey in the Philadelphia market as reported each week ending within the month by the U.S. Department of Agriculture.

Should the class II butterfat differential exceed the value determined through this calculation, however, the class II butterfat differential should be used as the class I butterfat differential value.

The class II butterfat differential should be directly related to the butterfat values in the class II pricing formula. Such values reflect the competitive value of butterfat for manufacturing uses and will implement the orderly disposition of butterfat in excess of fluid needs.

Location differentials: Location differentials should be established for milk received at plants located a substantial distance from the marketing area. Such differentials recognize the principle that milk similarly used and located should be similarly priced. Milk which originates nearest the market should command a higher price than milk more distantly located in order to reflect the difference in cost of transporting it to the marketing area. No advantage can be accorded any particular group of producers if the location differentials established realistically reflect only differences in transportation cost.

Since virtually all of the milk produced for the Washington market moves from the farm in tank trucks, it would be inappropriate to establish differentials within the radius from which milk would normally move directly from farms to bottling and distributing plants in the area. Accordingly, it is concluded that no differential should be established on class I milk received at plants located within a 75-mile radius of the zero milestone in Washington, D. C. In the case of plants located more than 75 miles from the zero milestone in Washington, D. C., it is concluded that a differential on class I milk of 12 cents per hundredweight plus 1.5 cents for each additional 10 miles distance, or fraction thereof which such plants are located from Washington by the shortest hard-surfaced highway distance as determined by the market administrator should be appropriate. Such location differentials provide adequate allowances for transporting milk in bulk tankers between plants in the Washington area.

Milk may be received at a fluid milk bottling plant directly from producers as well as from one or more receiving plants. Under such circumstances it is necessary to designate an assignment sequence which will protect producers from unnecessary transportation costs involving transfers for other than class I uses. It is provided, therefore, that for purposes of computing allowable class I location differentials for each handler, the class I disposition from a fluid milk pateurizing or bottling plant shall first be assigned to direct producer receipts at such plant and any remaining class I use shall be assigned to receipts from other pool plants in order of their nearness to Washington.

The value of milk used in manufactured dairy products is affected, little, if any, by the location of the plant receiving and processing such milk in contrast to the situation with respect to class I milk. The milk received at country plants need not be transported to the city for utilization in class II. Accordingly, a location differential should apply only to milk received at country plants and utilized in class I or disposed of to plants which dispose of milk on routes in the marketing area.

The pricing provisions herein proposed utilize a number of reported prices and indexes from various specified sources. From time to time it is possible that such individual price(s) or index may not be reported or published. Under such circumstances it is necessary to provide that the market administrator shall use a price or index determined by the Secretary to be equivalent to or comparable with the unreported or unpublished factor or price.

Payments on other source milk: As pointed out previously, the minimum class prices established under the order apply only on producer milk received at plants subject to full regulation under the order. However, milk may be disposed of for class I utilization by and from plants not subject to full regulation of the order. Such unregulated plants may sell milk in bulk form to pool plants that in turn use it in supplying their class I outlets, or they may sell class I milk directly on routes as defined herein, including sale to Government installations.

The role of the compulsory classification system and the minimum prices as set forth in a Federal milk order is to insure that the price competition from reserve and excess milk will not break the market price for class I milk, thereby destroying the incentive necessary to encourage adequate production. Because the classified program of the order is applicable only to fully regulated plants, it is necessary, in order to provide continued stability of the market, to remove any advantage unregulated plants may attain with respect to sales in the regulated market. Such plants have a real financial incentive to find a means to sell excess milk at prices somewhat less than current class I levels so long as the price is higher than its value when used in manufactured dairy products. If unregulated plant operators were allowed to disposed of their surplus milk for class I purposes in the regulated marketing area without some compensating or neutralizing provision of the order, it is clear that the disposition of such milk, because of its price advantage relative to fully regulated milk, would displace the fully regulated milk in class I uses in the marketing area. The plan of Congress as contemplated under the Agricultural Marketing Agreement Act of 1937, as amended, of returning minimum prices to the producers for the regulated marketing area, would be defeated.

In the absence of any competitive or regulatory force which compels all handlers to pay producers for milk used in fluid outlets at a rate commensurate with its value for such use, the position of any handler who pays the class I price is insecure, if not untenable, whenever cheaper milk is available to the market. A classified pricing program under regulation cannot hope to be successful in the long run in insuring returns to producers at rates contemplated by the act if it is possible for some handlers to purchase outside milk for class I use at less than the class I price. Any handler who finds himself in a situation where his competitors pay less for fluid milk than he pays will be compelled to resort to the same methods, if possible. A price advantage in using unregulated milk is a compelling force in promoting its greater use and as a result it is probable that regular sources of regulated milk will eventually be abandoned by handlers, thus creating insecurity for themselves, producers, and consumers alike.

It is concluded, therefore, that the inclusion of compensation payment provisions in the order is necessary to insure against the displacement of producer milk for the purpose of cost advantage. This is essential to preserve the integrity of the classified pricing program of the order. Since minimum class prices may not be set under the order for handlers who do not participate in the marketwide equalization, the only alternative is to levy a charge against unpriced milk, for the removal of any advantage that there may be in using unregulated milk in class I instead of regular producer milk.

While there are few handlers who now have regular direct distribution in the marketing area and who would maintain unregulated status under the terms of the order as herein proposed; nevertheless, there are a very large number of substantial handlers in the immediately adjacent markets, many of whom could readily extend their distribution routes into the marketing area and by preserving their unregulated status could operate with a substantial price advantage over regulated handlers unless provision is made to assure that all competing handlers pay the minimum class prices. The interrelationship of the supply areas of these adjacent markets with the Washington market emphasizes the need for application of the compensatory payment provision on such distribution. As was earlier pointed out the utilization in the Washington market was as low as 65 percent class I in some months. Hence, unless provision is made to protect the integrity of regulation there exists a substantial opportunity for unregulated handlers to exploit the local fluid market to the detriment of both regular producers and regulated handlers.

The compensatory payments applicable to other source milk disposed of in the marketing area from approved plants which are not pool plants should be the same as those applicable to other source milk distributed from pool plants. It would not be possible to stabilize this market under the classified pricing program in the market if nonpool plants were allowed to distribute unpriced milk in the marketing area without compensatory payments. Handlers distributing such unpriced milk in the marketing area have the same opportunity to buy milk at the opportunity cost level as do the operators of the pool plants who purchase other source milk. In addition, however, the operator of a nonpool plant in all probability has surplus milk in his own plant which he would willingly dispose of on any basis that would yield a higher return than the surplus value. It would be particularly easy to dispose of such milk for class I use in the marketing area by bidding for large contracts such as hospitals, defense establishments, or other types of institutions. With surplus outlets as the alternative, and no compensatory payments to make, the nonpool handlers would have considerable incentive or margin to underbid the seller of priced milk for such

sales. Providing for some method of compensating for, or neutralizing the effect of, the advantage created for unregulated milk, therefore, is an essential and necessary provision of this order.

It is concluded that the compensatory payment on other source milk utilized in class I should be the difference between the class II price and the class I price under the Washington order. The class II price established by the order is a fair and economic measure of the value of milk in surplus uses in the Washington area and hence, represents the actual value of other source milk.

By choosing a rate of compensatory payment which reflects the cost of the cheapest other source milk which may be expected to be available to regulated handlers, any advantage to one handler relative to others, in obtaining such cheap milk and substituting it for producer milk in class I, is removed insofar as administratively possible and no handler is given the clear opportunity to gain an unfair advantage which would otherwise exist. Although the unfair advantage of obtaining other source milk is removed by the particular rate of payment herein provided, nevertheless, if other source milk is to be purchased, the incentive for purchasing the cheapest of such milk remains, because the lower the price which a handler pays for other source milk, the lower will be his total cost of purchasing such milk.

All funds collected from compensatory payments should be added to the producer-settlement fund. The handler regulated by the order should be obligated to make compensatory payments to the producer-settlement fund. There will be no difference in actual price paid for milk whether the payment is made by the regulated handler or by the operator of the unregulated plant from which the other source milk was obtained. Because the regulated handler makes the actual distribution of the milk in the marketing area and because he reports its utilization to the market administrator he is, from the administrative viewpoint, the logical one to make the payment.

For the reasons set forth in this decision, class I milk under the order is priced at the plant where the milk is first received from producers, hence, the compensatory payment on other source milk should be computed at the same stage of the marketing process to be directly comparable. No allowances are made in the order for cost and profits of handlers in moving producer milk to subsequent stages of marketing; neither should they be made for other source milk.

(d) Distribution of proceeds to producers: The order should provide for the distribution of returns to producers through a marketwide type of equalization pool. Under this type of pooling all producers receive a uniform price which varies only to reflect differences in butterfat content and location of plants of receipt.

As has been previously indicated the principal cooperative association in the market carries the bulk of the necessary surplus of the market which is processed through its manufacturing plant. It is imperative, therefore, that a procedure for pooling be established which will provide for an equitable sharing by all producers of the lower returns realized from the handling of this necessary reserve supply of milk.

A marketwide pool will facilitate the activities of the cooperative in moving milk supplies among handlers to meet their individual needs and will encourage processing of the necessary surplus of the market at the plants which can make the most efficient use of such milk.

This method of paying producers will require a producer-settlement fund for making adjustments in payments, as among handlers, to the end that the total sums paid by each handler shall equal the value of milk received by him at the prices fixed in the proposed marketing agreement and order.

Under this pooling arrangement handlers who are required to pay more for their milk on the basis of their utilization than they are required to pay to producers or cooperative associations will pay the difference to the producer-settlement fund; all handlers who are required to pay more to producers or cooperative associations than they are required to pay for their milk on the basis of utilizations will receive the difference from the producer-settlement fund. The market administrator in making payment to any handler from the producer-settlement fund should offset such payments by the amount of payments due from such handler. This is sound business practice. Without this provision the market administrator might be required to make payments to a handler who may have obtained money from the producer-settlement fund by filing incorrect reports or who owes money to the producer-settlement fund but who is financially unable to make full payment of all of his debts.

If at any time, the balance in the producer-settlement fund is insufficient to cover payments due to all handlers from the producer-settlement fund, payments to such handlers should be reduced uniformly per hundredweight of milk. The handlers may then reduce payment to producers by an equivalent amount per hundredweight. Amounts remaining due such handlers from the producer-settlement fund should be paid as soon as the balance in the fund is sufficient, and handlers should then complete payments to producers. In order to reduce the likelihood of this occurring, milk received by any handler who has not made the required payments into the producer-settlement fund for the preceding month should not be considered in the computation of the uniform price in current month.

The order should provide that in the case of a cooperative association which is authorized to collect payments otherwise due its producer members, and which requests such payments in writing, the handler shall make payment to the cooperative of the amount otherwise due its producer members. Under the provisions of the order as hereinafter proposed a cooperative association by definition has "full authority in the sale of milk of its members" and is engaged in "making collective sales of or marketing milk or its products for its members." As the duly authorized agent of its producer members there can be no question of its authority to receive the payments otherwise due such producers. This privilege is specifically provided for in the act and the practice is being followed by all of the cooperatives operating in the market.

In order that the cooperative may have the proper records on which to pay the individual producer members, the handler should, on or before the 8th day after the close of the month, be required to furnish the cooperative association with a statement showing the name, address, and code number, if any, of each producer for whom payment is to be made to the cooperative association, the volume and average butterfat content of milk delivered by each such producer, and the amount of and reason for any deduction which the handler is withholding from the amount payable to each producer. This information is necessary in order that the cooperative association can make proper distribution of moneys to its producer members for whom it makes collections.

In making payments to producers for milk received at plants located at least 75 miles distance from Washington the price should be reduced 12 cents plus 1.5 cents for each additional 10 miles distance or fraction thereof which such plant is located from Washington. Such a location differential will reflect cost of hauling milk to market by an efficient means and should tend to distribute returns to producers fairly.

Provision should also be made for the handler, if authorized in writing by the producer, to make proper deductions for goods or services furnished to or for payments made on behalf of the producer.

Proponents of the order proposed that the order provide for a "take-out and payback" plan to encourage a level production program. They pointed out that their association had operated such a plan for several years with satisfactory results to their membership.

Another cooperative in the market has successfully operated a base rating plan which has provided a seasonality of production which meet the fluid needs of its buyers.

The two plans, each intended to promote an even production over the year, have operated independently of each other without apparent adverse effects upon the market as a whole. A seasonality of pricing is provided in the class I pricing formula hereinbefore set forth. If further seasonality is desirable, there is good reason to allow the seasonal returns plans of the several cooperative associations to be continued outside the structure of the order.

The order should provide that each handler pay each producer, for milk received from such producer, and for which payment is not made to a cooperative association, on or before the 15th day after the end of each month. This is the date on which producers have been accustomed to receiving payment and provides a reasonable time for reporting, computation and announcement of the blended price and the drawing of individual checks. All reporting, announcement, and payment dates herein provided are synchronized to permit payment on this date.

When payment is to be made to a cooperative association, such payment should be made on or before the 13th day after the end of each month. This will permit the cooperative association to prepare and mail individual checks to its producer members by the 15th, the same date on which nonmember producers receive payment.

In the event a handler has received milk from producers which has an average butterfat content of more or less than 3.5 percent, the returns to such producers should be adjusted by a differential which reflects the weighted average values of the butterfat and skim milk in producer milk utilized in the respective classes. This follows the same principle as the payment of a uniform price to all producers. Since each producer shares equally in the total value of the handlers' class I and class II utilization at the basic test of 3.5 percent butterfat, it is equally appropriate that each should receive the average utilization value of the butterfat and skim milk components for milk testing above or below 3.5 percent. The producer butterfat differential should be rounded to the nearest full cent. Such adjustment will tend to minimize audit adjustment and will recognize that producers have long been paid on a fixed differential basis and are not accustomed to constantly changing values.

Administrative provisions: The marketing agreement and order should provide for other general administrative provisions which are common to all orders and which are necessary for proper and efficient administration of the order.

In addition to the definitions discussed earlier in this decision which define the scope of regulation, definition of certain other terms is necessary for brevity and to assure that each usage of such terms denotes the same meaning. These include the terms "act," "Secretary," "Department of Agriculture," "person," and "cooperative association."

Provision should be made for the appointment by the Secretary of a market administrator, and the order should define his

powers and duties, prescribe the information to be reported by handlers each month, set forth the rules to be followed by the market administrator in making computations required by the order, and provide for the liquidation of the order in the event of its suspension or termination.

The powers of the market administrator as set forth in the order are specifically provided in section 8c(7)(C) of the Agricultural Marketing Agreement Act of 1937, as amended, and the proposed language is essentially that of the statute.

The duties of the market administrator as set forth are essentially those which are found in all Federal milk marketing orders and are necessary to define specifically the responsibilities of the market administrator. Handlers should be required to maintain adequate records of their operations and to make the reports necessary to establish classification of producer milk and payments due for such milk. Time limits must be prescribed for filing such reports and for making payments to producers. It should be provided that the market administrator report to each cooperative association, which so requests, the amount and class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report, the utilization of members' milk in each handler's plant will be prorated to each class in the proportion that total receipts of producer milk were used in each class by such handler.

Handlers should maintain and make available to the market administrator all records and accounts of their operations and such facilities as are necessary to determine the accuracy of the information reported to the market administrator as he may deem necessary or any other information upon which the classification of producer milk or payments to producers depends. The market administrator must likewise be permitted to check the accuracy of weights and tests of milk and milk products received and handled to verify all payments required under the order.

It is necessary that handlers maintain records to prove the utilization of the milk received from producers and that proper payments were made therefor. Since the books of all handlers associated with the market cannot be audited immediately after the milk has been delivered to a plant, it is necessary that such records be kept for a reasonable period of time.

The order should provide for specific limitations of the time that handlers should be required to retain their books and records and of the period of time in which obligations under the orders should terminate. Provision made in this regard is identical in principle with the general amendment made to all milk orders in operation on July 30, 1947, following the Secretary's decision of January 26, 1949 (14 F.R. 444). That decision covering the retention of records and limitations of claims is equally applicable in this situation and is adopted as a part of this decision.

Each handler should be required to pay the market administrator as his pro rata share of the cost of administering the order not more than 4 cents per hundredweight or such lesser amounts as the Secretary may, from time to time prescribe on (a) producer milk (including such handler's own production), (b) other source milk in pool plants which is allocated to class I milk, and (c) class I milk disposed of in the marketing area (except to a pool plant) from a nonpool plant.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The act provides that such cost of administration shall be financed through an assessment on handlers. One of the duties of the market administrator is to verify the receipts and disposition of milk from all sources. Equity in sharing the cost of administration of the order among handlers will be achieved, therefore, by applying the administrative assessment to all producers' milk (including handler's own production) and other source milk allocated to class I milk.

Plants not subject to the classification and pricing provisions of the order may distribute limited quantities of class I milk in the marketing area. These plants must be checked to verify their status under the order. Assessment of administrative expense on such milk sold in the marketing area will help defray the cost of such checking.

In view of the anticipated volumes of milk and the cost of administering orders in markets of comparable circumstances, it is concluded that an initial rate of 4 cents per hundredweight is necessary to meet the expenses of administration. Provision should be made to enable the Secretary to reduce the rate of assessment below the 4 cents per hundredweight maximum without necessitating an amendment to the order. This should be done at any time experience in the market reveals that a lesser rate will produce sufficient revenue to administer the order properly.

A provision should be included in the order for furnishing market services to producers, such as verifying the tests and weights of producer milk and furnishing market information. These should be provided by the market administrator and the cost should be borne by the producers receiving the service. If a cooperative association is performing such services for any member producers and is approved for such activities by the Secretary, the market administrator may accept this in lieu of his own service.

There is need for a marketing service program in connection with the administration of the order in this area. Orderly marketing will be promoted by assuring individual producers that payments received for their milk are in accordance with the pricing provisions of the order and reflect accurate weights and tests of such milk. To accomplish this fully, it is necessary that the butterfat test and weights of individual producer deliveries of milk as reported by the handler be verified for accuracy.

An additional phase of the marketing service program is to furnish producers with correct market information. Efficiency in the production, utilization and marketing of milk will be promoted by the dissemination of current information on a market-wide basis to all producers.

To enable the market administrator to furnish these marketing services, provision should be made for a maximum deduction of 5 cents per hundredweight with respect to receipts of milk from producers for whom he renders marketing services. If later experience indicates that marketing services can be performed at a lesser rate, provision is necessary for the Secretary to adjust the rate downward without the necessity of a hearing.

Rulings on proposed findings and conclusions: Briefs and proposed findings and conclusions were filed on behalf of several interested parties in the market. These briefs, proposed findings and conclusions, and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions set forth in the briefs are inconsistent with the findings and conclusions herein, the requests to make such findings or to reach such conclusions are denied for the reasons previously stated in this decision.

General findings: (a) The proposed marketing agreement and order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed marketing agreement and order will regulate the handling of milk in the same manner as, and will be applicable to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Revised recommended marketing agreement and order: The following order regulating the handling of milk in the Washington, D.C., marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the proposed order.

DEFINITIONS

Section 902.1. Act:

"Act" means Public Act No. 10, 73d Congress, as amendment and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

Section 902.2. Secretary:

"Secretary" means the Secretary of Agriculture or any officer or employee of the United States authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

Section 902.3. Department of Agriculture:

"Department of Agriculture" means the U.S. Department of Agriculture or any other Federal agency as may be authorized by act of Congress, or by Executive order, to perform the price reporting functions specified in this part.

Section 902.4. Person:

"Person" means any individual, partnership, corporation, association, or other business unit.

Section 902.5. Cooperative association:

"Cooperative association" means any cooperative marketing association of producers which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales of or marketing milk or its products for its members.

Section 902.6. Washington, D.C., marketing area:

"Washington, D.C., marketing area" hereinafter called "the marketing area" means all of the territory situated within the District of Columbia; the counties of Arlington, Fairfax, and Prince William, and the city of Alexandria, all in the State of Virginia; the counties of Prince Georges (excluding the corporate limits of the town of Laurel), Montgomery, Charles, and St. Marys; that portion of Calvert County lying south of a line beginning at the western terminus of Maryland State Highway 507, continuing easterly along said highway to its intersection with Maryland State Highway 2, continuing northerly along said Highway 2, to its intersection with Maryland State Highway 263 and then easterly along said Highway 263 to its terminus at the Chesapeake Bay, and that part of Frederick lying south of a line be-

ginning at the intersection of the Washington-Frederick County line with Alternate U.S. Route 40, following Alternate U.S. Route 40 easterly to the western boundary of the corporate limits of the city of Frederick, thence along the western, northern, and eastern boundary of the city to its eastern junction with Alternate U.S. Route 40 and then southeasterly along Alternate U.S. Route 40 to the Frederick-Carroll County line, all in the State of Maryland; together with all piers, docks, and wharves connected therewith and including all territory within such boundaries which is occupied by Government (municipal, State, or Federal) installations, institutions, or other establishments.

Section 902.7. Plant:

"Plant" means the land, buildings, surroundings, facilities, and equipment, whether owned and operated by one or more persons, constituting a single operating unit or establishment for the receiving and processing or packaging of milk or milk products.

Section 902.8. Approved plant:

"Approved plant" means:

(a) Any plant which is approved by the applicable health authority having jurisdiction in the marketing area for the handling of milk for disposition as class I milk and from which class I milk is disposed of on routes to retail or wholesale outlets in the marketing area; and

(b) Any plant which is approved by the applicable health authority having jurisdiction in the marketing area to supply milk to a plant specified in paragraph (a) of this section and from which milk is moved during the month to such plant.

Section 902.9. Pool plant:

"Pool plant" means:

(a) An approved plant other than the plant of a producer-handler: (1) During any month within which a volume of milk equal to not less than 10 percent of its receipts of milk from dairy farmers, approved by the applicable health authority for fluid disposition in the marketing area, is disposed of as class I milk on routes in the marketing area: *Provided,* That the total quantity of class I milk disposed of from such plant, both inside and outside the marketing area, is equal to not less than 50 percent of such plant's total receipts from such dairy farmers; or (2) during any month of October through February in which at least 50 percent, and during any month of March through September in which at least 40 percent, of its receipts of milk from dairy farmers, approved by the applicable health authority for fluid disposition in the marketing area, is shipped in the form of milk, skim milk, or cream to a plant which disposes of not less than 10 percent of its receipts of approved milk from dairy farmers and from other approved plants as class I milk on routes in the marketing area and not less than 50 percent of such receipts are disposed of as class I milk, both inside and outside the marketing area: *Provided,* That any such plant which was a pool plant in each of the preceding months of October through February shall be a pool plant for the months of March through September, unless the handler gives written notice to the market administrator on or before the first day of such month that the plant is a nonpool plant: *And provided further,* That any such plant which was a nonpool plant during any of the months of October through February shall not be a pool plant in any of the immediately following months of March through September in which it was owned by the same handler or affiliate of the handler or by any person who controls, or is controlled by, the handler.

(b) Any manufacturing plant which is operated by a cooperative association 70 percent or more of whose membership are qualified producers whose milk is regularly received during the month at other pool plants.

Section 902.10. Handler:

"Handler" means:

(a) Any person in his capacity as the operator of an approved plant (whether or not such approved plant is a pool plant) or any plant qualified as a pool plant pursuant to section 902.9(b); and

(b) Any cooperative association with respect to the milk of any producer which it causes to be diverted in accordance with the proviso of section 902.15 from a pool plant to a nonpool plant for the account of such cooperative association.

Section 902.11. Pool handler:

"Pool handler" means any person in his capacity as the operator of a pool plant or a cooperative association qualified as a handler pursuant to section 902.10(b).

Section 902.12. Producer-handler:

"Producer-handler" means any person who operates a dairy farm and an approved plant from which class I milk is disposed of on route(s) in the marketing area and who during the month received no milk from any source other than his own farm production and from pool plants.

Section 902.13. Dairy farmer:

"Dairy farmer" means any person who produces milk which is delivered in bulk to a plant.

Section 902.14. Dairy farmer for other markets:

"Dairy farmer for other markets" means:

(a) Any dairy farmer whose milk is received by a handler at a pool plant during the months of March through September from a farm from which the handler, an affiliate of the handler, or any person who controls or is controlled by the handler, received milk other than as producer milk during any of the preceding months or October through February; and

(b) Any dairy farmer whose milk is received at a pool plant qualified pursuant to section 902.9(b) for the account of a cooperative association which has no membership among producers delivering milk to other pool plants.

Section 902.15. Producer:

"Producer" means any dairy farmer, except a producer-handler or dairy farmer for other markets, who produces milk which is approved by the applicable health authority having jurisdiction in the marketing area for fluid disposition within the marketing area and which is received at a pool plant or is diverted to a nonpool plant during any month(s) of March through September or on not more than 8 days (4 days in the case of every-other-day delivery) during any month(s) of October through February: *Provided,* That the milk so diverted shall be deemed to have been received by the diverting handler at a pool plant at the location from which it was diverted: *And provided further,* That the criterion for determination of qualification under this definition for a dairy farmer delivering milk to a pool plant qualified under section 902.9(b) shall be the holding of a valid farm inspection permit issued by the applicable health authority having jurisdiction in the marketing area. This definition shall not include any dairy farmer whose milk is diverted during the month or more than the number of days specified in this section.

Section 902.16. Producer milk:

"Producer milk" means any skim milk or butterfat contained in milk received directly at a pool plant from producers, or diverted in accordance with the proviso of section 902.15.

Section 902.17. Other source milk:

"Other source milk" means all receipts of skim milk and butterfat other than that contained in (a) producer milk, (b) receipts from pool plants, or (c) class II products disposed of in the form in which received without further processing by the handler.

Section 902.18. Route:

"Route" means any delivery (including any delivery by a vendor or disposition at a plant store or from vending machines) of any class I product to a wholesale or retail stop, including a Federal, State, or municipal institution or installation, but excluding any delivery to a plant.

MARKET ADMINISTRATOR

Section 902.20. Designation:

The agency for the administration of this part shall be a "market administrator" selected by the Secretary. He shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

Section 902.21. Powers:

The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To make rules and regulations to effectuate its terms and provisions;

(c) To receive, investigate, and report to the Secretary complaints of violations; and

(d) To recommend amendments to the Secretary.

Section 902.22. Duties:

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount, and with reasonable surety thereon, covering each employee who handles funds entrusted to the market administrator:

(d) Pay out of the funds received pursuant to section 902.88:

(1) The cost of his bond and the bonds of his employees,

(2) His own compensation, and

(3) All other expenses except those incurred under section 902.87, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly announce at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 5 days after the date upon which he is required to perform such acts, has not made reports pursuant to section 902.30 or payments pursuant to sections 902.80 to 902.88.

(g) Submit his books and records to examination by the Secretary, and furnish such information and reports as the Secretary may request.

(h) Verify all reports and payments of each handler, by audit if necessary, of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends;

(i) Prepare and make available for the benefit of producers, consumers, and handlers, such general statistics and information concerning the operation of this part as do not reveal confidential information;

(j) On or before the date specified, publicly announce by posting in a conspicuous

place in his office and by such other means as he deems appropriate, the following:

(1) The 5th day of each month, the class I price computed pursuant to section 902.50(a) for the current month, and the class II price computed pursuant to section 902.50(b) and the handler butterfat differentials computed pursuant to section 902.51, both for the preceding month; and

(2) The 10th day of each month, the uniform price computed pursuant to section 902.71 and the producer butterfat differential computed pursuant to section 902.81 both for the preceding month; and

(k) On or before the 10th day after the end of each month, report to each cooperative association which so requests, the class utilization of milk purchased from such association or delivered to the pool plant(s) of each handler by producers who are members of such cooperative association. For the purpose of this report, the milk so purchased or received shall be allocated to each class in the same ratio as all producer milk received by such handler during such month.

REPORTS, RECORDS, AND FACILITIES

Section 902.30. Reports of receipts and utilization:

(a) On or before the 8th day after the end of each month each pool handler shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(1) The quantities of skim milk and butterfat contained in (i) receipts of producer milk (including such handler's own production), (ii) receipts from other pool plants in the form of products designated as class I milk pursuant to section 902.41(a)(1), and (iii) receipts of other source milk.

(2) Inventories of products designated as class I milk pursuant to section 902.41(a)(1) on hand at the beginning and end of the month; and

(3) The utilization of all skim milk and butterfat required to be reported pursuant to this paragraph.

(b) Each nonpool handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

Section 902.31. Other reports:

(a) Each pool handler shall report to the market administrator in the detail and on forms prescribed by the market administrator as follows:

(1) On or before the 20th day after the end of the month, for each of his pool plants, his producer payroll for such month, which shall show for each producer; (i) his name and address, (ii) the total pounds of milk received from such producer, (iii) the average butterfat content of such milk, and (iv) the net amount of the handler's payment, together with the price paid and the amount and nature of any deduction;

(2) On or before the first day other source milk is received in the form of milk, fluid skim milk or cream at his pool plant(s) his intention to receive such product, and on or before the last day such product is received, his intention to discontinue receipt of such product; and

(3) Such other information with respect to receipts and utilization of butterfat and skim milk as the market administrator shall prescribe.

(b) Promptly after a producer moves from one farm to another, or starts or resumes deliveries to any of a handler's pool plants, the handler shall file with the market administrator a report stating the producer's name and post office address, the health department permit number, the date on which the change took place, and the farm and plant location involved.

(c) Each pool handler who receives milk during the month from producers for which payment is to be made to a cooperative association pursuant to section 902.80(b) shall on or before the 10th day after the end of each month report to such cooperative association concerning each producer-member of such cooperative association from whom he received milk during the month as follows:

(1) The name, address, and code number, if any;

(2) The total deliveries and the number of days on which delivery was made;

(3) The average butterfat test of the milk delivered; and

(4) The nature and amount of any deductions to be made in payments due such producer.

(d) Each handler dumping skim milk pursuant to section 902.41(b)(3) shall give the market administrator during normal duty hours, not less than 3 hours' advance notice of intention to make such disposition and of the quantities of skim milk involved.

Section 902.32. Records and facilities:

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations together with such facilities as are necessary for the market administrator to verify or establish the correct data for each month, with respect to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form;

(b) The weights and tests for butterfat and other content of all milk and milk products handled;

(c) The pounds of skim milk and butterfat contained in or represented by all items in inventory at the beginning and end of each month required to be reported pursuant to section 902.30(a)(2); and

(d) Payments to producers and cooperative associations, including any deductions and the disbursement of money so deducted.

Section 902.33. Retention of records:

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such 3-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15)(A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

Section 902.40. Skim milk and butterfat to be classified:

All skim milk and butterfat received within the month at pool plants and which is required to be reported pursuant to section 902.30 shall be classified by the market administrator.

Section 902.41. Classes of utilization:

Subject to the conditions set forth in sections 902.42 to 902.46 the classes of utilization shall be as follows:

(a) Class I milk: Class I milk shall be all skim milk (including that used to produce concentrated milk and reconstituted or fortified skim milk) and butterfat: (1) Disposed of (other than in hermetically sealed containers) in fluid form or as frozen concentrated milk for human consumption as milk, flavored milk, skim milk, flavored skim milk, cultured skim milk, buttermilk, cream (except sour cream) including any mixture of cream and milk or skim milk containing less butterfat than the regular standard for cream; and (2) not specifically accounted for as class II milk.

(b) Class II milk: Class II milk shall be all skim milk and butterfat (1) used to produce any product other than those designated as class I milk pursuant to paragraph (a)(1) of this section; (2) disposed of for livestock feed; (3) contained in skim milk dumped if the conditions of section 902.31(d) are met by the handler; (4) contained in inventory of products designated in paragraph (a)(1) of this section on hand at the end of the month; (5) in actual plant shrinkage not to exceed 1½ percent of skim milk and butterfat, respectively, in producer milk; and (6) in shrinkage of other source milk.

Section 902.42. Shrinkage:

The market administrator shall allocate shrinkage at the pool plant(s) of each handler as follows:

(a) Compute the total shrinkage of skim milk and butterfat respectively; and

(b) Allocate the resulting amounts pro rata to skim milk and butterfat, respectively, in producer milk and other source milk.

Section 902.43. Responsibility of handlers and the reclassification of milk:

(a) All skim milk and butterfat shall be class I milk unless the handler who first receives such skim milk and butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

Section 902.44. Transfers:

Skim milk or butterfat disposed of during the month from a pool plant shall be classified:

(a) As class I milk if transferred in the form of any products designated as class I milk pursuant to section 902.41(a)(1) to a pool plant of another handler unless utilization as class II milk is claimed by both handlers in their reports submitted for the month to the market administrator pursuant to section 902.30(a): *Provided,* That the skim milk or butterfat so assigned to class II milk shall be limited to the amount thereof remaining in class II milk in the plant of the transferee handler after the assignment of other source milk pursuant to section 902.46 and any additional amounts of such skim milk or butterfat shall be assigned to class I milk: *And provided further,* That if either or both handlers have received other source milk, the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible class I utilization to the producer milk at both plants.

(b) As class I milk if transferred in the form of any product designated as class I milk pursuant to section 902.41(a)(1) to a producer-handler.

(c) As class I milk if transferred or diverted in the form of any product designated as class I milk pursuant to section 902.41(a)(1) to an approved plant, other than a pool plant or the plant of a producer-handler, to the extent of such plants' disposition of skim milk and butterfat, respectively, as class I milk in the marketing area: *Provided,* That any remaining amount of such transfer or diversion shall be assigned to the highest remaining utilization in the transferee plant after the prior assignment of receipts at such plant from dairy farmers who the market administrator determines constitute its regular source of supply.

(d) As class I milk if transferred or diverted in bulk in the form of milk, skim milk, or cream, to a nonpool plant, other than an approved plant, located less than 300 miles from the zero milestone in Washington, D.C., unless (1) the handler claims class II utilization in his report submitted pursuant to section 902.30(a), (2) the operator of the transferee plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and (3) not less than an equivalent amount of skim milk and butterfat was ac-

tually utilized in such plant during the month in the use indicated in such report: *Provided,* That if upon inspection of the records of such plant it is found that an equivalent amount of skim milk and butterfat was not actually used in such indicated use the remaining pounds shall be classified as class I milk.

(e) As class I milk if transferred or diverted in bulk in the form of milk, skim milk, or cream, to a nonpool plant other than an approved plant located 300 miles or more from the zero milestone in Washington, D.C.

Section 902.45. Computation of skim milk and butterfat in each class:

For each month, the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization submitted pursuant to section 902.30(a) for the pool plant(s) of each handler and shall compute the pounds of skim milk and butterfat in class I milk and class II milk for such handlers.

Section 902.46. Allocation of skim milk and butterfat classified:

After making the computations pursuant to section 902.45 the market administrator shall determine the classification of producer milk received at the pool plant(s) of each handler as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in class II milk the pounds of skim milk in producer milk classified pursuant to section 902.41(b)(5);

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with class II milk, the pounds of skim milk in other source milk received during the month in a form other than products specified in section 902.41(a)(1);

(3) Subtract from the remaining pounds of skim milk in each class, in series beginning with class II milk, the pounds of skim milk in other source milk received in the form of products specified in section 902.41(a)(1) from plants which are not fully subject to the pricing provisions of another order issued pursuant to the act;

(4) Subtract from the pounds of skim milk remaining in each class in series beginning with class II milk the pounds of skim milk in other source milk received in the form of products specified in section 902.41(a)(1) from a plant(s) which is fully subject to the pricing provisions of another order issued pursuant to the act;

(5) Subtract from the pounds of skim milk remaining in each class in series beginning with class II milk, the pounds of skim milk contained in inventory of products specified in section 902.41(a)(1) on hand at the beginning of the month;

(6) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk received from the pool plants of other handlers in the form of products specified in section 902.41(a)(1) according to the classification thereof as determined pursuant to section 902.44(a).

(7) Add to the remaining pounds of skim milk in class II the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(8) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk contained in producer milk, subtract such excess from the remaining pounds of skim milk in each class in series beginning with class II milk. Any amounts so subtracted shall be known as "overage."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section; and

(c) Add the pounds of skim milk and the pounds of butterfat allocated to the producer milk in each class computed pursuant to paragraphs (a) and (b) of this section, and determine the weighted average butterfat content of each class.

MINIMUM PRICES

Section 902.50. Class prices:

Subject to the provisions of sections 902.51 and 902.52 each handler shall pay, at the time and in the manner set forth in section 902.80 for each hundredweight of milk containing 3.5 percent butterfat received at his pool plant(s) during the month from producers or a cooperative association not less than the following prices per hundredweight for the respective quantities of milk in each class computed pursuant to section 902.46.

(a) Class I price: During the first 18 months after the effective date of this part the price for class I milk shall be $5.55 for the months of July through February and $5.10 for the months of March through June: *Provided,* That such price in any month shall be adjusted to reflect the deviation of the average of the Federal order class I prices for the Philadelphia, New York, and Chicago markets for such month from such average price in the corresponding month of 1958, as follows:

*Washington price adjustment*

| 3-market deviation from corresponding month of 1958 (cents), plus or minus: | |
|---|---|
| 0–15 | 0 |
| 15.1–35 | 20 |
| 35.1–55 | 40 |
| 55.1–75 | 60 |
| 75.1–95 | 80 |

(b) Class II price: The price for class II milk shall be the sum of the values of butterfat and skim milk computed as follows:

(1) Butterfat: Add all weekly quotations per 40-quart can of 40 percent sweet cream approved for Pennsylvania and New Jersey in the Philadelphia market as reported each week ending within the month by the U.S. Department of Agriculture, divide by the number of quotations, subtract $2, divide by 33.48, multiply by 3.5: *Provided,* That such butterfat value shall not be less than 3.5 times 120 percent of the average grade A (92-score) butter price at New York as reported by the U.S. Department of Agriculture for the month for which payment is to be made less 17 cents.

(2) Skim milk: The average of carlot prices per pound for nonfat dry milk, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as reported for the period from the 26th day of the preceding month through the 25th day of the current month by the Department of Agriculture shall determine the skim values, as follows:

| Average price per pound of nonfat solid-spray and roller process: | *Skim value* |
|---|---|
| $0.065 or below | $0.075 |
| $0.066 to $0.075 | .15 |
| $0.076 to $0.085 | .225 |
| $0.096 to $0.105 | .30 |
| $0.106 to $0.115 | .375 |
| $0.116 to $0.125 | .45 |
| $0.126 to $0.135 | .525 |
| $0.136 to $0.145 | .60 |
| $0.146 to $0.155 | .675 |
| $0.156 to $0.165 | .75 |
| $0.166 to $0.175 | .825 |
| $0.176 to $0.185 | .90 |
| $0.186 to $0.195 | .975 |

Section 902.51. Butterfat differentials to handlers:

For milk containing more or less than 3.5 percent butterfat, the class prices pursuant to section 902.50 shall be increased or decreased, respectively, for each one-tenth of 1 percent butterfat by the appropriate rate, rounded in each case to the nearest one-tenth cent, determined as follows:

(a) Class I milk: Add all weekly quotations per 40-quart can of 40 percent sweet cream approved for Pennsylvania and New Jersey in the Philadelphia market as reported each week ending within the month by the U.S. Department of Agriculture, divide by the number of quotations and divide the resulting value by 334.8: *Provided,* That if the result is less than the class II differential determined pursuant to paragraph (b) of this section, such class II differential shall also be applicable to class I milk; and

(b) Class II milk: Divide by 35 the butterfat value determined pursuant to section 902.50(b)(1).

Section 902.52. Location differentials to handlers:

For that milk which is received from producers at a pool plant located 75 miles or more from the milestone in Washington, D.C., by the shortest hard-surfaced highway distance as determined by the market administrator, and which is assigned to class I milk, the class I price as specified in section 902.50(a) shall be reduced at the rate set forth in the following schedule:

| Distance (miles): | *Rate per hundredweight (cents)* |
|---|---|
| 75 | 12.0 |
| For each additional 10 miles or fraction thereof | 1.5 |

*Provided,* That for the purpose of calculating such location differential, products designated as class I milk which are transferred between pool plants shall first be assigned to any remainder of class II milk in the transferee plant after making the calculations prescribed in section 902.46 (a)(1) to (5), and the comparable steps in section 92.46(b) for such plant, such assignment to the transferring plant to be made in sequence according to the location differential applicable at each plant, beginning with the plant having the largest differential.

Section 902.53. Use of equivalent prices or indexes.

If for any reason a price quotation or index required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price or index determined by the Secretary to be equivalent to the price or index which is required.

APPLICATION OF PROVISIONS

Section 902.60. Producer-handler:

Sections 902.40 to 902.46, 902.50 to 902.52, 902.62, 902.70 to 902.71 and 902.80 to 902.89 shall not apply to a producer-handler.

Section 902.61. Plants subject to other Federal orders:

A plant specified in paragraph (a) or (b) of this section shall be considered as a nonpool plant except that the operator of such plant shall, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require (in lieu of the reports required pursuant to section 902.30) and allow verification of such reports by the market administrator.

(a) Any plant qualified pursuant to section 902.9(a)(1) which would be subject to the classification and pricing provisions of another order issued pursuant to the act unless the Secretary determines that a greater volume of class I milk is disposed of from such plant on routes in the Washington marketing area than in a marketing area regulated pursuant to such other order.

(b) Any plant qualified pursuant to section 902.9 (a)(2) or (b) which would be subject to the classification and pricing provisions of another order issued pursuant to the act unless such plant has qualified as a pool plant pursuant to the first proviso of section 902.9(a)(2) for each month during the preceding October through February.

Section 902.62. Payments on other source milk:

Within 11 days after the end of each month handlers shall make payments to producers through the producer-settlement fund as follows:

(a) Each pool handler who received other source milk which is allocated to class I pursuant to section 902.46 (a)(2) and (b) shall make payment on the quantity so allocated at the difference between the class I price and the class II price applicable at the location of his pool plant qualified pursuant to section 902.9(a).

(b) Each pool handler who received other source milk which is allocated to class I pursuant to section 902.46 (a)(3) and (b) shall make payment on the quantity so allocated at the difference between the class I price and the class II price applicable at the zone location of the nearest nonpool plant(s) from which an equivalent amount of such other source milk was received; and

(c) Each handler operating an approved plant, other than a pool plant, which is not subject to the classification and pricing provisions of another order issued pursuant to the act and from which class I products are disposed of on routes in the marketing area during the month shall make payment on the total hundredweight of skim milk and butterfat so disposed of which is in excess of his receipts of skim milk and butterfat, respectively, from pool plants at the difference between the class I price and the class II price applicable for the zone location of such plant.

DETERMINATION OF UNIFORM PRICE

Section 902.70. Computation of the value of producer milk for each handler:

For each delivery period, the market administrator shall compute the value of milk for each pool handler as follows:

(a) Multiply the pounds of producer milk in each class computed pursuant to section 902.46 by the applicable class price and total the resulting amounts;

(b) Add the amount of any payments due from such handler pursuant to section 902.62 (a) or (b);

(c) Add the amounts computed by multiplying the pounds of "overage" deducted from each class pursuant to section 902.46 (a)(8) and (b) by the applicable class price;

(d) Add the amount computed by multiplying the difference between the appropriate class II price for the preceding month and the appropriate class I price for the current month by the hundredweight of producer milk classified in class II during the preceding month less allowable shrinkage allocated pursuant to section 902.46(a)(1) in such month, or the hundredweight of milk subtracted from class I pursuant to section 902.46 (a)(5) and (b) for the current month, whichever is less;

(e) Add the amount computed by multiplying the difference between the appropriate class II price for the preceding month and the appropriate class I price for the current month by the hundredweight of milk allocated to class I pursuant to section 902.46 (a)(5) and (b) for the current month which is in excess of (1) the hundredweight of milk for which an adjustment was made pursuant to subparagraph (d) of this paragraph and (2) the hundredweight of milk assigned to class II pursuant to section 902.46 (a)(4) and (b) for the previous month and which was classified and priced as class I under the other Federal order; and

(f) Add or subtract, as the case may be, an amount necessary to correct errors discovered by the market administrator in the verification of reports of such handler of his receipts and utilization of skim milk and butterfat for previous months.

Section 902.71. Computation of the uniform price:

For each month the market administrator shall compute the uniform price per hundredweight of producer milk of 3.5 percent butterfat content, f.o.b. market as follows:

(a) Combine into one total the net obligations computed pursuant to section 902.70 for all handlers who made reports prescribed in section 902.30(a) for the month and who were not in default of payments pursuant to section 902.84 for the preceding month.

(b) Subtract, if the weighted average butterfat content of producer milk included under paragraph (a) of this section is greater than 3.5 percent, or add, if such average butterfat content is less than 3.5 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 3.5 percent by the producer butterfat differential computed pursuant to section 902.81 and multiply the resulting figure by the total hundredweight of such milk;

(c) Add an amount equal to the sum of deductions to be made from producer payments for location differentials pursuant to section 902.82;

(d) Add an amount equal to not less than one-half of the unobligated balance on hand in the producer-settlement fund;

(e) Divide the resulting amount by the total hundredweight of producer milk included under paragraph (a) of this section; and

(f) Subtract not less than 4 nor more than 5 cents from the amount computed pursuant to paragraph (e) of this section.

PAYMENTS

Section 902.80. Time and method of payment:

(a) Except as provided in paragraph (b) of this section, each pool handler on or before the 15th day after the end of each month shall make payment to each producer from whom milk is received during the month for the quantity of milk so received at not less than the uniform price per hundredweight computed pursuant to section 902.71 adjusted by the butterfat differential computed pursuant to section 902.81 and by the location differential computed pursuant to section 902.82 less proper deductions authorized in writing by the producer: *Provided*, That if by such date such handler has not received full payment from the market administrator pursuant to section 902.85 for such month, he may reduce pro rata his payments to producers by not more than the amount of such underpayment. Payment to producers shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after receipt of the balance due from the market administrator;

(b) In the case of a cooperative association which the market administrator determines is authorized by its producer-members to collect payment for their milk and which has so requested any handler in writing, such handler shall on or before the second day prior to the date on which payments are due individual producers, pay the cooperative association for milk received during the month from the producer-members of such association as determined by the market administrator, an amount equal to not less than the total due such producer-members as determined pursuant to paragraph (a) of this section; and

(c) In the case of milk received by a handler from a cooperative association in its capacity as a handler such handler shall on or before the second day prior to the date on which payments are due individual producers, pay to such cooperative association for milk so received during the month, an amount not less than the value of such milk computed at the applicable class prices for the location of the plant of the buying handler.

Section 902.81. Producer butterfat differential:

In making payments pursuant to section 902.80 (a) or (b) the uniform price shall be adjusted for each one-tenth of 1 percent of butterfat content in the milk of each producer above or below 3.5 percent, as the case may be, by a butterfat differential equal to the average of the butterfat differentials determined pursuant to section 902.51 (a) and (b) weighted by the pounds of butterfat in producer milk in each class and rounded to the nearest full cent.

Section 902.82. Location differential to producers:

In making payments to producers or to a cooperative association pursuant to section 902.80 (a) or (b) a handler shall deduct with respect to all milk received at his pool plant(s) located 75 miles by shortest highway distance from the zero milestone in the District of Columbia, as determined by the market administrator, 12 cents per hundredweight plus 1.5 cents for each 10-mile additional distance, or fraction thereof, which such plant is located from such milestone.

Section 902.83. Producer-settlement funds:

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to sections 902.62(c), 902.84, and 902.86 and out of which he shall make all payments pursuant to sections 902.85 and 902.86: *Provided*, That the market administrator shall offset any such payment due to any handler against payment due from such handler.

Section 902.84. Payments to the producer-settlement fund:

On or before the 11th day after the end of each month, each handler, including a cooperative association which is a handler, shall pay to the market administrator for payment to producers through the producer-settlement fund the amount by which the net pool obligation of such handler is greater than the sum required to be paid producers by such handler pursuant to section 902.80 (a) and (b).

Section 902.85. Payments out of the producer-settlement fund:

On or before the 12th day after the end of the month, the market administrator shall pay to each handler for payment to producers the amount by which the sum required to be paid producers by such handler pursuant to section 902.80 (a) and (b) is greater than the net pool obligations of such handler: *Provided*, That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

Section 902.86. Adjustment of accounts:

Whenever verification by the market administrator of reports or payments of any handler discloses errors resulting in money due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the marketing administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

Section 902.87. Marketing services:

(a) Except as set forth in paragraph (b) of this section, each handler, in making payments directly to producers for milk (other than milk of his own production) pursuant to section 902.80(a) shall deduct 5 cents per hundredweight or such lesser amount as the Secretary may prescribe and shall pay such deductions to the market administrator on or before the 18th day after the end of the month. Such money shall be expended by the market administrator to provide market information and to verify the weights, samples, and tests of milk of producers who are not receiving such service from a cooperative association; and

(b) In the case of producers for whom the Secretary determines a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall make, in lieu of the deduction specified in paragraph (a) of this section, such deductions from the payments to be made directly to such producers pursuant to section 902.80(a) as are authorized by such producers on or before the 18th day after the end of each month and pay such deductions to the cooperative rendering such services.

Section 902.88. Expense of administration:

As his pro rata share of the expense of administration of this part, each handler, including any cooperative association which is a handler, shall pay to the market administrator on or before the 18th day after the end of the month, 4 cents per hundredweight or such lesser amount as the Secretary may prescribe, for each hundredweight of skim milk and butterfat contained in (a) producer milk (including such handler's own farm production), (b) other source milk allocated to class I milk pursuant to section 902.46(a)(2), (3), and (b), or (c) class I milk for which a payment is due pursuant to section 902.62(c).

Section 902.89. Termination of obligations:

The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such 2-year period the market administrator notifies the handler that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid;

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin until the first day of the month following the month during which all such books and records pertaining to such obligations are made available to the market administrator or his representatives;

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate 2 years after the end of the month during which the milk involved in the claim was received if an underpayment is claimed, or 2 years after the end of the month during which the payment (including deduction or setoff by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time files, pursuant to section 8c(15)(A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION, OR TERMINATION

Sec. 902.90. Effective time:

The provisions of this part, or any amendment to this part, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated, pursuant to § 902.91.

Sec. 902.91. Suspension or termination:

The Secretary may suspend or terminate this part or any provision of this part, whenever he finds that this part or any provisions of this part, obstructs, or does not tend to effectuate the declared policy of the act. This part shall terminate, in any event, whenever the provisions of the act authorizig it cease to be in effect.

Sec. 902.92. Continuing obligations:

If under the suspension or termination of any or all provisions of this part, there are any obligations thereunder, the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

Section 902.93. Liquidation.

Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignment or other instruments necessary or appropriate to effectuate any such disposition. If the liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

Section 902.100. Agents:

The Secretary may by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

Section 902.101. Separability of provisions:

If any provision of this part, or its application to any person or circumstances is held invalid, the application of such provision and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D.C., the 30th day of January 1959.

[SEAL] ORIS V. WELLS, *Administrator.*

[F.R. Doc. 59-957; Filed, Feb. 3, 1959; 8:51 a.m.]

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FRELINGHUYSEN, for the week, on account of death of his father.

To Mr. ROBERTS (at the request of Mr. RAINS), for today, on account of illness in the family.

## 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. JOHNSON of Wisconsin, for 15 minutes today, to revise and extend his remarks and include extraneous matter.

Mr. STRATTON, for 30 minutes, on March 18.

Mr. VANIK, for 15 minutes, on March 17.

Mr. FLOOD, for 20 minutes today, and to include extraneous matter.

Mr. BECKER (at the request of Mr. SMITH of California), to vacate the special order he had for today and Monday and that he be permitted to address the House for 1 hour on Wednesday, March 18.

Mrs. ROGERS of Massachusetts, for 5 minutes, on Monday.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. BOLTON (at the request of Mr. ARENDS) in two instances and to include extraneous matter.

Mr. REUSS.

Mr. YATES, his remarks in Committee of the Whole today on H.R. 1, and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

Mr. MEADER, his remarks in Committee of the Whole today on H.R. 1 and to include extraneous matter.

Mr. MICHEL, his remarks in Committee of the Whole today; and in two instances and to include editorials.

Mr. HALPERN and to include extraneous matter.

Mr. BYRNES of Wisconsin, his remarks in Committee of the Whole today and to include extraneous matter.

Mr. METCALF in three instances.

Mr. KEOGH and to include the proceedings of the annual banquet of the National Conference of Christians and Jews, held in Brooklyn, notwithstanding it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $189.

Mr. MCDONOUGH in three instances, in each to include extraneous matter.

Mr. BROOMFIELD (at the request of Mr. SMITH of California) was given permission to revise and extend the remarks he made in the Committee of the Whole on H.R. 1.

Mr. WESTLAND (at the request of Mr. SMITH of California).

(At the request of Mr. BURDICK, and to include extraneous matter, the following:)

Mr. DANIELS.

Mr. GEORGE P. MILLER.

Mr. DINGELL.

Mr. MULTER.

Mr. BREWSTER.

## 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. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International

Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; to the Committee on Interstate and Foreign Commerce.

## ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2260. An act to extend the induction provisions of the Universal Military Training and Service Act, and for other purposes.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 50. An act to provide for the admission of the State of Hawaii into the Union.

## BILLS 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. 2260. An act to extend the induction provision of the Universal Training and Service Act, and for other purposes.

## ADJOURNMENT

Mr. BURDICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p.m.), under its previous order, the House adjourned until Monday, March 16, 1959, at 12 o'clock noon.

## REPORT OF COMMITTEES ON USE OF COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, pursuant to the provisions of the Mutual Security Act of 1958, chapter IV, section 401(a), there is submitted herewith the report of use of foreign currencies by the House Committee on Agriculture:

MARCH 8, 1959.

*Counterpart Funds*

REPORT OF SUBCOMMITTEE ON TOBACCO

(Foreign currency and U.S. dollar equivalents expended between Sept. 28 and Oct. 13, 1958)

| Country | Name of currency | Total | |
|---|---|---|---|
| | | Foreign currency | U.S. dollars |
| France | Francs | 1,368,934 | $2,702.00 |
| Germany | Deutsche mark. | 2,240 | 2,110.00 |
| Switzerland | Francs | 2,000 | 500.00 |
| Belgium | do | 41,844 | 825.00 |
| United Kingdom | Pounds | 1,211.12 | 3,391.14 |
| Denmark | Kroners | 2,600 | 376.00 |
| Italy | Lire | 648,000 | 1,036.80 |
| Spain | Pesetas | 18,400 | 334.50 |
| Greece | Drachma | 11,880 | 600.00 |
| Portugal | Escudos | 20,171 | 700.00 |
| Total | | | 14,335.44 |

HAROLD D. COOLEY,
*Chairman, Committee on Agriculture.*

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

706. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of February relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

707. A letter from the Assistant Secretary of the Navy (Material), relative to a proposal by the Department of the Navy to transfer a 64-foot work boat, hull No. C-104362 and engine No. C-14611 to the Chelsea Yatch Club, Chelsea, Mass., pursuant to title 10, United States Code, section 7308; to the Committee on Armed Services.

708. A letter from the Chairman, National Labor Relations Board, transmitting the 23d Annual Report of the National Labor Relations Board for the fiscal year ended June 30, 1958, pursuant to the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

709. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to amend the Government Corporation Control Act, as amended"; to the Committee on Government Operations.

710. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation entitled "A bill to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission"; to the Committee on Interstate and Foreign Commerce.

711. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claim: *The Kiowa, Comanche and Apache Tribes of Indians, Petitioners,* v. *The United States of America, Defendant.* (Docket No. 32), pursuant to the Indian Claims Commission act of August 13, 1946 (60 Stat. 1055; 25 U.S.C. 70t); to the Committee on Interior and Insular Affairs.

712. A letter from the Acting Secretary of the Interior, transmitting a report covering all tort claims paid by this Department in the fiscal year 1958, pursuant to the Federal Tort Claims Act (28 U.S.C. 2673); to the Committee on the Judiciary.

713. A letter from the Chairman, Federal Power Commission, transmitting a copy of each of the following: "Statistics of Natural Gas Companies, 1957", "Steam-Electric Plant Construction Cost and Annual Production Expenses, 1957", "Statistics of Electric Utilities, 1957", "Privately Owned, Statistics of Electric Utilities, 1957", "Publicly Owned, and Typical Residential Electric Bills, 1958"; to the Committee on Interstate and Foreign Commerce.

714. A letter from the Chairman of the Board, Tennessee Valley Authority, transmitting a report entitled "A Program for Reducing the National Flood Damage Potential", pursuant to section 22 of the TVA Act and Executive Order No. 6161 (June 8, 1933); to the Committee on Public Works.

## 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. FRIEDEL: Committee on House Administration. House Resolution 156. Resolution to provide funds for the expense of the studies and investigations authorized by House Resolution 93; without amendment (Rept. No. 201). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 197. Resolution fixing the basic compensation of the eight expert transcribers, office of the official committee reporters, and the seven expert transcribers, office of the official reporters of debates, House of Representatives; without amendment (Rept. No. 202). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 198. Resolution to provide funds for necessary expenses of the Committee on Banking and Currency; without amendment (Rept. No. 203). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 206. Resolution providing for expenses of studies and investigations authorized by House Resolution 182; without amendment (Rept. No. 204). Ordered to be printed.

Mr. HAYS: Committee on House Administration: House Concurrent Resolution 15. Concurrent resolution providing for the printing of the "Code of Ethics for Government Service" as a House document; without amendment (Rept. No. 205). Ordered to be printed.

Mr. HAYS: Committee on House Administration: House Resolution 187. Resolution authorizing the printing of additional copies of House Report No. 41, current session; without amendment (Rept. No. 206). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 175. Resolution authorizing the printing of additional copies with minor editorial, grammatical, and typographical changes of House Report No. 2712, 85th Congress, entitled "Government Programs in International Education"; without amendment (Rept. No. 207). Ordered to be printed.

Mr. SMITH of Mississippi: Committee on House Administration. House Joint Resolution 115. Joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition; with amendment (Rept. No. 208). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. House Joint Resolution 257. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; without amendment (Rept. 209). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 306. A bill to amend the Federal Crop Insurance Act; with amendment (Rept. No. 210). Referred to the Committee of the Whole House on the State of the Union.

Mr. RABAUT: Committee on Appropriations. H.R. 5676. A bill 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, 1960, and for other purposes; without amendment (Rept. No. 211). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5640. A bill to extend the time during which certain individuals may continue to receive temporary unemployment compensation; without amendment (Rept. No. 212). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H.R. 5655. A bill to authorize the Federal Government to guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 5656. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BAKER:

H.R. 5657. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BENNETT of Florida:

H.R. 5658. A bill to amend the Employment Act of 1946 to make the maintenance of a reasonable stable price level an explicit aim of Federal economic policy; to the Committee on Government Operations.

By Mr. BONNER:

H.R. 5659. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft; to the Committee on Merchant Marine and Fisheries.

By Mr. CHIPERFIELD:

H.R. 5660. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 5661. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to provide for the safety of chemicals in cosmetics; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT:

H.R. 5662. A bill to amend section 1077 of title 10, United States Code, to provide dental care for dependents of any member of a uniformed service residing with the member at or near his duty station; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 5663. A bill to amend title II of the Social Security Act to provide that a fully insured individual may qualify for the disability freeze and for disability insurance benefits with 20 quarters of coverage, regardless of when such quarters occurred; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 5664. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax the first $2,400 received each year as civil service salary or compensation; to the Committee on Ways and Means.

By Mr. HIESTAND:

H.R. 5665. A bill to establish a Firefighting Air Corps in the Forest Service; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts (by request):

H.R. 5666. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

By Mr. PORTER:

H.R. 5667. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

H.R. 5668. A bill to promote mining and development research for beryl, chromite, and columbium-tantalum from domestic mines; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa:

H.R. 5669. A bill to amend section 105(b) of the Agricultural Act of 1949, as amended, relating to price support for oats, rye, barley, and grain sorghums; to the Committee on Agriculture.

By Mr. SPRINGER:

H.R. 5670. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 5671. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. TOLL:

H.R. 5672. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. UTT:

H.R. 5673. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. VINSON:

H.R. 5674. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. YOUNGER:

H.R. 5675. A bill to amend the Communications Act of 1934 to provide that "equal time" provisions shall not apply to news programs; to the Committee on Interstate and Foreign Commerce.

By Mr. RABAUT:

H.R. 5676. A bill 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, 1960, and for other purposes.

By Mr. BOYLE:

H.R. 5677. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. BYRNE of Pennsylvania:

H.R. 5678. A bill to grant a pension of $100 per month to all honorably discharged veterans of World War I who are over 62 years of age; to the Committee on Veterans' Affairs.

By Mr. DENT:

H.R. 5679. A bill to amend title III of the act of March 3, 1933, with respect to the acquisition by the United States of articles, materials, and supplies for public use; to the Committee on Public Works.

By Mr. FLOOD:

H.R. 5680. A bill to establish a temporary Presidential commission to study and report on the problems relating to blindness and the needs of blind persons, and for other purposes; to the Committee on Education and Labor.

By Mr. HAGEN:

H.R. 5681. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOSMER:

H.R. 5682. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

H.R. 5683. A bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, to establish the Office of Water Pollution Control; and for other purposes; to the Committee on Public Works.

By Mr. JOHNSON of California:

H.R. 5684. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOULDER:

H.R. 5685. A bill to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the contruction of a dam; to the Committee on Interior and Insular Affairs.

By Mr. SILER:

H.R. 5686. A bill providing for the establishment, equipment, and maintenance of a nuclear energy-coal experiment station in the coal regions of eastern Kentucky; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H.R. 5687. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa:

H.R. 5688. A bill to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953; to the Committee on Government Operations.

By Mr. SPENCE:

H.R. 5689. A bill to repeal obsolete provisions of law relating to the mints and assay offices; to the Committee on Banking and Currency.

By Mr. WESTLAND:

H.R. 5690. A bill to amend the United States Housing Act of 1937 to reduce from 65 to 62 the age at which a single woman can qualify for admission to a low-rent housing project and the age at which a woman can qualify her family for admission to a project designed specifically for elderly families; to the Committee on Banking and Currency.

H.R. 5691. A bill to authorize adjustments in accounts of outstanding old series currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. DOWDY:

H.J. Res. 308. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

By Mr. SCHERER:

H.J. Res. 309. Joint resolution designating November 19, the anniversary of Lincoln's Gettyburg Address, as Dedication Day; to the Committee on the Judiciary.

By Mr. KEARNS:

H. Res. 209. Resolution creating a select committee to conduct an investigation and study of the feasibility of relating the office allowances of Members to the workload of their offices; to the Committee on Rules.

## MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to take such action as may be required to place the Absaroke-Yankee Jim

project under construction at the earliest possible time; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to oppose any change or proposed change in the law which would effect an increase in the interest rate on loans to rural electrical cooperative associations or corporations; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to repeal the excise tax levied upon telephone and telegraph services; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARR:

H.R. 5692. A bill for the relief of Kuo Ning Yau; to the Committee on the Judiciary.

By Mr. BERRY:

H.R. 5693. A bill to provide for the issuance of a patent-in-fee-simple to Bartley M. Mills covering certain real property now held in trust for the Rosebud Sioux Tribe; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Massachusetts:

H.R. 5694. A bill providing for the application for letters patent on behalf of the estate of the late Dr. Saul Hertz concerning a medical process for the use of radioactive iodine; to the Committee on the Judiciary.

By Mr. DOOLEY:

H.R. 5695. A bill for the relief of Fleischmann Distilling Corp. and others; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5696. A bill for the relief of Eulalia Fernandez; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 5697. A bill for the relief of Francis Conlon; to the Committee on the Judiciary.

By Mr. HOSMER (by request):

H.R. 5698. A bill for the relief of Heh Ik Chang (Harry Glover); to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 5699. A bill for the relief of Mrs. Anastasia Miljkovic and her minor son, Serbolub Miljkovic; to the Committee on the Judiciary.

By Mr. MARSHALL:

H.R. 5700. A bill for the relief of Parker E. Dragoo; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

108. By the SPEAKER: Petition of the chairman, Conference of Americans of Central-Eastern-European Descent, New York, N.Y., petitioning consideration of their resolution with reference to proposing a policy of full inclusion of naturalized citizens in claim settlements in accordance with the concepts of Public Law 857, 81st Congress; to the Committee on Interstate and Foreign Commerce.

109. Also petition of Eugene G. Evans, Jr., M.D., Hendersonville, N.C., relative to a redress of grievance relating to Executive Order No. 10730, dated September 24, 1957; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## Statement in Opposition to H.R. 1, Lake Michigan Diversion Bill

EXTENSION OF REMARKS

OF

### HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mrs. BOLTON. Mr. Speaker, under leave to extend my remarks I include herewith a statement I presented to the Committee on Public Works on February 17 in opposition to H.R. 1, the Lake Michigan water diversion bill.

STATEMENT BY HON. FRANCES P. BOLTON, BEFORE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES, IN OPPOSITION TO H.R. 1 AND OTHER BILLS TO REQUIRE A STUDY TO BE CONDUCTED OF THE EFFECT OF INCREASING THE DIVERSION OF WATER FROM LAKE MICHIGAN, ON FEBRUARY 17, 1959

Mr. Chairman, members of the committee, thank you for giving me an opportunity to present a statement in opposition to H.R. 1, a bill to require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway.

As you know, this subject has been debated in practically every session of Congress since 1937. The Great Lakes Harbors Association, the port cities of the Great Lakes, the Lake Carriers' Association, and the governments of the States bordering the Great Lakes have always been united in opposition to the demands of Chicago for permission to divert additional water from Lake Michigan.

While we realize that the measure presently under consideration (H.R. 1) is deemed to be a study bill, we feel that its enactment will be a detriment to the best interest of all areas in the Great Lakes other than Chicago. In Ohio our industries have a great need for additional water for industrial use, however we oppose diversion of water where there is no means provided for returning water to the lakes.

The diversion of water from Lake Michigan will lower the natural level of that lake and the other Great Lakes, their connecting and tributary waters and the St. Lawrence River, thereby reducing the carrying capacity of ships and leading to higher transportation costs. At this time we in the Midwest are anticipating the opening of the St. Lawrence Seaway to large oceangoing vessels. When the Federal Government is spending large sums to deepen the Great Lakes connecting channels and improve the harbors on the Great Lakes to accommodate these deep-draft vessels, it would be most inconsistent to permit this measure to pass which will eventually result in lowering the lake levels.

It is my hope that the committee will table H.R. 1 and all other bills which would permit additional diversion of water into the Illinois Waterway.

## Dr. Flemming's Formula

EXTENSION OF REMARKS

OF

### HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. METCALF. Mr. Speaker, the Secretary of Health, Education, and Welfare, Dr. Flemming, has recently applied his talent to the development of a formula which he states would solve the classroom shortage.

Under the Flemming formula, the Federal aid will be supplied to the States which will enable the building of an additional 75,000 classrooms over the next 5 years. In order for this formula to work, however, it will be necessary for the States and local districts to repeal debt limitations, for many States to amend their constitutions, and for others to completely revamp the system of State aid which they and the local districts have worked out over the years. To Dr. Flemming, these are only minor obstacles.

Dr. Flemming has expressed great concern over the problem of supplying an adequate number of competent teachers for the public schools but, as yet, his administration has not seen fit to take any action in this field. He has not made sufficient application of his own ingenious formula.

He should consider applying the Flemming formula to other education problems—teaching the English language, for instance. Under the Flemming formula, all he would have to do is change the basic rules of grammar.

Then a noun does not have to agree with a verb. And there would not be nothing wrong with a double negative. It would be all right to mispel words and use a preposition to end a sentence with.

This application of the Flemming formula might help solve the classroom and teacher shortage. Children would not have to spend so much time learning English. Fewer English teachers and fewer classrooms would be needed. Of course, this is an absurd application of Dr. Flemming's formula but no more absurd than his contention that the classroom shortage can be overcome by changing State constitutions and taxing concepts.

## March 15, 1959: Anniversary of Hungarian Independence Day

EXTENSION OF REMARKS

OF

### HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. REUSS. Mr. Speaker, on March 15, 1848, the Hungarian people under the leadership of the famed Louis Kossuth, won freedom from Hapsburg rule. The freedom movement led to the aboli-

tion of serfdom and to enlarged public representation in political affairs. A charter of freedom also proclaimed the right to create a national government. This victory over tyranny, although short-lived, will never be forgotten by the people of Hungary.

It was the spirit of 1848, for example, that guided the October 1956 revolution against the rule of Communist Russia. Certainly no people have struggled more valiantly for freedom than the people of Hungary. I am sure that these people shall always rank freedom and independence as the highest goals that man may seek.

I salute the people of Hungary on the anniversary of their independence from the Hapsburgs 111 years ago. I am proud that many Hungarians have come to this country where they have enriched our own democracy with their high concept of freedom. I am proud of their traditions, proud of their remarkable past, and look forward with them to the day when this great heritage may come to its full fruition in Hungary.

## Hungarian Independence Day

EXTENSION OF REMARKS

OF

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. DINGELL. Mr. Speaker, the bloody events of October-November days of 1956 in Hungary were the result of an outward manifestation on the part of tough and tenacious Hungarians held down by the most powerful totalitarian dictatorship. There in their homeland they were being oppressed by their taskmasters. Hating and detesting these alien overlords, and yearning for freedom, the people staged a sudden uprising, thereby hoping to expel Russian Communists and the Red army detachments, and thus regain their freedom. Unfortunately, the helpless and brave Hungarians were alone in this unequal struggle against the massive and monolithic might of the Soviet Union. The valiant efforts of the brave Hungarians ended in a tragic blood-bath. But such events are not new or rare in Hungary's long history. Such an epochmaking event took place a little over 100 years ago which began on the 15th of March 1848.

In that year, when revolutionary waves were sweeping all over Europe, all oppressed peoples under autocratic regimes were stirred and became restive. Hungarian people showed their resentment against the Austrian government. Their great spokesman, Louis Kossuth, presented their grievances to the government early in March. But, before the government had given serious considerations to these grievances, demonstrations were held in various parts of the country, demanding freedom. Fortunately the government was not in position to suppress the people and ignore their demands. Finally on March 15, on the "Ides of March," their demands were granted; the people regained their freedom. Since then, for more than 110 years, March 15 has been celebrated as one of the chief national holidays of Hungary. The events of that day proved that however ruthless and heartless autocracies may seem, and often are, they are bound to lose out in the end against the will and tenacity of a sturdy and stout-hearted people. Perhaps the best way to revive the spirit of those days is to celebrate the anniversary of that great event, even when today Hungary is suffering under Communist tyranny. I therefore take pleasure in associating myself with Hungarian Freedom Day, and with those Americans of Hungarian descent who mark this day.

## Reuniting of Families

EXTENSION OF REMARKS

OF

### HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. DANIELS. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include my statement issued in connection with a bill I introduced on March 11, 1959, to amend the Immigration and Nationality Act to facilitate the reuniting of families:

TO FACILITATE REUNITING OF FAMILIES

On March 11, 1959, I introduced a bill to amend the Immigration and Nationality Act to grant nonquota status to certain immigrants who are brothers, sisters, sons, or daughters of American citizens. These close of kin are classified under the fourth preference quota section of the act, and it is unjust and inhumane to prevent them from being reunited with their families. One of the cardinal principles of our immigration laws should be to facilitate the reuniting of families.

Fourth preference visas can be issued only when deficiencies occur in the first, second, and third preferences, which are allotted 100 percent of the quota. It is unjust to permit American citizens to file petitions for their brothers, sisters, sons, or daughters, granting them approval and then let them pile up in a huge backlog at the American consulates abroad without the hope of any visas being issued.

There are approximately 100,000 petitions on file and many of these were filed as far back as 10 years ago. The petitioners have been waiting hopelessly for many years to be reunited with their parents, brothers, or sisters. In Italy, for example, there isn't a single available quota for the fourth preference group nor is it contemplated that there will be one for many, many years to come. This is true of Poland, Hungary, Spain, Greece, Portugal, and many other countries. The consulate in Iraq is now processing applications filed in 1946 and applications from Turkey are presently being processed which were first filed in 1945. It is estimated that there is a backlog of some 100,000 people who daily crowd the offices of our consulates abroad and unless this conversion is made from quota to nonquota, the number will grow and the pressure will increase.

This backlog is due primarily to our national origin quota system which gives such pitifully small quotas to the countries of southern Europe and Asia and gives to Great Britain 65,360 of our total annual quota of 152,000. Yet Britain uses only 10 percent of this alloted quota and the rest is wasted.

To rectify this inequity of opportunity, I therefore introduced a bill which, following the precedent established by the act of September 11, 1957, will provide for the conversion of the fourth preference category registered up to July 1, 1959 to nonquota immigrant status. It is my considered opinion that this is the just and humane thing to do in the interest of the United States.

## Good Hearing Is as Essential as Good Sight for Automobile Driving

EXTENSION OF REMARKS

OF

### HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. McDONOUGH. Mr. Speaker, no one can drive an automobile in any State or Territory of the United States who suffers from any serious type of vision impairment. Thanks to the American Safety Council all motor vehicle bureaus in every State and Territory have made it mandatory that all applicants for operators' licenses submit to rigorous sight tests. Where it is found that the applicant suffers from any type of visual difficulties of a nature which might impair his own or the safety of others, he is obliged to wear corrective lenses and his need of such lenses while operating a motor vehicle is clearly imprinted upon the face of each such license.

However, up to now nothing has been done about taking into account the important fact that there are some 15 million or more Americans who suffer from hearing defects of a minor or major nature. There is no hearing test required of anyone seeking an operator's license nor is any cognizance given to applicants suffering from such deficiencies. This, in spite of the fact that deficient hearing, equally as much as poor eyesight, can endanger lives and property.

Of some 15 million Americans suffering from impaired hearing, only about 1 million use hearing aids as a corrective measure. This is due mainly to two things: First, many hard-of-hearing persons of all ages are totally unaware of such defects, and second, many who do know of it refuse to wear hearing aids because the majority of such instruments are cumbersome and conspicuous.

The reluctance of the hard-of-hearing to wear a hearing aid which draws attention to their affliction is understandable. But it does not alter the fact that a hard-of-hearing person driving an automobile can endanger lives and property.

Three men in the United States are currently doing something about this situation. They have petitioned the National Safety Council to help. They are also appealing to the legislators of every State in the Union to enact laws requiring motor vehicle bureaus to take legal

steps to prevent persons with poor hearing from operating a motor vehicle unless they use an adequate hearing aid.

These men are Paul B. H. Smith, who has devoted his life to audiology and is president of one of the Nation's foremost hearing aid manufacturing companies; Dr. James A. DePew, Jr., chief audiologist of the world famous New York Eye and Ear Infirmary; and William R. Hutchins, electronics engineer, presently a key figure in the U.S. guided missiles program.

These three men are requesting that all motor vehicle bureaus require a hearing test of every applicant for a driver's license just as they now require a vision test.

Dr. DePew and Mr. Hutchins are inventors of a drastically sensitive audiometer which can accurately measure the extent of human hearing in fractions of a second.

To date, thousands of students in schools of every level throughout the Nation who had previously been labeled by their teachers as backward, indifferent, or below normal intellectually, have been subjected to audiometer tests. In a great number of cases, it was discovered that these boys and girls were neither poor scholars nor indifferent ones, but victims of some hearing impairment. Steps were at once undertaken to provide them with corrective materiel and when this was accomplished their classroom interests became enlivened and their marks shot up, equally as good as their fellow students.

Because so many sufferers from deafness are unaware of their affliction, Dr. DePew, Paul B. H. Smith, and Mr. Hutchins are waging this campaign to make it mandatory that a hearing test be required for all applicants for drivers' licenses.

Inspired by this campaign, hundreds of leading industrial firms are arranging for their own workers in plants, offices, and factories to take audiometer tests as a measure of safety as well as to increase worker efficiency where it is discovered that employees suffer from hearing deficiencies.

In some cities across the Nation, steps are being taken to offer free audiometer tests under civic sponsorship via mobile audiology laboratories.

In the case of those who need a hearing aid, but do not want to use one because of vanity or sensitivity, hearing aids are being made available which are no longer visual to others. These can be adriotly concealed as they no longer require wires or a volume control box because they are manufactured on transistor principles.

The people of the United States are indebted to Dr. James A. DePew, Jr., Engineer William R. Hutchins, and Paul B. H. Smith for their long and now successful fight to bring a normal way of life to persons suffering from hearing deficiencies; to safeguard life and property by campaigning for legislation which will require a hearing test for applicants for drivers' licenses; and for directing the paths of thousands of children who are hard-of-hearing into progressive, useful, and productive channels.

## DAV Services in Maryland

EXTENSION OF REMARKS

OF

### HON. DANIEL B. BREWSTER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I should like to insert the following speech which I made at the DAV installation of officers last night in Greenbelt, Md.

I believe that it speaks for itself.

An exceptional record of vital rehabilitation services freely extended to thousands of Maryland citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Maryland, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war. Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran. Its present National Commander is another judge, David B. Williams, of Concord, Mass. Its National Adjutant is John E. Feighner, of Cincinnati, Ohio. Its National League Director is Ellmer M. Freudenberger, its National Director of Claims is Cicero F. Hogan, and its National Director of Employment Relations is John W. Burris—all located at its national service headquarters, 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability-compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after it formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans, themselves, these service officers are sympathetic and alert as to the problems of other less well informed claimants.

Located in the Veterans' Administration regional office at St. Paul and Fayette Streets, Baltimore, Md., is the DAV National Service Officer, Mr. Frank Dubinskas, a fine friend of mine. Because of the financial inability of the DAV to pay salaries in competition with commercial enterprise and the Federal Government, Mr. Dubinskas is now doing the work that should ordinarily be done by two national service officers and he is doing a fine job.

The present Department Commander of the DAV in Maryland is another friend of mine, Mr. John Stubbs, and the Adjutant is Jake Finn. The DAV Department of Maryland has nationally appointed representatives to the Veterans Administration Voluntary Services Advisory Committees at each of the Veterans' Administration hospitals servicing Maryland veterans. These DAV representatives and the hospitals are as follows: Mr. John E. Kellam at the 291-bed Tuberculosis Hospital at Baltimore, Mr. Earl Vellaca at the 377-bed General Medical and Surgical Hospital at Fort Howard, Mr. Charles Kennedy at the 1,800-bed Neuropsychiatric Hospital at Perry Point, and Mr. Earl Rosensteel at the 1,340-bed VA Center at Martinsburg, W. Va.

During the last fiscal year, the VA paid out $67,498,000 for its veteran program in Maryland, including $20,506,324 disability benefits to its 27,041 service-disabled veterans. These Federal expenditures in Maryland furnish substantial purchasing power in all communities.

Only about 7 percent—1,756—are members of the 27 DAV chapters, ranging up to 510 members in the Baltimore Chapter No. 1.

This 7 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Maryland's veterans and dependents during the last 10 fiscal years, as revealed by the folowing statistics:

| | |
|---|---|
| Claimants contacted (estimate) | 45,438 |
| Claims folders reviewed | 37,865 |
| Appearances before rating boards | 3,670 |
| Compensation increases obtained | 3,332 |
| Service connections obtained | 661 |
| Nonservice pensions | 456 |
| Death benefits obtained | 66 |

Total monetary benefits obtained were $1,082,193.72.

The above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32 and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Maryland's veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted these DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms, and businesses, etc. Helpful advice was also given as to counseling and placement into suitable useful employment (to utilize their remaining abilities), civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death, or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service-connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendent, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV Acting National Director of Claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others, at an aggregate loss to them of more than $28 million per year. About 1 percent (.013) of such discontinuances and reductions have probably occurred as to disabled veterans in Maryland, with a consequent loss of about $364,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Maryland to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag (miniature automobile license tags) project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project is thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1 million owners of sets of lost keys have received them back from the DAV's Idento-Tag Department, 13,555 of whom during the last 8 years, were Maryland residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000 exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the general support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first Perpetual Rehabilitation Fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Maryland by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100 ($50 to those born before January 1, 1902 or World War I veterans), payable in installments within two full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

I am proud to be a life member of the DAV.

## Statehood for Hawaii

EXTENSION OF REMARKS

OF

### HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mrs. BOLTON. Mr. Speaker, on Wednesday and Thursday when H.R. 4221, the Hawaii statehood bill, was before the House, I was unable to be present because of illness. Having been a supporter of such legislation for many years, I regret missing the two votes very much. Had I been able to be present, I would have voted "yea" on the rule for consideration and "yea" on passage of the bill.

I extend my congratulations to the people of Hawaii, and shall hope to visit our 50th State sometime in the not-too-distant future.

## Construction of the 291-Mile Keystone Shortway in Pennsylvania Would Relieve the Unemployment Situation in 13 Labor Surplus Areas in 29 Counties of the State

EXTENSION OF REMARKS

OF

### HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. VAN ZANDT. Mr. Speaker, with area development legislation occupying a prominent position on the legislative agenda of the 86th Congress, the significance of the 291-mile Keystone Shortway in relationship to Pennsylvania's acute unemployment problem is explained in the following letter I wrote on March 12, 1959, to the Honorable Lewis L. Strauss, Secretary of the U.S. Department of Commerce.

In a few words, the letter reveals that if the U.S. Department of Commerce and the Commonwealth of Pennsylvania agree to construct immediately the Keystone Shortway which cuts directly across Pennsylvania from Stroudsburg to Sharon, the unemployment in 13 labor surplus areas of the 29 counties traversed by the shortway will be alleviated. In my district alone, the construction will cost $1 million per mile, and it will provide employment for 1,200 persons for a 3-year period. In addition, the construction of this 70.2-mile stretch will provide additional employment in industries which manufacture and transport the material.

Mr. Speaker, here is a wonderful opportunity for the Department of Commerce and the Commonwealth to spend funds already allocated for highway construction in Pennsylvania on a project that will alleviate a lot of Pennsylvania's chronic unemployment.

The letter to Secretary Strauss follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., March 12, 1959.*

Hon. LEWIS L. STRAUSS,
*Secretary, U.S. Department of Commerce, Washington, D.C.*

DEAR SECRETARY STRAUSS: As you know, of the nearly 5 million unemployed in the United States, 508,000 of them are located in the State of Pennsylvania representing 10 percent of its labor force. Most of this unemployment in Pennsylvania has existed for years and is of great concern to the State and Federal Government. The result is that the problem has been attacked on the State and National level and at the present time this vexing unemployment problem in Pennsylvania is involved in the area redevelopment legislation now being considered by Congress.

The purpose of writing you on the subject of unemployment in Pennsylvania is due to the fact that included in the Department of Commerce is the Office of Area Development as well as the Bureau of Public Roads, with both agencies having a relationship to the proposed construction of the 291-mile Keystone Shortway in Pennsylvania. This shortway with dual lanes cuts directly across Pennsylvania.

According to the Pennsylvania Department of Labor and Industry, the Keystone Shortway traverses 13 labor market areas whose unemployment ranges from 8.6 percent to 16.6 percent. In these areas, there is a total of 115,800 unemployed workers, many of whom would find ready employment on construction of the shortway.

According to the Bureau of Public Roads, from a cost standpoint the national average shows 1 mile costing $1 million. Therefore, the immediate construction of the 291-mile Keystone Shortway in Pennsylvania would provide employment to most of the 115,800 unemployed persons in the 13 labor market areas previously mentioned. In addition, Pennsylvania's coal mines, cement plants, steel mills, and other industries including transportation will indirectly provide employment to many of Pennsylvania's 508,000 unemployed.

In my own congressional district in Pennsylvania comprising the counties of Blair, Centre and Clearfield, 70.2 miles of the shortway would be constructed. To give you some idea of the effect such construction would have on unemployment, it will require 3 years to build the shortway and meanwhile provide employment for 1,200 persons for each of the three 9-month years. In a few words, this employment and accelerated employment in related industries could have a tremendous and favorable impact on the unemployment in my congressional district. If this is the case in my congressional district, think of the benefits to be enjoyed by areas with pockets of unemployment throughout Pennsylvania.

According to the Bureau of Public Roads, the Federal Government has allocated to the Commonwealth of Pennsylvania for highway construction $117,103,237 for fiscal year 1959 and $101,440,250 for fiscal year 1960, making a total of $218,543,487. In general, this amount represents the Federal Government's contribution of 90 cents of every dollar spent by the Commonwealth of Pennsylvania on its Interstate System of Highways. While this fund will not entirely cover the entire Federal aid necessary in paying the overall cost of the Keystone Shortway, it represents roughly 75 percent of the amount needed.

From the information furnished, you will readily see that the Federal Government's financing of the Keystone Shortway in Pennsylvania could alleviate a lot of chronic unemployment in 13 labor market areas. Therefore, it is my thinking that the U.S. Department of Commerce should prevail upon the Commonwealth of Pennsylvania to construct the Keystone Shortway immediately as part of a Federal-State effort to alleviate chronic unemployment in the 13 areas of Pennsylvania affected.

Over a period of years, former Governor Leader of Pennsylvania advocated area redevelopment legislation and now his successor and present Governor, David Lawrence, is doing the same thing. While it is true that the construction of the Keystone Shortway is not the complete answer to the unemployment problem, it will have a favorable effect on wiping out unemployment in 13 labor markets in Pennsylvania. Therefore, a Federal-State program that would bring about immediate construction of the shortway should merit Governor Lawrence's undivided support.

In conclusion, may I point out that in the northern part of my congressional district and elsewhere throughout Pennsylvania the lack of adequate highway transportation is a handicap to the industries that we now have in that area and if we are to rehabilitate and diversify the economy of the area through an area redevelopment program, modern highways like the proposed Keystone Shortway are the answer to our problem. This is a compelling reason why the Keystone Shortway should be constructed before Congress approves an area redevelopment program because adequate transportation is vital to the development of any area.

Thanking you for the consideration of my proposal and with best wishes, I am,

Sincerely yours,

JAMES E. VAN ZANDT.

## Dr. Flemming's Famous Formula

EXTENSION OF REMARKS

OF

### HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. METCALF. Mr. Speaker, the Committee on Interstate and Foreign Commerce reported H.R. 1011 the other day to provide for amendments to the Federal Airport Act. This bill would authorize Federal aid for airports in the amount of $297 million over the next 4 years.

The hearings and the report on this legislation make out a good case for the bill, but I failed to find where the talents of the Secretary of Health, Education and Welfare have been utilized. Had he been consulted, perhaps we could save almost $300 million.

Secretary Flemming is the author of a formula for the construction of 75,000 of the 140,000 classrooms the children of the Nation need by a Federal program resting upon changes in the State constitutions of many of the States, changes in statutes and debt limits in other States and changes in the whole tax systems of many of the States and local districts. He anticipates this will be done in time to get some of the boys and girls in school next September even though the elections for the changes won't take place, if at all, until November 1960, and even though many of the State legislatures have completed their legislative sessions not to meet again for 2 years. But these minor obstacles of time and space do not bother Dr. Flemming.

An application of the Flemming formula to our airport problems would take care of the stacking up over airports by simply changing the aeronautical definition of a stall from "the loss of necessary airspeed to maintain altitude and control" to "a place for parking airplanes in midair." This would keep the planes waiting to land from having to circle the field and thus endangering other traffic. Long runways could be eliminated by passing legislation requiring planes to land and take off vertically and much valuable land that is now being used for runways could be used for storage or administration buildings or parking space for automobiles. All that the plane manufacturers have to do is equip their planes with antigravity stabilizers and vertical landing gear and all of our problems will be solved. Or better yet just repeal the law of gravity.

## Lt. Gen. S. T. Williams, U.S. Army

EXTENSION OF REMARKS

OF

### HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. GEORGE P. MILLER. Mr. Speaker, the Secretary of Defense, the Honorable Neil McElroy, in his recent defense posture statements prepared for this Congress, paid a splendid tribute to the noteworthy progress being made by the armed forces of the Republic of Vietnam. The Secretary, while visiting Vietnam, learned that this nation is determined to remain a free Republic despite what faint hearts consider its precarious location on the edge of the Communist sphere of influence in southeast Asia and despite its exposure to Red military might which could come at any time by direct land routes and over short air and sea distances.

Certainly, the reassuring words of the Secretary were good to hear. I submit that he genuinely meant that Vietnam's armed forces were, to some degree, relatively exceptional. In the brief 4 years since the 1955 armistice terminating the French Indochina war and starting from less than nothing—indeed, from the ashes and ruins of the holocaust itself—the army, navy, and air force of Vietnam have come a long, long way toward fulfillment. To the point, in fact, where Mr. McElroy took special note of their capabilities.

Mr. Speaker, behind this mighty effort and achievement there must have been good counsel and leadership of the highest order of modern military times. For a fact, there was. This land could be saved by sound assistance and advice to its newly created armed forces. The emergency arose and we had the man for the job. On November 15, 1955, a great American and truly outstanding general officer was named Chief of the U.S. Military Assistance Advisory Group for Vietnam. That man was Lt. Gen. Samuel T. Williams, U.S. Army, in whom we can surely take abundant pride.

General Williams went out to far-off Vietnam in 1955 and brought to that war-torn nation his invaluable combat experience, his sagacity for planning, his indomitable spirit and vigor. Side-by-side with the Vietnamese, he organized, he trained, he built, and he stayed with the job and thus has struck a real blow for freedom.

Mr. Speaker, I know whereof I speak about Vietnam perhaps better than most. I had personally seen the situation in Vietnam in 1955. Then in October 1958, it was my great privilege to visit that country again to participate in ceremonies commemorating Vietnam's

third anniversary of the proclamation of the constitution of that country. The military took a prideful part in these ceremonies.

I could scarcely believe that so much could have been done so quickly.

But it was there for all to see, a magnificent modern military achievement, a testimonial to the tireless and unpublicized efforts of General Williams.

Mr. Speaker, I would like the House and our colleagues in the Senate to know of General Williams' unselfish and remarkable service in Vietnam. In a larger sense, I would like also for the Congress to note the long and honorable service of this fine officer and gentleman. In these days, we seldom see personal records of such devoted service to one's country. As times goes on, we shall see less and less. While we can, let us note this great soldier's record, a saga of over 40 years with the colors. It was a lifetime spent, and still being spent, all in America's name and in Freedom's name.

This is General Williams' outstanding service:

General Williams was born and raised in Denton, Tex. He attended the first officers' training camp at Leon Springs, Tex., in 1917 and was commissioned a second lieutenant of infantry with assignment to Company I, 359th Infantry 90th—Texas-Oklahoma—Division. He served with the 359th Infantry in the Toul sector and in the St. Mihiel and Meuse-Argonne battles and in the Army of Occupation.

Between 1920 and 1942 General Williams served in various infantry regiments as a company commander and regimental staff officer and graduated from the Infantry School, the Command and General Staff College, and the Army War College.

During World War II, General Williams held assignments as Assistant Chief of Staff, G-4, 95th Infantry Division; regimental commander of the 378th Infantry Regiment, 95th Division; G-3 XXII Corps, C/S XXII Corps; and assistant division commander of the 90th Infantry Division, participating in the Normany landing and five campaigns in Europe. From 1946 until 1950, General Williams commanded the First Military District in Germany, the 26th Infantry Regimental Combat Team, and was Acting C/S and Assistant Division Commander of the First Infantry Division.

Returning to the United States in 1950, General Williams served as Assistant G-3, Office, Chief Army Field Forces, until 1952. He then commanded the 25th—Tropic Lightning—Division in Korea during the last year of that war. During this period he also served as deputy corps commander of the II Republic of Korea Corps of the Republic of Korea Army during the last great Chinese offensive. After the armistice, he was sent to northern Japan to command the XVI Corps and was charged with the defensive plans of that part of Japan north of Tokyo.

In April 1954 General Williams returned to Korea to command the IX U.S. Corps and the V Republic of Korea Corps. During this period he also served as Deputy Army commander of the Eighth U.S. Army in addition to his duties as a corps commander. Returning to the United States, he assumed his duties as deputy Army commander of the Fourth Army, Fort Sam Houston, Tex., in January 1955. He assumed command of the Fourth Army on June 17, 1955, and retained that command until named Chief, Military Assistance Advisory Group, Vietnam, on November 15, 1955.

General Williams' decorations include the Distinguished Service Cross, Distinguished Service Medal, the Silver Star with oak leaf cluster, the Soldier's Medal, Bronze Star, Purple Heart with oak leaf cluster, French Legion of Honor, French Croix de Guerre with palm, the Korean Taeguk with silver star, and Ulchi Medal with gold star for his services to the Korean Army during the Kumsong Bulge battle in July 1953, and other high decorations of our allies.

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## Balance Budget for Bright Economy

EXTENSION OF REMARKS

OF

### HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. WESTLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to enclose part of the transcript of a television program filed February 27, 1959, for presentation over KOMO-TV, Seattle, Wash., and KVOS-TV, Bellingham, Wash.

The program is an interview between myself and Dr. Raymond J. Saulnier, chairman of the President's Council of Economic Advisers. I believe Dr. Saulnier's remarks are of interest not only to the citizens of my own Second Congressional District of Washington, but also to all citizens of this land.

The transcript follows:

TRANSCRIPT OF INTERVIEW BETWEEN REPRESENTATIVE JACK WESTLAND AND DR. RAYMOND J. SAULNIER

Mr. WESTLAND. Practically everybody is interested in the future economy of the country and just what it holds for us in the way of economic development. I have been getting a lot of letters from people in my district and from people outside my district, talking about this budget we have, whether or not it should be balanced, and about our economy in general.

I believe that this subject is important and people all over the country are interested in it. In order to bring some discussion of this matter to you, I have as my guest today, Dr. Raymond J. Saulnier, better known among his friends as Steve. Steve is chairman of the Council of Economic Advisers to the President. Maybe, he'll be able to answer some of the questions that I'll ask here. Steve, it's good to have you on this program with me.

Mr. SAULNIER. Well, I'm delighted to be here. It's a flattering invitation.

Mr. WESTLAND. Tell me, just what is the Council of Economic Advisers, and what is its relationship to the President?

Mr. SAULNIER. The Council is a body set up by law—set up in the Employment Act of 1946. That means the Council has been in operation now for 12 years. Our job is to follow developments in the economy, to keep the President informed, and to work with the administration generally, appraising the impact of legislation and administrative actions on the economy and on jobs and income.

* * * * *

Mr. WESTLAND. The President has recently made a statement, Steve, that this last recession—the 1958 recession—was the sharpest and the shortest one we've ever had in history. Just how sharp was it and how long do you feel it lasted?

Mr. SAULNIER. Well, I think I'd want to correct that just a bit. We've had some sharper ones but we've had very few shorter ones. This is not to say that it wasn't a sharp recession, because it did fall off very quickly, beginning about the middle of 1957 and continuing through for about 9 months. We hit a boom, so to speak, in April. Now that's a very short recession by most of our historical experience.

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Mr. WESTLAND. Well, do you feel that it is over now?

Mr. SAULNIER. I don't think that there is any question about that, in the sense that we are on a recovery path. The fact of the matter is we, certainly, in terms of production, have recovered by now the ground that was lost. In terms of employment we have recovered a bit less than the full amount of the ground that was lost.

Mr. WESTLAND. Well, that was one thing I want to discuss just a little bit later, Steve. But, now, this was one recession where we came out of it without any of these tremendous Federal programs. Remember, we had many recommendations or suggestions for sort of another WPA program, a tremendous building program which we avoided. We did do some things, but how do you account for this recovery without those other types of Government intervention?

Mr. SAULNIER. Well, I think fundamentally the most important feature of the recession and recovery was the fact that sales at retail stores through the country stayed up very well throughout the recession. There was a remarkably small drop in sales and that meant confidence was maintained and recovery came fairly quickly. Now, this is not to say that there weren't some industries that were badly hit—the automobile, for example.

Mr. WESTLAND. Yes, you're right. The lumber industry, for example, in the Pacific Northwest was hit quite badly, Steve, because the fact is, I think, that we only built about 900,000 homes in 1957.

Mr. SAULNIER. In 1957, but, I'm glad to say that's pretty much as, let us say, we expected. The building industry was one of the first to pick up and the pickup has been, as you know, very substantial. I certainly hope that we can continue a high level of building through the rest of this year and 1960.

Mr. WESTLAND. Well, actually, we've gotten off into home building and that's a real important thing in the Pacific Northwest, of course, to the lumber industry as a whole. I think we built pretty close to 1,200,000 homes, wasn't it, in 1958?

Mr. SAULNIER. That's correct, and we now are operating at a level a little bit better than 1,300,000.

Mr. WESTLAND. A million three hundred thousand?

Mr. SAULNIER. At the present time. And we are hopeful that that can be continued. I can assure you one of the things we have tried to do in Government has been to maintain a high rate of homebuilding and there

is hardly anything that has a more beneficial effect throughout the economy generally.

Mr. WESTLAND. That's right. The ramifications of it are tremendous. It gets not only into our lumber, of course, but also into all of the utilities and so many other things.

Mr. SAULNIER. That is correct. Then there is another aspect of it. And that is, we like to see homes being built.

Mr. WESTLAND. Yes, we like that, too. Steve, I think it was a week or so ago a professor at one of the universities, was talking about inflation. I believe he said that 3 percent inflation was creeping inflation, but that 5 percent inflation was galloping inflation. Now it is pretty hard for me to distinguish between these two. I'm basically opposed to any kind of inflation. But do you feel that we must have inflation if we're going to have this so-called full employment?

Mr. SAULNIER. No, I don't think so at all. I not only do not think that we need to have it in order to have full employment, but what is even more important, if we get into an inflationary period, we're just not going to have full employment. I feel very strongly about this. We can't sustain economic growth over a long period of higher levels if we are indulging in an inflationary spree.

Mr. WESTLAND. Why?

Mr. SAULNIER. Well, there isn't any such thing, really, you know as a moderate or creeping inflation. It starts at a low rate and that in itself will tend to pick up, feed on itself. This encourages all kinds of developments in the economy that at some point come to a crisis. Then you have disaster. What we want to do is to avoid that and have steady sustainable growth.

Mr. WESTLAND. What can we do here, say my job as Congressman, and others in the same area that you're in, to try to prevent inflation, Steve?

Mr. SAULNIER. There are a lot of things we can do, and as a government, many things. Now there's a program, that we think will promote steady growth and high employment and will avoid inflation, put forward by the President. It is spelled out in some detail in the Economic Report of the President which he sends to Congress every year, and sent in January. The cornerstone of that, I can tell you, for the Government, in my judgment, is a balanced budget.

Mr. WESTLAND. Just how important is a balanced budget?

Mr. SAULNIER. Well, I think it's vitally important, not only just for technical, economic reasons, the sort of reasons as economist can spell out for you in some detail. There's a psychological factor as well, and I think that at this time a balanced budget would do more for the psychology of Americans and for people around the world than any other single thing that government can do.

Mr. WESTLAND. Well, it's good to hear you say that, Steve, because that certainly repeats the feeling I've had for a long time. We're getting some brickbats thrown at us, such as you can't meet the enemy with a balanced budget. But it does seem to me that unless a country, as well as an individual, lives within its income it can go broke just as it happened in France or in Germany in the extreme. It could happen, I suppose, here.

Mr. SAULNIER. Of course, it could happen and we don't want that to happen. It is perfectly possible, as the President has shown, to have an adequate defensive budget within the framework of an overall balance, and that is the kind of budget which we have presented.

Mr. WESTLAND. Steve, the cost-of-living index has been remaining pretty stable for about the last 8 or 9 months. This is real important, Steve, to people who are retired or are trying to live on social security or their own pension plans. Is this balanced budget going to affect that or is it going to help keep it on a level keel?

Mr. SAULNIER. I think it will. I know it will. Of course, we're pretty grateful that it has been stable now for 8 or 9 months. I honestly believe that the outlook for some time ahead is for stable prices in general. On the other hand, we can upset this. One of the ways to upset it, in my judgment, is to engage in a level Federal spending that is not needed in terms of the needs of our country and is not matched by necessary revenues.

Mr. WESTLAND. Steve, in 30 seconds can you tell me what you see for the future economic wealth of this country?

Mr. SAULNIER. Well, I think the future is very good. Quite sincerely, I think the outlook for the rest of this year is good. We've had a good recovery so far and it is my own feeling that 1960 is even better.

Mr. WESTLAND. Thank you, Steve, that's good news and thanks very much for having been on this program with me.

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## Hungarian Freedom Day

EXTENSION OF REMARKS

OF

### HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. MULTER. Mr. Speaker, March 15 will mark the anniversary of Hungarian Freedom Day.

More than 100 years ago Europe experienced one of its recurrent revolutions. That revolution, begun in 1848, marked the rise and spread of national feelings, national dreams and aspirations. As the movement swept from Paris to other capitals, suppressed and subjugated nationalities were encouraged. They saw the chance of realizing their dreams, and all were stirred by the new wave of freedom and liberty. A number of old guard reactionary despots and governments were shaken. Among these was the arch enemy of freedom in Europe, the dominant Chancellor Metternich, of Austria, who had set the pattern of autocratic government throughout Europe for almost half a century. In 1848 his supremacy came to an end.

On March 15 of that year a group of liberty-loving and patriotic Hungarians, in their irrepressible zeal for freedom and independence, staged a bloodless demonstration, presented their grievances to the government, and demanded reforms and freedom. The government, apparently aware of the spreading discontents and dangers, acquiesced in these demands, and allowed the Hungarians certain freedoms. That March 15, the day on which demonstrations were staged, is marked in Hungarian history as a national holiday. Annually it is being celebrated as their Freedom Day.

Today they once more find themselves under tyranny and unable to celebrate this holiday. I am glad to join Hungarians in the free world in the celebration of Hungarian Freedom Day, in the hope that liberty may soon be restored to their homeland.

## Thirtieth Anniversary Testimonial Banquet of the National Conference of Christians and Jews

EXTENSION OF REMARKS

OF

### HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. KEOGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following proceedings of the 30th anniversary testimonial banquet of the National Conference of Christians and Jews, in honor of the Honorable Maximilian Moss, Surrogate of Kings County, held at the Hotel St. George in Brooklyn on October 16, 1958. Mr. Andrew S. Roscoe, president of the Equitable Savings & Loan Association of Brooklyn, was the toastmaster.

Mr. ROSCOE. Distinguished officers, guests, and friends, this is the 30th annual award dinner of the Brooklyn region, National Conference of Christians and Jews.

Each of these 30 years has been significant in bringing men of faith together in common purpose, peace and freedom. But, this is very special, a very extraordinary gathering of men and women of good will, for it honors a very great person, a true leader, one who embodies all the ideals of brotherhood, one whose entire life represents just this—the promotion of good will and understanding among all the people—the Honorable Maximilian Moss, Surrogate, Kings County.

As you can see in this crowded ballroom, this is the largest assembly we have ever held. The success of our dinner is due to the selfless, infinite labors of our chairmen:

Mr. Chester A. Allen, treasurer; and Alexander Aldrich, Vincent Caristo, and Arthur Levitt, regional cochairmen. And there are others whose help has been strong and eager: The members of our executive dinner committee, and, as well, the workers of our general committee, who worked with unsparing time and labor.

There are many, many credits, many thanks to offer to many of you tonight. But let me mention just a few quite casually:

Mr. Joe Weinstein, who contributed great moral and substantial support and presented us with a gracious reception and gave us these beautiful flower arrangements.

Mr. Harry Aschkinasi, the spark plug of the professional staff.

Mr. Joseph L. Edwards, director, Brooklyn region, National Conference of Christians and Jews, and finally, each of our many sponsors, who really made this historical event possible by their good will and solid effort.

Cochairman of the Brooklyn division of the National Conference of Christians and Jews, and cabinet officer of the police commissioner in charge of youth welfare, deputy commissioner of the New York Police Department, the Honorable Alexander Aldrich.

Brooklyn philanthropist and banker, recipient of the 1957 Brotherhood Award, president of the Brooklyn Chamber of Commerce, the treasurer of this 30th anniversary testimonial dinner, Mr. Chester A. Allen.

Distinguished statesman, organizer of the Italian Board of Guardians; military leader and veteran; knighted by Pope Pius XII because of humanitarian service to all, especially children of unhappy homes, Hon. VICTOR L. ANFUSO.

A truly admirable public servant, a beaver in the municipal government, budget

director of the city of New York, Hon. Abraham Beame.

A philanthropic leader, honorary president of the Jewish Hospital of Brooklyn; and associate justice of the appellate division of the supreme court, the Honorable George J. Beldock.

A philanthropist and distinguished jurist who has provided strong, unfailing support for Brooklyn's effort in vigorous social progress, Hon. A. David Benjamin.

A philanthropist, and a dedicated public servant, justice of domestic relations court, Hon. Maurice Bernhardt.

A devoted leader of human understanding, vigorous leader in every effort to increase human tolerance among all classes and creeds, vice president of the National Conference, Dr. Sterling Brown.

Chaplain of the Italian Board of Guardians, whose service to troubled youth is of inestimable value, and rector of Our Lady of Grace Church, the Very Reverend Monsignor Salvator B. Cafiero.

Distinguished philanthropist and builder, cochairman of the Brooklyn division of the National Conference of Christians and Jews, Mr. Vincent Caristo.

The first citizen of Brooklyn, and my dear friend, the borough president of Brooklyn, Hon. John Cashmore.

A distinguished lawyer and a philanthropist, vice president of the Flatbush Boys' Club, Hon. Daniel G. Connolly.

Executive director of the Brooklyn division of the Protestant Council, Dr. David M. Corey.

Vigorous, youthful, energetic community leader and responsible, devoted, public servant, builder of highest standards of civil and human justice, senior judge of the supreme court of New York, Hon. Anthony DiGiovanna.

Able, consistent worker for local progress and national security. Sturdy representative of human rights and honest government, and member of our Brooklyn team of representatives, Hon. FRANCIS E. DORN.

Participant in every worthy cause in our community, a worker of genuine sincerity and energy, and the hardest worker for this dinner, Mr. Joseph J. Dreyer.

Executive director of the National Conference of Christians and Jews, Brooklyn division, and the sparkplug of this dinner and of the conference all year around, Mr. Joseph V. Edwards.

The municipal court of the city of New York is the primary frontier of justice in our great frontier town, the welcoming harbor of our Nation.

We are privileged to have the president justice of this court, Hon. Harry Eppig.

A communal leader in manifold fields, chairman of the Brooklyn chapter of American National Red Cross, vice president and general manager of the New York Telephone Co., Mr. Walter A. Giles.

One who portrays the best of American womanhood and dedicated to the service of all worthy community endeavors, Miss Elizabeth A. Goodman.

An educator of international distinction; recipient of many deserved honors and awards, including the French Legion of Honor. A distinguished companion of our superintendent of schools, Dr. Jacob Greenberg.

Recipient of the 1957 Brotherhood Award, trustee of two great colleges, philanthropist, industrialist, and banker, Mr. John W. Hooper.

The "Horatio Alger" of Brooklyn, good friend of the conference, and member of the public service commission, Hon. Aaron L. Jacoby.

A former member of the American diplomatic corps, educator, philanthropist, and industrialist, president of the Navy Yard Boys' Club, Mr. Douglas James.

A distinguished leader in social welfare and public service, president of the Brooklyn Borough Gas Co., Mr. Walter M. Jeffords, Jr.

Back in darker days of the Nation's history our homeowners had a friend in the Halls of Congress, presently a guiding member of the House Ways and Means Committee, a distinguished Member of Congress, Hon. EUGENE J. KEOGH.

A distinguished, untiring leader in the field of social welfare and community effort, Mrs. Bertha Kirsch.

Distinguished young banker, chairman of the board of governors of the Brooklyn Academy of Music, unfailing leader in Brooklyn cultural education, Mr. Everett Livesey.

Philanthropist, industrialist, and former recipient of the brotherhood award of our conference, Mr. Lester Martin.

A generous, great-hearted citizen, public official, lawyer, and banker, immediate past cochairman of the Brooklyn division of the National Conference of Christians and Jews Hon. John P. McGrath.

Great champion of freedom of enterprise and the dual banking system, Superintendent of Banks Hon. George A. Mooney.

Distinguished Congressman, thorough student of economics and political science. Recognized leader of our national parliament and member of a grand and worthy team representing the Borough of Brooklyn, Hon. ABRAHAM J. MULTER.

Distinguished war veteran, aristocrat of merchants, and one who brings philanthropy and integrity to our community, Maj. Benjamin H. Namm.

A friend of our guest of honor from a distant land, human and compassionate American, esteemed by those who know him, former mayor of the city of New York and former U.S. Ambasador to Mexico, Hon. William O'Dwyer.

Ever kindly, sympathetic and understanding friend of humanity, a distinguished community leader, judge of the eastern district of the State of New York, Hon. Leo F. Rayfiel.

Our good and able friend, director of the National Conference of Christians and Jews, Dr. Allyn Robinson.

Dedicated community leader well in the vanguard in every movement for community improvement, leader of the city council, Hon. Joseph T. Sharkey.

A soldier, a lawyer, a corporate executive, and a philanthropist, president of May's Department Store's, and our host of this evening's reception, Maj. Max L. Shulman.

A distinguished leader in business, social welfare, and community effort, president of Abraham and Straus, Mr. Sidney L. Solomon.

Active in all worthy efforts and dedicated to community welfare, judge of the court of claims, Hon. Sidney Squire.

The businessman of our city administration, champion of human rights, and president of the city council, Hon. Abe Stark.

Poet laureate and spiritual leader of our guest of honor and rabbi of Temple Ahavath Sholom, Rabbi Alexander Steinbach.

A big heart whose warmth embraces everything worthwhile in human relations, outstanding industrialist and businessman, chairman of the board of May's Department Store, Mr. Joe Weinstein.

A devoted, consistent community servant, justice of the municipal court of the city of New York, and designated as an acting justice of the city court, Hon. Oliver D. Williams.

One who has dedicated himself to our community's welfare; a distinguished philanthropist and an outstanding businessman, president of Martin's Department Store, Mr. Harry Zeitz.

In introducing our speakers tonight, allow me, please, to limit my introduction to extraordinary phases of these distinguished careers, only referring to the peaks of their communal service, for it is community service and community conscience that bring them here with us tonight.

Distinguished statesman, our good friend, Col. Arthur Levitt, comptroller of the State of New York, is more than a great public official. He represents civic and communal life on its highest level here in our community of Brooklyn. He is our cochairman of the National Conference of Christians and Jews, Brooklyn region; cochairman for civil defense of Brooklyn; former vice chairman of the Brooklyn chapter of the American Red Cross; president and trustee of the Union Temple of Brooklyn, counsel and director of the Pride of Judea Children's Home, and past commander of the Sydney Rosenberg Post, American Legion, and former president of the Board of Education of the city of New York.

Fellow guests, it is a great honor to present to you a citizen of our community whose breadth of vision and intelligence is as great as his community service and sense of duty, The Honorable Arthur Levitt.

Mr. LEVITT. The sum total of activities of the National Conference of Christians and Jews is devoted to building brotherhood. There are a number of ways that this is being done in the Borough of Brooklyn.

Brooklyn high school students have attended the annual High School Youth Conference at Camp Lake Bryn Mawr in Pennsylvania and these students form a nucleus of a group actively working in the Brooklyn region.

Much is being done in educating Brooklyn teachers who are in direct touch with the adults of the future. Teams of teachers have attended workshops at colleges and universities throughout the Nation. Many more are taking courses in human relations, and a group of five has journeyed to Puerto Rico to better equip themselves to work with the Puerto Rican children in the Brooklyn school population.

A unique program is the National Conference of Christians and Jews training in human relations for the Police Department. High-ranking officers are attending these courses on their own time with the approval of the Commissioner of Police, Stephen P. Kennedy. Last year a similar program was conducted for members of the Bureau of Internal Revenue in Brooklyn.

Apart from these specific programs, the National Conference of Christians and Jews has rendered services to all types of schools, community, and religious organizations that wish to promote the idea of brotherhood.

The National Conference of Christians and Jews exists to create harmony and understanding among the many different groups that make up America. As much as any place in this country, Brooklyn has representatives of every race, religion, and national group in the world. Fortunately, we've been able to live together in harmony and understanding, but it is only because of organizations like the National Conference of Christians and Jews, which have taught us to appreciate the fundamental necessity of the brotherhood of man under the fatherhood of God.

Mr. ROSCOE. Distinguished jurist, justice of the supreme court of the State of New York—in introducing this good friend of ours, let me tell you some of his less known achievements because his major accomplishments in his distinguished career are part of the history of Brooklyn and the history of the State of New York.

Judge Keogh began his professional career as a teacher in Public School 183 in Brooklyn, N.Y. Apparently, Judge Keogh has dedicated himself to public service ever since those early days in 1924 when the young boys and girls of Brooklyn first knew him. For he has served the citizenry of youth of our community well and consistently ever

since as borough commissioner of the Boy Scouts of America, trustee of the Brooklyn Juvenile Guidance Center, Brooklyn Cancer Committee, New York Heart Campaign. He is now president of the Brooklyn Council of Boy Scouts of America and vice president of the Friends of the Brooklyn Public Library.

As teacher, community friend, author, distinguished jurist and scholar and, above all, able leader of the best in Brooklyn, we proudly introduce the Honorable J. Vincent Keogh.

Judge KEOGH. Mr. Toastmaster, reverend clergy, our guest of honor and his lovely family, Borough President John Cashmore, Dr. Jones, my colleagues on the bench, our friend, Ambassador O'Dwyer, distinguished guests, ladies and gentlemen, friends of the Conference and of Surrogate Moss:

When one as our guest of honor has been acclaimed in so many tangible ways with medals, plaques, loving cups, desk sets, and citations, it is appropriate to recall Keats' classical expression from Endymion, "A thing of beauty is a joy forever." The great artists were not only those of the dim past—there are some who are contemporary, and one of them is Leslie Huvos whom I should like to have join me. Mr. Huvos was kind enough to execute for the Conference of Christians and Jews the presentation I am about to make. His great artistry now joins the company of the Winged Victory of Samothrace, Venus de Milo, Michaelangelo's David and Moses and the other great works of art, even to those now exhibited in the Museum of Modern Art. Mr. Huvos, who did not always live in the United States, was considered the outstanding sculptor of middle Europe. His works are in the Paris Opera House and throughout Europe. Most of the statues in the public squares of Budapest are his creations. He created the St. Christoper monumental statue in the Salon des Artistes Francais in Paris and was complimented therefor by President Theodore Roosevelt at the unveiling. The statue was blessed by the Pope.

Among other works of art of this sculptor are the busts of Admiral Horthy in the royal castle in Hungary, Hector Berlioz in the opera houses of Budapest and Paris, Toscanini, Frantz Liszt, and Chopin. Surrogate Moss, an artist of such talent was chosen so that on this occasion we could tangibly present to you a creation that will live forever and is less expendable than even a car, that forever will reflect the talents, attributes and congenital humanity of one who stands out in our community as representing all that which is noble in American democracy. A lawyer, veteran of World War I, then for many years associated with an outstanding law firm in Brooklyn, president of the New York City Board of Education, our guest of honor has contributed to the interests not of any one particular group, but of our entire borough and city, not only president of the Jewish Community Council, but interested in the work of the Salvation Army and yes, even the defunct Dodgers' Knothole Club, not only a member of the executive committee of the Federation of Jewish Philanthropies, but active in our Boy Scout and Red Cross movements, not only past vice president of the Brooklyn Zionist region, but a member of the advisory council of the Sister Kenney Foundation, and on the Columbus Day Citizens Committee, and also Brooklyn Week for the Blind, elected a justice of the supreme court in 1951 and later as surrogate of Kings County in 1955, maintaining the dignity, high standards and sincere understanding of that long line of surrogates, Ketcham, Wingate, McGarey, and Rubenstein. We who work with and know our guest of honor take pride this evening in reminding him of his many unselfish community activities, all consonant with the philosophies and ideals of the Conference of Christians and Jews. Surrogate Moss, it is my heartfelt pleasure on behalf of all those assembled, to make this presentation.

Judge Moss. Revered members of the clergy, Mr. Chairman, Borough President Cashmore, President Jones, my brethren on the bench, distinguished guests, ladies and gentlemen, and my family, particularly Richard and Nikki, the eldest two of my seven grandchildren.

Although Judge Benjamin could have expressed it better than I, yet I would not be happy without paying my personal respects to that genuine lovable human being, our dynamic chairman, Andy Roscoe. Only those who worked closely with him know of the hard labor performed by him even until 3 in the morning; and always with patience and much charm.

But no man can stay out, day after day, until the early hours of the morning without an understanding wife, and therefore we owe much to Ethel, Andy's better half, and incidentally to my own dear wife, Grace. Both have our genuine gratitude.

Now, when a president of a bank gives his time to a community project, it cannot be done without the consent of its board of directors, and therefore we tender our thanks to the board of the Equitable Savings and Loan Association.

You will see that this is a chain reaction, for when the directors of a bank give leave to their president to engage in a communal endeavor, it is because this is agreeable to the superintendent of banks.

In this audience, we are privileged to have Mr. George Mooney, superintendent of banks of the State of New York, and, Mr. Mooney, I know I bespeak the voice of Brooklyn when I say that we appreciate deeply the policy which you pursue of encouraging presidents and officials of banks to become part of all worthwhile community endeavors. Your presence and their presence tonight attest to that.

My appreciation also goes to the dedicated sponsors, chairmen, and members of the various committees, and to Mr. Edwards and Mr. Aschkinasi of the professional staff; and, of course, to my own spiritual leader, Rabbi Steinbach for his kind words. But transcending all, we recognize that you in this ballroom are the dedicated persons who really made this dinner.

And I cannot restrain myself from singling out the man who first brought me into public life; one whose picture has always occupied the most conspicuous place in my chambers, one whom I have never deviated in my opinion, admiration and love, in storm as well as fair weather—our former Mayor Bill O'Dwyer.

To Mr. Leslie Huvos: I feel very humble to have merited the attention of such an outstanding sculptor. A thousand thanks for having recorded so faithfully my wrinkles and facial muscles; and my deep appreciation to the gentlemen who donated the bust to the conference without a penny's expense to the organization.

And finally my gratitude to my very dear friend, Judge Keogh for his laudatory, but undeserved remarks.

I would not be human if I were not profoundly touched by all of this; and I pledge to you that the events of this evening will seal within me that inspiration which guides men to devote their lives to their community.

The presence of so many people demonstrates clearly an essential aspect of the American way of life; that American culture is no abstract isolated concept but rather a living and growing force which has fed upon the established cultures and religions of all the faiths.

There is in this audience, Prof. Abraham Katsch of New York University, who said in a lecture that on close analysis, our practical democratic creed turns out to be merely an affirmation of the common basis of all the many faiths; that democracy is a masterful symphony, the mellowness and richness of which depend upon an amalgam of the traditions and cultures of all its peoples, brought into an harmonious accord.

The freedom of the human mind is a gift of God to man. But the distortion of the human mind is the act of man, which Dr. Jones has just described as "wicked and destructive," and which we hope can be changed by education. That is why so many of us of all faiths are behind the work of the National Conference of Christians and Jews.

History has a habit of repeating itself, for today we are witnessing a resurgence of hate. The ministers of God recognize it.

As an example, in a recent sermon at solemn Mass in St. Patrick's Cathedral, Father Francis X. Duffy declared, "God cannot be adequately loved by any person who harbors hate." He said that it "is a disease of the spirit." He called it, "Murder from the heart which can express itself in the sharp tongue, the heavy fist, and open war."

The instigators of the hate campaigns care little for the aftereffects of their poison, which by careful studies of the past, have proved beyond doubt that the person who, for example, today is antisemitic, tomorrow becomes anti-Negro, anti-Catholic or anti-Protestant, and vice versa; anti-everything outside his own particular group.

This is not mere surmise but stark past history. And to show you the truth of this assertion, I need only bring to your mind a few examples:

In 1826, an Anti-Masonic National Party was started in America. One history book said: "Anti-Masons were as thick as hornets in the rural Yankee Belt from Maine to Ohio."

The Anti-Masonic Party was the first American party (I hate to call it "American") to hold a presidential nominating convention, which it did in September of 1831 in Baltimore.

The party carried Vermont.

The party ran ahead of President Jackson in Massachusetts.

But, as I said before, prejudice and hatreds once engendered have habits of changing quickly from one scapegoat to another.

And so, a few years later in 1844, an anti-Catholic party was formed, called the "Native Americans." (Notice how all these anti forces always use the cherished name "American.")

As a result of the formation of this anti-Catholic party, many persons were killed and ancient Catholic churches here and elsewhere were burned.

This was the predecessor group to the Know-Nothings, which elected Governors in Kentucky, Maryland, Delaware, and four New England States. They also elected a mayor in New York City and even President Fillmore later became one of their party.

Today the world has made tremendous progress. Dr. Jones has touched on our rocket exploration as but one example. Man's brain has thus brought great scientific triumphs. But it seems that as man's mind becomes sharper in material things, the world becomes more hazardous. And because of that we must encourage every organization and group, whose purpose is to direct man's brain to the more important victories of spiritual triumphs. If the history of civilization proves anything, it proves that the flesh is endowed with something which lifts it above the material, and that something is the divine spirit in man.

Man's future and his progress throughout the ages have always been the history of his spirit. It is no different today, and happily there is a growing realization of this infinite power in both our young and old.

Oh, if the peddlers of hate could only learn in their lifetime, that regardless of

the extent of their hates and prejudices, in the republic of the grace, all men, at last, are equal. The tragedy of the world today is that this eternal truth is unfortunately learned by too many, only in death. If only the world would hearken back to the Book of Genesis, for then they would realize that all the people of the earth sprang from the same ancestry; that there is a unity of the human race; that God is the common Father, the creator of all; that it is His divine law which declares all men to be brothers.

## Cooperative League of the U.S.A.

EXTENSION OF REMARKS

OF

### HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. HALPERN. Mr. Speaker, on Tuesday I was privileged, with Representative BYRON JOHNSON, of Colorado, to address a workshop session at the second national conference on cooperative housing being held this week at the Hotel Statler, here in Washington, under the auspices of the Cooperative League of the U.S.A. I would like to call the attention of the House to this splendid gathering which is searching out ways and means to improve, promote, and further the development of cooperative housing in America.

This excellent form of middle-income housing offers a practicable means of meeting a goodly share of America's housing needs.

The cooperative movement is a constant training ground in democracy, and cooperative housing projects in particular are instrumental in promoting the values most cherished in our traditions.

The housing cooperatives, however, are running into some difficulties in a period of rising costs. Two problems are of particular significance. The first is the maintenance of reasonable monthly carrying charges within the means of the middle-income owner occupants of existing cooperatives. The second is the encouragement of new cooperative housing construction with adequate sized units for today's middle-income families and for which the monthly carrying charges are bearable.

Those financed under section 213 of the National Housing Act will receive some relief under the provisions of S. 57 as reported from the Banking and Currency Committee. In my remarks at the Cooperative League workshop session I pointed out that I was not at all sure that the proposed measures would be adequate to do the job, and I offered several suggestions to strengthen and expand the legislation to meet the needs of the present and potential owners of cooperative housing.

Because of the importance of this vital housing program and the timeliness of the conference, I would like to present to this House the talk I gave at the league's session on Tuesday which in substance discusses the cooperative housing provisions of S. 57:

Ladies and gentlemen, it is my sincere pleasure to be with you today and to participate in this workshop on legislative proposals on cooperative housing pending before Congress. This is a field of great interest to me and I am pleased that I have secured membership on the House Banking and Currency Committee where I can, I hope, effectively carry the objectives of your league.

In my short capacity as a Member of Congress and of the committee I have worked since the start of the current session for legislation of assistance and benefit to the cooperative housing movement. In this regard I have received sound advice, counsel and background from my friends in the coordinating council of 213 cooperative, many of whose members are in my district; from its first president and counsel, Si Gallett whose aid has been invaluable; from Paul Golz, executive secretary of the council, with whom I have been in constant touch; from Gerry Meyers, president of the council who has contributed so much; and, I might add, the helpful background offered by Bernie Walpin; and from many groups and other individuals who are interested in cooperative housing. Now I feel I'm part of the coop family and can earn the good counsel of the parent group, the Cooperative League of the U.S.A.

Cooperative housing is one of the finest ways to provide worthwhile and adequate homes for people in the middle income group. It offers the opportunity to secure attractive, durable homes at reasonable carrying charges. It provides an excellent solution to urban housing problems.

But, as your discussions have brought out, there seem to be two significant problems confronting cooperative housing in this period of rising costs. The first is the maintenance of reasonable monthly carrying charges within the means of the middle-income owner-occupants of existing cooperatives. The second is the encouragement of new cooperative housing construction with adequate sized units for today's middle-income families and for which the monthly carrying charges are bearable.

The pending legislation before Congress does include some provisions of benefit to new owners and of supposed benefit to existing owners. We all welcome these provisions which Congressman JOHNSON has described so well for us. But they do not, in my opinion, go far enough, particularly in helping existing owners to maintain reasonable monthly carrying charges.

I would like to discuss with you some other possibilities and perhaps amendments to a few of the provisions in the proposed legislation which, if enacted, would, together with most of the pending legislation, make up a portfolio of instant and real benefit to cooperative owners, present and potential.

At this point I would like permission to have included in the record at the conclusion of my statement a copy of the views on section 213 cooperative housing which Congressman FINO and I presented as supplemental views in the report on the omnibus housing bill from the House Banking and Currency Committee. I do not wish to take up too much of your time, and if the views could be included with these, it would save time all around.

Briefly, the report covers the various amendments I had offered in committee to fill what I feel to be obvious gaps in the omnibus housing bill.

First, for the benefit of owners of existing management-type cooperatives with commercial or community facilities, there is the proposal that such mortgages be open-ended to permit the inclusion of new commercial or community facilities. Cooperatives could utilize this provision to up-date their facilities and acquire the same facilities for their needs such as could be secured by new cooperatives after the passage of the pending legislation. Mortgages could be opened up in an amount which together with the original obligation would not exceed any principal obligation limits in effect after the passage of the Housing Act of 1959. The advantages which would flow to owners of existing management-type co-ops from this privilege are self-evident. They range all the way from the acquisition of needed new facilities to retardation of obsolescence.

Second, for new cooperatives, proposals would: (a) Authorize new sales-type and investor-sponsored co-ops to include both commercial and community facilities in their mortgages. This would provide income to both types to aid in keeping the monthly carrying charges at a reasonable level, and would provide a stimulus to construction because of the assurance that many of the needs of the owners could be provided for; (b) extend the amortization period of mortgages of new co-ops from 40 to 50 years. This is predicated on the supposition that present interest rates will not be changed. Although by stretching out the amortization period the eventual total cost to the owners will be greater, such an extension would help to reduce monthly carrying charges; and (c) increase the FNMA per unit limit on special assistance purchases to $20,000. This would be more in accord with provisions in the pending legislation which increase the per-room limits for FHA insured mortgages, and would help to meet the needs of today's middle-income families for adequate sized homes, particularly in high cost areas.

These were the amendments I offered to the so-called Rains housing bill when it came before the full House Banking and Currency Committee. They are contained in the supplemental report to which I referred and in separate legislation I sponsored. At the committee meeting I was given full assurance that they would be fully reviewed by the Housing Subcommittee and that ample opportunity will be given the proponents to present their case.

Since the publication of the report further consultation with counselors in the cooperative housing movement—and here again I want to point to the enlightened information provided by Si Gallett—has convinced me of the need to broaden the scope of the open-ending proposition. It should include authority for capital improvements and replacements. Costs such as $14,000 for the rewiring of air-conditioning systems, as was presented to one co-op, or costs for the resurfacing of sidewalks, among others, should be included in the open-ending suggestion. Legislation to cover this is now being prepared and will be introduced within a matter of days.

But, particularly I want to discuss two proposed changes in the pending legislation which, if adopted, would be of great benefit to owners of existing cooperatives.

One of these is discussed in the supplemental views referred to. It relates to extending the proposed one-quarter of 1 percent insurance premium minimum to existing cooperatives. I am happy to see the provision in the pending House bill which grants this benefit to new co-ops, but it should and can be extended to existing co-ops. If it were, occupants would be accorded a well-merited reduction in monthly carrying charges and they would obtain some relief in a period of rising costs.

It is my understanding that a surplus of between $7 and $10 million exists in the insurance fund. There is no reason why, if the proposed lower rate can be applied to new co-ops which will be built at higher costs, existing co-ops which have been paying at the one-half of 1 percent rate on lower mortgages cannot acquire the same privilege.

When this question comes up, the proponents have run into the argument that in

order for individual mortgages to benefit, the consent of the mortgagee banks would have to be obtained. This, it is argued, is because a stated insurance premium rate forms a part of the mortgage contract with the banks. A reluctance to open all the mortgages to renegotiation has prevented acceptance of the legislation. That is what others have been told; that is what I was faced with as I offered the proposal. My legislative aid, Bob Tienken, also has been faced with this reasoning and has been trying to effectuate an answer.

Here again, working together with your able brains in this field—I should mention Si Gallett again—sound basis has been found to refute this contention. We are convinced that this matter of contract renegotiation is a misunderstanding and that, in fact, the co-op mortgages, in the main, only refer to the mortgagors paying each month, one-twelfth of the annual premium. As a result, it is possible to enact legislation which does not refer to obtaining the consent of mortgagees, but which need only state that the rate of one-quarter of 1 percent will be applicable to existing cooperatives after the date of passage of the Housing Act of 1959. The rate is a matter of interest to the mortgagors and the FHA, and legislative change in the rate is all that should be required. It would not be made retroactive but only apply to premium payments by existing co-ops as of the passage of the 1959 act.

The second issue affecting carrying charges for owners of existing co-ops relates to the application to existing mortgages of the pending provisions for the establishment of mutual insurance funds. Under the pending legislation the excellent mortgage amortization experience of co-ops would be pooled, and return insurance premiums paid back to owners over a period of time. The proposed bill provides, however, that the consent of the mortgagees must be obtained if existing mortgages are to participate in the new funds. This might delay or prevent existing co-ops from sharing in the benefits of the mutual funds. On the reasoning which I have presented as to the relationship of the mortgagors and mortgagees concerning inclusion of references to the insurance fund in the mortgage contracts, I do not believe that consent of the mortgagees is necessary in this regard either. Again, the question of insurance would seem to be of interest to the mortgagors and the FHA, and thus, since contract renegotiation is not necessary, the requirement for consent of the mortgagees can be stricken from the pending legislation.

New legislation is being prepared (a) to provide for broadening the open-ending possibility; (b) for extending the one-quarter of 1 percent to existing co-ops, on which I am working closely with Congressmen HOLTZMAN and FINO, two of the pioneers in this field; and (c) for deleting any reference to the consent of mortgagees when existing co-ops join the mutual insurance funds. And I will continue to press the committee to consider the other legislation that I outlined earlier and which, I was assured, would be given full review.

If such additions can be made to the pending omnibus housing legislation I believe that the greatest benefit will accrue to both existing and future co-ops.

I thank you for this opportunity to discuss certain features of the pending legislation. It has been a real pleasure to me to be present with you. I want to again thank all my friends in the cooperative housing movement who have given me wise advice and counsel and who are helping me in my efforts, Paul Golz, Si Gallett, Gerry Meyers, Bernie Walpin. My appreciation and profound thanks to you, Wallace Campbell, for giving me this privilege to be with you.

I want you and all those who are interested in cooperative housing to know that my door in the House Office Building is always open to you, and that my aid, Bob Tienken, my staff, and myself are always ready to work with you in this good fight.

I assure you that it is a real pleasure to be with you, and I hope that the word "cooperative" will also be descriptive of my own endeavors in this extremely important field.

## Dr. Flemming's Famous Formula

EXTENSION OF REMARKS

OF

### HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Friday, March 13, 1959*

Mr. METCALF. Mr. Speaker, Dr. Flemming, Secretary of Health, Education, and Welfare, has brought to Congress a proposal which he says will help meet the current shortage of more than 140,000 classrooms. However, to build the 75,000 classrooms which Dr. Flemming says will be built under his formula, State constitutional and statutory debt limitations will have to be changed, basic tax concepts will have to be revised, and the States will have to match the Federal funds with money they do not have.

On this St. Patrick's Day, Dr. Flemming's famous formula can be modified slightly. Those fabled little rascals, the leprechauns, can be put to work. The Secretary could change the necessity for matching funds by the States to matching by the leprechauns. All each State would have to do would be to convince a leprechaun to come forward with his pot of gold. The Federal Government would match every pot with an equivalent one from the Federal Treasury. Those who disbelieve in the existence of the leprechauns may not have too much faith in the ability of this proposal to build classrooms but as many scoili—schools—could be built for the cailini—girls—and buachallai—boys—under this method as would be under Dr. Flemming's original formula.

# SENATE

MONDAY, MARCH 16, 1959

Rev. Kenneth G. Phifer, minister, Old Presbyterian Meeting House, Alexandria, Va., offered the following prayer:

Almighty God, we pause in prayer amid the bustle and din of this workday. Refresh our hearts and renew our spirits. May the quiet grace of Thine eternal calm pervade us now. May we feel something of the still depths of Thine everlasting peace. All about us there is discord. All around are clamor and shrillness. We are buffeted by pressures from without, and we are strung tight by tensions within. At times it is difficult for us to fulfill our responsibilities and meet our obligations. Drop now Thy still dews of quietness upon our hearts, that we may be strengthened anew to meet this day's tasks.

Unto Thee would we commit ourselves now. Unto Thee would we commit the work of this day. May Thy blessing rest upon us, upon the Nation we desire to serve, upon all Thy children everywhere.

Unto Thee be all glory and honor, in Jesus Christ, our Lord. Amen.

## THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 12, 1959, was dispensed with.

## MESSAGE FROM HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 12, 1959, the Secretary of the Senate received the following message from the House of Representatives on March 13, 1959:

That the House had passed, without amendment, the bill (S. 79) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances.

## ENROLLED BILLS SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of March 12, 1959, the Vice President, on March 13, 1959, signed the following enrolled bills, which had been previously signed by the Speaker of the House of Representatives:

S. 50. An act to provide for the admission of the State of Hawaii into the Union; and

H.R. 2260. An act to extend the induction provisions of the Universal Military Training and Service Act, and for other purposes.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on March 13, 1959, he presented to the President of the United States the enrolled bill (S. 50) to provide for the admission of the State of Hawaii into the Union.

## MESSAGES FROM THE PRESIDENT

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

## MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was referred to the Committee on Foreign Relations.

(For President's message, see CONGRESSIONAL RECORD for March 13, 1959, pp. 4097–4102.)

## EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry