in the city. The highway clogged in the city is soon clogged out in the county. Hospitals, libraries, parks, schools, clinics, and civil defense programs—these and other important governmental services concern needs which extend beyond outmoded city limits.

In short, it is only on the TV western that a city can solve its problems by ordering a gunman to be outside the city limits by sundown. Pushing a problem outside the city limits is no longer a solution. For today the city and the county are inextricably linked—they face the same problems and the same pressures. We can no longer collect garbage in the city and dump it in the county. We can no longer use tax gimmicks in the county to bring industries out from the city. Neither our cities nor our counties can avoid their problems by shifting them upon the other—the problems must be faced together or not at all.

Certainly the primary responsibility cannot rest upon our State legislatures, which have proved themselves to be too frequently unresponsive to the needs of our urban areas; for in the absence of real and effective reapportionment our gerrymandered State legislatures will continue to reflect the rural dominance of the 19th century. Nor can complete responsibility be placed upon the Federal Government, which will never be as effective as local government in meeting your needs or even in being alert to them.

In short, it is clear that our city governments cannot always assume the sole responsibility for the solution of these pressing urban problems. I repeat, they cannot, our State governments will not, the Federal Government should not, and, therefore, you on the county level must. It is up to the counties and similar area governments to play a more important role in the solution of these urban problems.

The exact nature and design of those solutions have already been thoroughly discussed in your earlier meetings. The question remaining is: what will be the role of the Federal Government in helping you on the local level meet these pressing needs? You are already familiar with the restrictions placed on your efforts by State governments.

Similar problems are encountered on the Federal level. Federal aid funds, which are largely raised by taxes in these very urban areas, are not always distributed fairly to such areas on the basis of need and numbers. Federal and State governments combined have preempted the best sources of tax revenue—our counties are still largely dependent upon the property tax, with all its limitations—and, to add insult to injury, the continuing growth of Federal installations at the same time removes the property from your tax rolls while as yet no equitable method of payments in lieu of taxes has been devised. I hope this Congress will come up with an equitable payment in lieu of taxes proposed, and end this constant confusion and inequitable hardship for once and for all.

But how large a role should the Federal Government play? I recognize the complaints among local government officials against centralization in Washington. I myself am not a believer in the omnipotence of Federal bureaucracy. I see no magic attaching to tax money which has flowed to Washington and then back again. But whatever current political arguments may rage about spenders versus savers, about balanced budgets versus deficits, I believe any objective student would agree with this one basic premise—a premise which has been true through the years regardless of which party is in control—and that is that Congress assumes responsibility for only those problems which State and local governments have been unable or unwilling to handle themselves.

In short, if we are to obtain a greater degree of responsibility for local government, then it is up to you on the local level to demonstrate that you are able and willing to assume that responsibility. It is not enough to say that you are willing to take on new assignments. The Congress will not yield vital public functions affecting our Nation's strength to uninterested State legislatures—they will not yield them to ineffective, hamstrung city governments—and neither will they yield them to inefficient county governments.

For I know that you will be the first to agree that there are too many county governments in this country that were designed by their legislatures for a simpler rural atmosphere. There are too many counties in this country which are organized in an almost headless and formless fashion, with no single executive responsibility for effective coordinated administration. There are too many counties in this country where—just as 50 years ago—the spoils system is still rampant, the voters are still indifferent and the public business is still neglected.

I realize that the fault lies more with our State legislatures than with the county governments themselves. And I realize that it is up to the voters of each State to demand for themselves the kind of efficient, well-organized government they deserve. But I am addressing this appeal to you—because your attendance here demonstrates your enlightened leadership in the solution of these problems. You are demonstrating that county governments can be alert to the needs of its citizens—that it can plan for the future growth of this Nation—that it can emphasize cooperation, instead of duplication, with other counties and other levels of government. If this same kind of spirit can prevail throughout the more than 3,000 counties of this Nation, then we will be well on the road to achieving a larger role for local American Government.

In short, it is not enough to complain on the State and the local level about the growth of Washington bureaucracy—about the size of the Federal deficit—or about the number of hands through which each tax dollar must pass. For the answer to these problems to a large extent rests with our State and local governments, themselves, and their ability to adapt themselves to the challenge of the mid-20th century. I know that those of you who are here today will do your utmost to live up to your trust and meet this challenge.

Let me conclude by emphasizing one point. These problems of streamlining our Government, making the most of our potential growth, strengthening the core of our Nation and building a better, wiser, stronger America—these are not merely questions of party politics or even governmental philosophy. Today they affect the very question of survival itself.

That, after all, is the real question of our time. The hard, tough question for the next decade—for this or any other group of Americans—is whether any free society—with its freedom of choice—its breadth of opportunity—its range of alternatives—can meet the singleminded advance of the Communists.

Can a nation organized and governed such as ours endure? That is the real question. Have we the nerve and the will? Can we carry through in an age where we will witness not only new breakthroughs in weapons of destruction—but also a race for mastery of the sky and the rain, the ocean and the tides, the far side of space and the inside of men's minds?

We travel today along a knife-edged path which requires leadership better equipped than any since Lincoln's day to make clear to our people the vast spectrum of our challenges.

In the words of Woodrow Wilson: "We must neither run with the crowd nor deride it—but seek sober counsel for it—and for ourselves."

SENATE

FRIDAY, MARCH 20, 1959

Rev. Father Joseph F. Thorning, D.D., pastor of St. Joseph's Church, Carrollton Manor, Md., offered the following prayer:

Heavenly Father, author of life and of love, let the light of Thy countenance shine brightly upon the Presiding Officer of the Senate and all the Members of the U.S. Congress.

Impart, we beseech Thee, Thy best blessings to the President of our beloved country, and to all the peoples and governments united to uphold freedom, genuine social progress, and the precious values of our Judaeo-Christian heritage.

In an hour of peril, grant that Thy inspiration and the example of the Founding Fathers of this Republic may strengthen us to endure the gravest hardships, rather than to abandon our friends to a slavery that, if we quail, will be our own destiny.

In our devotion to these ideals, dear Saviour, we implore new gifts of wisdom, courage, resourcefulness, and imagination, characteristic of men and women of prayer, that we may grow in Thy friendship and in our love for one another.

We humbly seek Thy daily graces, in the name of our Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 19, 1959, was dispensed with.

TRIBUTE TO THE REVEREND FATHER JOSEPH F. THORNING, D.D.

Mr. MANSFIELD. Mr. President, I wish to express my personal appreciation that the Reverend Joseph F. Thorning, one of America's greatest experts in the field of Latin American affairs, gave the invocation in the Senate today. He is a man of widespread reputation throughout the Americas. He has made many contributions to better understanding between the states which comprise the hemisphere; and I believe we are indeed fortunate that this distinguished scholar and world-famous priest has delivered the invocation in the Senate today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its

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clerks, announced that the House had passed the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Constitutional Rights Subcommittee of the Committee on the Judiciary, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, and the Committee on Government Operations were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON REVIEW OF SUPPLY AND PROCUREMENT ACTIVITIES OF THE EIGHTH UNITED STATES ARMY, KOREA

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected supply and related disposal and procurement activities of the 8th United States Army, Korea, dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ACTIVITIES OF, EXPENDITURES BY, AND DONATIONS TO LIGNITE RESEARCH LABORATORY, GRAND FORKS, N. DAK.

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the activities of, expenditures by, and donations to the Lignite Research Laboratory, Grand Forks, N. Dak., for the calendar year 1958; to the Committee on Interior and Insular Affairs.

REPEAL OF HONORARIUM PROVISION OF SECTION 4 OF COMMUNICATIONS ACT OF 1934

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO PRESENTATION IN CERTAIN CASES

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 409(c) of the Communications Act of 1934, as amended, with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the Senate of the State of Utah; to the Committee on Interior and Insular Affairs:

"S. R. 5

"Resolution objecting to limitation of public lands

"Whereas under the Recreation Act of June 14, 1926, as now amended and in effect, the Secretary of the Interior is limited to not more than 640 acres of the public lands of the United States which may be conveyed to any one grantee in any one calendar year; and

"Whereas this limitation is a severe handicap to the State of Utah and to the Utah State Park and Recreation Commission in the development of its planned State park system, and in the acquisition, preservation, and protection of areas which should be incorporated into and protected by said State park system: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Utah, That the President of the United States and the Congress of the United States be memorialized to amend the Recreation Act of June 14, 1926, as amended, to authorize the Secretary of the Interior to convey to a State, without acreage or other limitation, any public lands within such State for State park and recreation purposes; be it further

"Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the Senators and Representatives from the State of Utah."

A resolution of the House of Representatives of the State of Utah; to the Committee on Interior and Insular Affairs:

"H.R. 5

"Resolution memorializing Congress and the President to remove the limitation on the number of acres of public lands which the State may acquire

"Whereas under the Recreation Act of June 14, 1926, as now amended and in effect, the Secretary of the Interior is limited to not more than 640 acres of the public lands of the United States which may be conveyed to any one grantee in any one calendar year; and

"Whereas this limitation is a severe handicap to the State of Utah and to the Utah State Park and Recreation Commission in the development of its planned State park system, and in the acquisition, preservation and protection of areas which should be incorporated into and protected by said State park system: Now, therefore, be it

"Resolved by the House of Representatives of the State of Utah, That the President of the United States and the Congress of the United States be memorialized to amend the Recreation Act of June 14, 1926, as amended, to authorize the Secretary of the Interior to convey to a State, without acreage or other limitation, any public lands within such State for State park and recreation purposes; be it further

"Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the Senators and Representatives from the State of Utah."

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

J. Allen Overton, Jr., of West Virginia, to be a member of the United States Tariff Commission.

BILLS INTRODUCED

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

By Mr. STENNIS:

S. 1477. A bill to authorize the improvement of Natchez Harbor, Miss.; to the Committee on Public Works.

By Mr. EASTLAND:

S. 1478. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture and Forestry.

S. 1479. A bill to amend title 38 of the United States Code so as to permit payment of pension to the widow of a Civil War veteran who remarried if such remarriage has terminated; to the Committee on Finance.

S. 1480. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on the Judiciary.

By Mrs. SMITH:

S. 1481. A bill to authorize certain improvement of the Stonington Harbor, Maine; to the Committee on Public Works.

By Mr. CARLSON:

S. 1482. A bill relating to rates of postage on third-class matter mailed by certain nonprofit organizations; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 1483. A bill for the relief of John C. Matlon; to the Committee on the Judiciary.

By Mr. CARLSON (for himself, Mr. MORSE, Mr. MAGNUSON, Mr. NEUBERGER, Mr. CURTIS, Mr. CASE of South Dakota, Mr. JACKSON, and Mr. CHAVEZ):

S. 1484. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

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

By Mr. CASE of South Dakota:

S. 1485. A bill to place in trust status certain lands on the Crow Creek Indian Reservation in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN:

S. 1486. A bill to modify the project for the Coralville Reservoir on Iowa River in Iowa in order to provide for a highway bridge across Coralville Reservoir; to the Committee on Public Works.

By Mr. COOPER:

S. 1487. A bill to amend section 9 and 40 of the United States Employees' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 1488. A bill providing for payments as incentives for the production of manganese; to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S. 1489. A bill to amend title 28 of the United States Code to provide for certain judicial review of administrative removals and suspensions of Federal employees; and

S. 1490. A bill to permit judicial review of decisions of the Administrator of Veterans' Affairs; to the Committee on the Judiciary.

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

PRINTING AS A SENATE DOCUMENT THE PROCEEDINGS AT ACCEPTANCE OF STATUE OF JOSEPH WARD

Mr. CASE of South Dakota submitted the following concurrent resolution (S. Con. Res. 18), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Joseph Ward, to be presented by the State of South Dakota in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed three thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,200 copies shall be for the use of the Members of the Senate from the State of South Dakota, and 500 copies shall be for the use of the House of Representatives and 1,200 copies shall be for the use of the Members of the House of Representatives from the State of South Dakota.

THANKS OF CONGRESS TO STATE OF SOUTH DAKOTA FOR STATUE OF JOSEPH WARD

Mr. CASE of South Dakota submitted the following concurrent resolution (S. Con. Res. 19), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the statue of Joseph Ward, presented by the State of South Dakota, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered said State for the contribution of the statue of one of its most eminent citizens, illustrious for his leadership as author of the State's motto, framer of the Territorial School Law, founder of the first college, and outstanding churchman in the founding of Christian churches among whites and Indians; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of South Dakota.

WHEAT STABILIZATION ACT OF 1959

Mr. CARLSON. Mr. President, on February 19, 1959, I introduced Senate bill 1140, which might be cited as the Wheat Stabilization Act of 1959. The bill was cosponsored by Senators MORSE, MAGNUSON, NEUBERGER, CURTIS, CASE of South Dakota, JACKSON, and CHAVEZ.

Some changes and corrections should be made in this bill, in order to conform to a similar bill which was introduced in the House of Representatives. Therefore, on behalf of the same cosponsors, and myself, I introduce a new bill in lieu of the bill heretofore introduced, and ask for its appropriate reference. I also ask that consideration of the previously introduced bill be postponed indefinitely.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The bill will be received and appropriately referred; and, without objection, Senate bill 1140 will be indefinitely postponed.

The bill (S. 1484) to amend the Agricultural Adjustment Act of 1938, as amended, introduced by Mr. CARLSON (for himself, Mr. MORSE, Mr. MAGNUSON, Mr. NEUBERGER, Mr. CURTIS, Mr. CASE of South Dakota, Mr. JACKSON, and Mr. CHAVEZ), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

JUDICIAL REVIEW OF EMPLOYEE DISCHARGE CASES

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to provide procedures for judicial review of administrative removals and suspensions of Federal employees.

Under the law today all Government employees must go to the district court in the District of Columbia for review of decisions affecting their employment. In my opinion, these people, who are scattered all over the country, should not be forced to travel all the way to Washington to appeal their cases. My bill would give all Federal district courts jurisdiction to review decisions involving employees residing in that particular district.

The bill is designed to correct another glaring defect in the procedure for reviewing discharges of Government employees. At present, a discharged employee, who has reason to believe his discharge was arbitrary, must go to the district court for a determination of whether he should be reinstated, but that court cannot award him back pay even if it holds in his favor. The employee must bring a separate suit for back pay in the Court of Claims. That has meant duplication of effort and expense not only to the employee but to the Government. And since neither court is bound by the decision of the other, inconsistent results have been reached in the identical case.

My bill would remedy this situation by giving the Federal district court jurisdiction to consider both reinstatement and the claim for back pay all in one action.

The bill would in no way encourage the courts to sit as a sort of super Civil Service Commission. It is not the function of the Federal courts to determine the suitability or competency of an employee for a particular position. These have always been regarded as administrative matters and nothing in the bill would alter this concept.

This bill is simply designed to implement procedural rights already granted Federal employees by many congressional enactments. Certainly such statutory rights should be safeguarded by the courts when necessary. Enactment of this measure would remove the obstacles which now render difficult the effective judicial review of employee discharges.

Mr. President, I request that the text of the bill be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1489) to amend title 28 of the United States Code to provide for certain judicial review of administrative removals and suspensions of Federal employees, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 85 of title 28 of the United States Code is amended by adding at the end thereof the following:

"§ 1361. Removal and suspensions of Federal employees

"The district courts of the United States, the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands shall have jurisdiction of appeals of civilian employees in the executive branch of the Federal Government (1) for reinstatement or restoration to duty following final action by the appropriate administrative authority for the removal or suspension without pay from the service or (2), concurrently with the Court of Claims, for compensation as provided by law for the period of such removal or suspension, or (3) for both such reinstatement or restoration and compensation.

"Any such appeal shall be filed within sixty days after the date of the final administrative action in that court within the jurisdiction of which the employee is employed or in the District Court for the District of Columbia.

"Action for such appeal may be brought against the appropriate officer or agency of the United States and service of process upon such officer or agency may be made at any place in the United States.

"The administrative record of the case, except for matters which are privileged or confidential, shall be filed with the court by the officer or agency concerned.

"The decision of any such court shall be subject to review as provided for such court in this title.

"Nothing contained in this section shall affect the scope of review of any court in actions under this section."

JUDICIAL REVIEW OF DECISIONS OF VETERANS' ADMINISTRATION

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to permit judicial review of decisions of the Administrator of Veterans' Affairs.

Under the present law, judicial review of such decisions is denied on the ground that the benefits accorded to veterans under various Federal laws are mere bounties or gifts. I do not accept that theory. The benefits accorded veterans, many of whom have placed their lives in jeopardy in the service of their country, should not be regarded as a matter of munificence. It is true, of course, that the granting or withholding of such benefits is a matter within the discretion of Congress itself, but it does not follow from this that the administration of these benefits should be left to the un-

challengeable discretion of any Government bureau.

The proceedings for judicial review under this bill parallel those applicable to the review of other administrative agency determinations. They are designed to afford expeditious judicial consideration of decisions of the Veterans' Administration without overburdening the courts with the necessity for rehearing the evidence presented.

The very least we can do for our veterans is to give them a day in court when they become involved in controversies with Government agencies.

This bill should receive early consideration in the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1490) to permit judicial review of decisions of the Administrator of Veterans' Affairs, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, any person aggrieved by any final decision of the Administrator of Veterans' Affairs (hereinafter referred to as the "Administrator") which has been rendered by the Board of Veterans Appeals, may obtain a review thereof by filing a petition for review in the court of appeals for the circuit in which the petitioner resides or in the Court of Appeals for the District of Columbia within ninety days after the mailing of notice of the decision to the aggrieved party. A copy of such petition shall forthwith be served upon the Administrator. Within fifteen days after the receipt of service, or within such additional time as the court may allow, the Administrator shall certify and file with the court a transcript of the record upon which the decision complained of was based. Upon the filing of such transcript the court shall have exclusive jurisdiction to review the decision, and to affirm, modify, or reverse it in whole or in part. The findings of the Administrator as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Administrator, the court may order such additional evidence to be taken before the Administrator upon such terms and conditions as the court may deem proper. The Administrator may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken. He shall file with the court a transcript of the additional record, with his modified or new findings, which, if supported by substantial evidence. shall be conclusive, and his recommendation for the affirmance, modification, or reversal of the original decision. The judgment and decree of the court affirming, modifying, or reversing, in whole or in part, any decision of the Administrator shall be final, except that it shall be subject to review by the Supreme Court of the United States as provided by title 28, United States Code, section 1254.

SEC. 2. Notwithstanding any other provision of law, the court may determine and allow such reasonable fees as it may deem proper for services rendered by an attorney for any private party to the proceeding. Any person who charges or receives any compensation for such services, except such compensation as may be allowed by the court, shall be punished by a fine of not more than $500 or imprisonment for not more than one year, or both.

COMPETITIVE BIDDING IN PROCUREMENT OF PROPERTY AND SERVICES BY ARMED FORCES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 12, 1959, the names of Senators BUSH, SCHOEPPEL, BUTLER, WILEY, AIKEN, FREAR, CASE of New Jersey, CARLSON, JAVITS, and KEATING were added as additional cosponsors of the bill (S. 1383) to require the use of competitive bidding to the greatest practicable extent in the procurement of property and services by the Armed Forces through the establishment by the Secretary of Defense of specific standards governing the use of negotiated contracts for such procurement, and for other purposes, introduced by Mr. WILLIAMS of Delaware (for himself and Senators BRIDGES, ALLOT, MANSFIELD, and DWORSHAK), on March 12, 1959.

AUTHORITY OF STATES TO CONTROL WATER WITHIN THEIR BOUNDARIES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 16, 1959, the names of Senators BENNETT, CASE of South Dakota, MUNDT, DWORSHAK, and HRUSKA were added as additional cosponsors of the bill (S. 1416) to recognize the authority of the States relating to the control, appropriation, use, or distribution of water within their boundaries, and for other purposes, introduced by Mr. MOSS on March 16, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DODD:

Address delivered by Senator JOHNSON of Texas at Jefferson-Jackson dinner, Hartford, Conn.

By Mr. HUMPHREY:

Address entitled "The Works of Peace," delivered by him before the National Council of Jewish Women in Washington on March 10, 1959.

DISPOSAL OF PERSONAL PROPERTY OF GOVERNMENT EMPLOYEES IN FOREIGN COUNTRIES

Mr. MANSFIELD. Mr. President, in June of 1958, I made public a letter to the Honorable William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations. In that letter I called attention to certain press reports from Pakistan. Those reports indicated that MAAG, ICA, and State Department personnel and others directly or indirectly employed by the Government had engaged in the disposal of their personal property on the markets of Pakistan at prices vastly exceeding the value of the articles. At that time I asked for a detailed report covering the nature and extent of oversea disposal of personal property.

Since June, the Department of State has, from time to time, made available to me such reports. I ask unanimous consent that my entire correspondence with the Department of State concerning this practice be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, this correspondence shows that during the 12-month period from January 1 to December 31, 1957, 186 U.S. Government employees sold a total of almost $678,000 worth of personal property in Pakistan—an average of $3,644 per employee. Similar data for the 11-month period from January 1 to November 30, 1958, reveal that a total of 275 employees, leaving Pakistan during that time, sold personal property in the amount of $565,000—or an average of $2,054 per employee. Recently, I received the figures for December 1958, which indicate that 30 employees departing Karachi converted rupees totaling $15,185, for an average of $506 per employee.

When dubious practices regarding personal property disposal were brought to its attention, the Department of State showed a commendable initiative in recognizing the considerations of foreign relations which are involved in this matter. The Department established an interdepartmental committee to study the subject, and this study has resulted in a report entitled "Guide for Use in Developing Uniform Regulations for a Particular Country Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency and the Importation, Operation, and Disposal of Motor Vehicles." The report points the way to a sensible procedure for official employees to follow regarding disposal of personal property which they do not desire to take with them when they leave a post abroad. I hope it will result in worldwide improvement of the dubious practices of personal property disposal which, as I pointed out in my initial letter, have heretofore existed in many countries.

Mr. President, for my part I consider this matter closed. I express the hope that the Department of State will continue to maintain a watchful eye on this situation, not only as it involves employees of that Department, but also as it involves military and all other official U.S. personnel abroad, as well as employees of contractors engaged by this Government for work abroad.

Mr. President, on this occasion I wish to commend the Honorable William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, and the Department of State for their attitude in regard to this matter, and for their efforts and endeavors to bring about a rectification of a situation which could do nothing but bring harm to our country.

EXHIBIT 1

JUNE 13, 1958.

Hon. WILLIAM B. MACOMBER, JR.
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Recent press reports have suggested that U.S. Government employees serving abroad and U.S. citizens employed abroad under contracts financed by the U.S. Government have from time to time been able to reap windfall profits by the expedient of selling on the local markets goods which they have imported from the United States. Apparently this practice is indulged in especially when such persons terminate their tours of duty, or, in some instances when they import duty-free items in excess of their personal needs.

I have in mind in particular press reports from Pakistan to the effect that MAAG, ICA, and State Department personnel and contractors' employees have from time to time disposed of personal property on the markets of Pakistan at prices vastly exceeding the value of the articles sold and that the foreign currencies received from these articles have then been converted into dollars for deposit in the United States. I know from personal observation, however, that similar practices exist in many countries.

It seems to me that trading of this kind detracts from the dignity with which Americans abroad should conduct themselves and therefore has an adverse effect on the conduct of our foreign policy. Furthermore, in many countries the local demand and resultant high prices for American goods is attributable in part to import controls which the United States has encouraged so that scarce foreign currencies in those countries can be utilized to promote much needed economic development. Thus, Americans who dispose of their personal American goods on local markets at inflated prices in effect are circumventing the very controls which the United States as a matter of official policy wishes to encourage.

As you know, outbreaks of anti-American sentiment in foreign countries have become increasingly common in recent years. Although some of these outbreaks are attributable to Communist inspiration, I have little doubt that some of this anti-Americanism can be traced to such factors as the number of Americans serving abroad, the ostentation with which some of our citizens live, and practices of the kind reported from Pakistan and elsewhere.

I would appreciate it if the Department of State, because of our Ambassadors' overall responsibility at missions abroad, would take the initiative in preparing for me a report covering the nature and extent of the overseas disposal of personal property by all officially employed Americans and a separate such report with respect to contractors' employees. Such report should include, post by post, figures or estimates, if precise figures are not available, of the U.S. dollar value of personal property sold during the past calendar year, broken down to show the reasonable resale value in the United States of such items in contrast with the prices received for sale abroad.

I should also be interested in receiving the Department's comments on whether profits of the type covered in this activity are taxable, whether the Department believes these practices are of such a nature and extent as to require remedial action or legislation, and, if so, what remedial action the Department proposes to take or what legislation the Department would recommend.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, July 1, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Your letter of June 13, 1958, in which you refer to recent press reports suggesting that certain U.S. Government employees and contract personnel serving abroad have profited unduly from the sale of personal property, has been received and noted.

At most posts abroad no record is kept of sales of personal property of Foreign Service or other U.S. agency personnel. However, in countries where the currency is controlled and export is forbidden, as in Pakistan, records are necessarily maintained as exchanges of local currency for dollars are made through the Embassy disbursing officers. Therefore, it would be possible to obtain records from such posts.

If problems exist along the lines suggested by the press, the Department of State in its role of coordinator for all foreign affairs activities, will indeed be most anxious to ascertain evidences of any questionable practices, regardless of which agency is represented, and will endeavor to take steps to stop such practices. It is believed, at this point, that any malpractices which may exist can be controlled by administrative procedures.

In this connection I am attaching for your information the following regulations which are designed to control practices such as those you question: 1 FSM IV, section 626; 1 FSM V, section 370. Our Embassy in Karachi has already taken steps to reinforce the application of these regulations and add such additional restrictions as may be required by the local situation. There is also attached a set of pertinent regulations issued by the American Embassy in Karachi. Also, the Embassy has been asked for complete records on all exchanges of rupeees for dollars resulting from sale of personal property by U.S. Government employees and contract personnel serving in the Karachi area.

A report will be forwarded to you as soon as it can be prepared.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) Foreign Service Regulations (omitted); (2) Embassy Karachi Regulations (omitted).)

JULY 9, 1958.

Hon. WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of July 1, 1958, telling me of the Department's activities in connection with reports of questionable practices regarding the acquisition and disposal of personal property by U.S. employees serving overseas. I appreciate very much the vigor with which the Department seems to be pursuing this matter.

I had contemplated bringing this matter to the attention of the Secretary of Defense with the thought that he might wish to have the Inspector General examine the situation with respect to activities of military personnel overseas. I have not done so as yet. If you think a request of this kind might be helpful, I would be glad to do so.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, July 28, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to your letter of June 13, 1958, and to my letter of July 1, 1958, relating to your request for information and a report concerning the sale of personal property by U.S. Government employees and contract personnel serving abroad.

As you know, the Department of State for many years has had an established policy and appropriate regulations to govern the disposal of personal property overseas by employees of the U.S. Government and their dependents. The regulations are designed to provide a general code of ethics and to require that such sales not reflect adversely on the United States or its employees or adversely affect our relations with other nations or provide propaganda advantages for nations unfriendly to the United States. Policies and procedures similar to those promulgated in Karachi, which I sent you with my letter of July 1, are in effect at all of our oversea posts where local conditions resulting from general inflation, declining foreign exchange, and scarcity of imported items require administrative regulations including currency controls to assure adequate control over the sale of personal property by U.S. Government employees or their dependents. As is the case in Karachi, these regulations generally authorize sales only when a person is scheduled to leave the country permanently and require proof that a particular item was imported for the owner's personal use and was in his possession for a specific period of time.

In connection with your review of the Karachi regulations, I wish to point out that as a result of certain apparent excessive requests for permission to sell personal property which were called to Ambassador Langley's attention in March, our Embassy in Karachi conducted a detailed study of the practices of U.S. Government employees and their dependents in selling personal property at that post. The amended regulations issued on April 24, 1958, resulted from this study and modified previous regulations to require (a) the offer through publication in the Karachi Daily Bulletin (a publication for U.S. Government personnel) of sale of personal property to Government personnel at prices comparable to those pertaining to secondhand articles of the same type in the United States, plus shipping charges; (b) procurement of "no objection certificates" from the Government of Pakistan on all sales made to the Pakistanis and the payment of custom duties and sales taxes, as well as the presentation to the Embassy of a bill of sale sworn to before the consul by both buyer and seller; and (c) limiting the sales of personal property to those items which would be sold under more usual resale conditions than those prevailing in Pakistan and specifically prohibiting the sale of luxury items and items of small size and relatively high value such as cameras, shotguns, silver, etc.

It is generally recognized that in countries such as Pakistan, American personnel find it necessary to import articles such as refrigerators and other heavy items of electrical equipment and certain types of fur-

niture which are primarily adaptable to a specific country and therefore, oftentimes not of particular use in other countries. Also, in several countries climatic conditions, inadequate maintenance and repair facilities and fluctuating or inadequate local electrical current quite frequently result in unusual wear and tear and more rapid deterioration than in the United States and some other countries.

In response to your request of July 1, there is enclosed a summary of the information which we have obtained from our Embassy in Karachi relating to the volume of sales for calendar year 1957 and the number of individuals involved in such sales. There are also enclosed sample lists of cars and household items sold in 1957. Based on a review of the classified advertising pages of a recent edition of a Washington and a New York paper it appears that generally items sold in Karachi bring from two to four times more than they would if sold in the United States. However, such sales overseas do save the Government the cost of return transportation of such goods.

As you know, the greatly increased responsibilities which this Government has in the conduct of its foreign relations has made it necessary for the United States to send more American officers and employees abroad to man our embassies, missions and consulates. These increases have been augmented in some countries by sizable numbers of American personnel employed by other Government agencies, including the military, which in the instance of command troops is not subject to Embassy regulations. It might be noted as far as Karachi is concerned that there are 1,600 people in the official U.S. colony. This increase in the number of official Americans abroad who with few exceptions take with them as much as possible of the American way of life and standard of living, obviously has inevitably resulted in an increase in the importation of American goods for personal use by U.S. Government employees.

In view of the important foreign policy considerations which can become involved in the importation and sale of personal property and related transactions in local currency, an interdepartmental committee has been studying this subject since April. This committee is chaired by an Assistant Secretary of State and is comprised also of officers of the Department of Defense, the U.S. Information Agency, and the International Cooperation Administration. Representatives of other agencies concerned have also been invited to participate as appropriate. The primary purpose of the committee's study is to review current policies and practices and to develop and present to interested agencies further guides for use in developing uniform regulations and standards for particular countries relative to the disposal of personal property by U.S. employees. If you are interested, I should be happy to inform you of the committee's conclusions when its study is completed.

While a question of interpretation of the provisions of the Internal Revenue Code of 1954, as amended, is more properly for the determination of the Internal Revenue Service, it is the Department's understanding that a gain realized from the sale abroad of personal property by an officer or employee of the U.S. Government is includible in the vendor's Federal income tax return as a part of gross income, pursuant to the provisions of 26 United States Code 61(a)(3), and consequently, is taxable.

We have also carefully reviewed the need for further remedial action or legislation as suggested in your letter of July 1. We believe that the existing departmental and individual post regulations provide adequate controls and make it unnecessary for the Department to take further remedial action or to recommend any specific legislation at this time. Should the report of the interdepartmental committee now studying this problem indicate that existing regulations should be modified, appropriate action will be taken.

We appreciate very much the interest which you have taken in this matter and will be glad to furnish you with additional information which may be required in connection with your study.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) Summary; (2) Sample lists (2).)

Conversions, Jan. 1–Dec. 31, 1957

	Number of individuals	Total dollar conversion	Average per employee
U.S. Government	186	$677,773.27	$3,643.9423
Contract	32	106,208.46	3,319.0143
Total	218	783,981.73	

Exchange rate 1957 equals 4.75 rupees to $1.00.

Sample items sold in 1957

Car	Year import	Year sold	Net dollar sale price
Chevrolet, Bel-Air	1955	1957	$4,113.90
Do	1955	1957	3,649.80
Do	1956	1957	4,430.38
Chevrolet, 210	1954	1957	3,205.60
Do	1955	1957	3,585.86
Plymouth station wagon	1952	1957	2,649.37
Nash Rambler	1952	1957	1,898.73
Buick Roadmaster	1956	1957	6,329.11
Pontiac sedan	1955	1957	4,746.84
Ford Mainline	1956	1957	4,641.35
Mercury sedan	1956	1957	5,907.17
Oldsmobile sedan	1956	1957	5,553.00
Volkswagen, deluxe	1956	1957	2,160.13

Sample items sold in 1957

Household items	Year import	Year sold	Net dollar sale price
Deep freezer:			
10 cubic foot Coldspot	1955	1957	$611.81
11 cubic foot Coldspot	1956	1957	675.11
17 cubic foot Hotpoint	1956	1957	654.00
Refrigerator:			
11 cubic foot Westinghouse	1955	1957	485.23
9 cubic foot Frigid	1955	1957	400.00
12 cubic foot Philco	1956	1957	485.23
Washing machine:			
Kenmore	1955	1957	147.67
Do	1956	1957	179.32
Apex	1955	1957	168.77
Electric oven: Westinghouse	1955	1957	126.58
Steam iron: Westinghouse	1955	1957	23.21
Mixmaster: Sunbeam	1956	1957	52.74
Air conditioner:			
Mitchell ¾-ton	1955	1957	611.81
Remington	1957	1957	632.91
Hi-fi console: Grundig	1957	1957	722.57
Radio/phono console: Grundig	1955	1957	632.91
Tape recorder: Revere	1956	1957	379.74

NOVEMBER 5, 1958.

Hon. WILLIAM B. MACOMBER,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Your letter of July 28, 1958, supplying me with information concerning the sale of personal property by U.S. Government employees and contract personnel serving abroad was most helpful.

I am happy to note that specific remedial steps have been taken in Karachi, but I wonder if these are sufficient particularly in view of the large number of official Americans in Karachi. I must say, I was startled by your figure of 1,600 people in the official U.S. colony and also by your statement that some of them are not subject to Embassy regulations. I had thought we had won the battle to make the Ambassador the unquestioned chief of U.S. functions abroad.

I wonder if you could clarify the table attached to your letter, entitled "Conversions—January 1–December 31, 1957." Is this the average number of dollars converted into rupees by the personnel of the Embassy at Karachi during that period?

Since I am most anxious to obtain as clear an understanding of the Karachi situation as possible, would you be good enough to send me a statement (broken down by month) of the number of employees who left Karachi from the period January 1, 1958, to August 1 1958, and the total rupees converted into dollars by them. For purposes of comparison, I would like to receive a similar monthly statement beginning September 1, 1958.

I hope that the interdepartmental committee to which you refer will assure itself that similar conditions do not arise elsewhere. Your offer to inform me of the conclusions of the interdepartmental committee when it has completed its work is appreciated and I await those conclusions with interest, I hope they will not be too long delayed.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, November 21, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate

DEAR SENATOR MANSFIELD: Reference is made to your letter of November 5, 1958, in which you request additional information concerning the sale of personal effects by U.S. Government personnel at Karachi and resulting conversions of local currency to U.S. dollars.

You have requested that the table attached to my letter of July 28 entitled "Conversions—January 1–December 31, 1957," be further clarified. The table in reference reports conversions of local currency to U.S. dollars for the period reported. As reflected therein there were 186 conversions on behalf of U.S. Government employees and 32 conversions on behalf of U.S. contract personnel. These conversions totaled $783,981.73, or an average conversion of $3,643.94 for U.S. Government employees and $3,319.01 for contract personnel. It should be noted that the 186 Government employees includes all agencies of the U.S. Government located in Pakistan during the reporting period, and not just those of the Embassy which comprises a small segment of the official American colony.

The Department is seeking the additional information from Karachi which you requested concerning the number of employees who have departed Karachi since January 1, 1958, and the total rupees converted into dollars by those employees, broken down by month. This information will be furnished to you when it is received from Karachi.

The deliberations of the interdepartmental committee studying the conduct of American employees abroad have been concluded and a copy of the report entitled "Guide for Use in Developing Uniform Regulations for a Particular Country Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency and the Importation, Operation, and Disposal of Motor Vehicles" is enclosed. There is also enclosed a copy of Circular Instruction No. 4025 of October 31, 1958, which comprises a joint State, Defense, ICA, USIA instruction concerning the implementation of the guides.

You will note that both documents are classified "Official Use Only."

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) Circular Instruction 4025, dated October 31, 1958, "OCG Guides for Use in Developing Uniform Regulations Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency, and the Importation, Operation, and Disposal of Motor Vehicles," marked for "Official Use Only" (omitted); (2) OCB Guides (omitted).)

DEPARTMENT OF STATE,
Washington, December 30, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to your letter of November 5, 1958, and to my reply of November 21, 1958, concerning the sale of personal effects by United States Government personnel at Karachi and resulting conversions of local currency to U.S. dollars.

As indicated in my letter in reference, the Department requested from our Embassy at Karachi the additional information you desired. This information has now been received and I am enclosing a statement showing the number of U.S. Government personnel departing Karachi, the dollar value of local currency converted and the average amount of such conversions. This information is broken down by month and covers the period January through November 1958. Similar information for the month of December 1958 will be forwarded to you at such time as it is received from the Embassy.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

[Enclosure: Statement.]

Conversions, Jan. 1,–Nov. 30, 1958

Month	Number of U.S. Government personnel	Total dollar conversion	Average conversion
January	11	$31,198	$2,836
February	14	23,646	1,689
March	15	48,781	3,252
April	24	36,854	1,536
May	54	87,859	1,627
June	28	70,098	2,504
July	38	107,372	2,825
August	36	70,569	1,955
September	11	38,174	3,470
October	29	33,070	1,140
November	15	15,132	1,009
Total	275	564,753	2,054

FEBRUARY 2, 1959.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to my letter of December 30, 1958, and previous correspondence concerning the sale of personal effects by U.S. Government personnel at Karachi and resulting conversions of local currency to U.S. dollars. With my letter in reference I forwarded to you a statement showing by month for the period January through November 1958, the number of U.S. Government personnel departing Karachi, the dollar value of rupees converted to dollars and the average amount of such conversions.

The Department is now in receipt of similar information for the month of December 1958 which reveals that 30 U.S. Government employees departed from Karachi converting rupees totaling $15,185 for an average of $506.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

SUPREME COURT DEFENDED

Mr. KUCHEL. Mr. President, the U.S. Supreme Court is the constitutional defender of American liberties which the Constitution of our country guarantees to all our people. Our unique, tripartite system of government is one reason for the strength of our cherished freedoms; and the judicial branch is an indispensable part of that system. I very much regret the intemperate abuse and vilification which some people, in and out of government, have heaped upon our country's highest tribunal. This is not the first time in our long history that the Court has been so abused. But it stands—and it will continue to stand—as a bulwark of American liberty.

With my voice and with my vote, I have opposed proposals to weaken and undermine the Court. Thus, I deem it most unfortunate that one of my votes in the Senate was on several occasions, misinterpreted by some. I believe that misinterpretation has now been corrected. In that connection, I ask unanimous consent that there be printed in the body of the RECORD certain comments which I have made in the Senate and also by letter, certain newspaper articles and editorial comments, and some correspondence which I have received, all bearing on this subject.

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

[From the CONGRESSIONAL RECORD, vol. 104, pt. 15, p. 18919]

Mr. KUCHEL. Mr. President, as a matter of good, sound, American public policy, I believe that the States of the American Union, as well as the Government of the United States, should—indeed, must—have the right to legislate in the field of antisedition and antisubversion legislation. As a Member of the U.S. Senate, I am prepared—indeed, I am quite anxious—to be given an opportunity to vote in favor of the pending bill, unfettered by amendments, and which, in making specific reference to Federal antisubversion legislation already enacted, states specifically and unequivocally that the Congress does not intend to preempt the field of protecting American Government, State and Federal, but, to the contrary, welcomes the partnership of State laws in ferreting out and punishing those who conspire to overthrow any segment of American Government by force or violence.

No Member of this body whether lawyer or not, has, thus far, risen to condemn the proposed bill as being illogical, untenable, unconstitutional, or susceptible of the imperfect construction.

[From the Los Angeles Times, Mar. 6, 1959]

KUCHEL CHARGES MOSK MISREPRESENTED HIS VOTE

SAN FRANCISCO, March 5.—Senator KUCHEL (Republican, California) states that California's attorney general, a Democrat, in a speech here misrepresented KUCHEL's vote on a proposal to curb powers of the U.S. Supreme Court.

The Commonwealth Club, before which Attorney General Mosk spoke February 6, confirmed today receipt of a letter from KUCHEL in Washington.

KUCHEL, who became a Senator by appointment of Governor Warren, now Chief Justice, said Mosk was quoted in the speech as saying KUCHEL voted to curb the court's powers.

"Judge Mosk is completely wrong in his statement on my position," KUCHEL wrote the Commonwealth Club.

"The fact is that I voted against the Jenner-Butler legislation on a roll call vote in the Senate, recorded in the CONGRESSIONAL RECORD, volume 104, part 15, page 18687." The bill lost by one vote, 41–40.

Stuart R. Ward, executive secretary of the Commonwealth Club, said its board of directors, after getting a report on the letter, voted to invite Senator KUCHEL to address the club on any date convenient to him.

Mosk, in Los Angeles today, said: "He, Kuchel, surprises me a great deal. I think the record will not bear him out. I'm certain he and Knowland (then Senator Knowland, Republican, California) both voted for the Jenner-Butler bill."

KUCHEL'S STATEMENT

EDITOR:

Creditable California newspapers, in reporting a speech by State Attorney General Stanley Mosk to the Commonwealth Club on February 6, attribute the following quotation to him:

"When these diverse forces, goaded by a forthright judiciary, united behind legislation to strip the Supreme Court of some of its authority—partly symbolically, partly an actuality—they dreamed up the Jenner-Butler bill of the last congressional session. Here was a readymade opportunity for the lawyers of America to repeat their heroism of the 1930's.

"By and large they failed to awaken society to the gravest danger experienced by the judiciary since its role was established by John Marshall. Oh, yes, Jenner-Butler was defeated. But the vote was a whisker-close 40 to 41. And ironically favoring this punitive measure against the Earl Warren court were two Warren appointees, both of them California Senators: Knowland and KUCHEL.

Judge Mosk is completely wrong in his statement of my position. The fact is that I voted against the Jenner-Butler legislation on a rollcall vote in the Senate, recorded in the CONGRESSIONAL RECORD, volume 104, part 15, page 18687. Even a most cursory research by Judge Mosk would have demonstrated the complete inaccuracy of the statement he made concerning my vote.

I am proud to have been appointed to the U.S. Senate by Gov. Earl Warren, now the Chief Justice of the United States. The Chief Justice is a man of great capacity, courage, and independence. He possesses the highest judicial integrity. Like all good citizens, I vigorously object to the intemperate and unwarranted abuse which some people have heaped on the Supreme Court. What is more important, I have demonstrated my objection in the Senate by voting against legislative proposals, like the Jenner-Butler amendment, designed to subvert or weaken our Nation's highest Court.

THOMAS H. KUCHEL,
U.S. Senator.

WASHINGTON, D.C.

[From the San Francisco Chronicle, Mar. 11, 1959]

KUCHEL AND THE COURT

In a letter to the editor, which we publish today, Senator THOMAS H. KUCHEL fully clears himself, we think, of a disagreeable charge of having favored punitive legislation against the U.S. Supreme Court.

On February 6, in a speech to the Commonwealth Club here, Attorney General Stanley Mosk charged KUCHEL with having voted in the Senate last summer for the Jenner-Butler bill, which he described as intended to strip the Supreme Court of some of its authority. (The bill would have forbidden the Court to review most State disbarment proceedings.)

Mosk was completely wrong, since the record shows that KUCHEL voted to table the Jenner-Butler bill. In the light of the fact that Mosk, the State's chief lawyer, had plenty of time to get his facts right, the inaccuracy of this imputation becomes the more glaring.

It is true that the Attorney General has since acknowledged that KUCHEL voted to table the Jenner-Butler bill. In a telegram to the Commonwealth Club mentioning this, however, he went on to task KUCHEL with having voted, the very next day, August 21, 1958, in favor of a Bridges-Eastland comparable measure reflecting upon Supreme Court decisions. * * *

"It appears to me," Mosk added, "Senator KUCHEL was trying to vote both for and against respect for the Court on successive days, a curious basis for protest at this late date."

This accusation is unworthy of the Attorney General. A vote for the Bridges-Eastland bill cannot fairly be inferred as a vote against respect for the Supreme Court. This bill was aimed at explicitly permitting States to pass and enforce antisedition laws. It was intended to express the intent of Congress. Its passage had been urged by the Attorney General of the United States, and it was a bill that any Senator was entitled to favor, without having his attitude toward the Supreme Court brought into question.

MARCH 3, 1959.

Hon. STANLEY MOSK,
Attorney General, Library and Courts Building, Sacramento, Calif.

DEAR STANLEY: From a number of friends, I have received clippings from newspapers about your recent speech at the Commonwealth Club and particularly your remarks about my vote on the Jenner-Butler bill last summer.

I have taken the liberty of writing the Commonwealth Club a letter about this vote, a copy of which I am enclosing for your information, in the hope that its members may receive the true facts about how I stood on that proposition.

Since you apparently did not see it, I also am enclosing a photostatic copy of an editorial from the Sacramento Bee which correctly reflects my position.

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

DEPARTMENT OF JUSTICE,
Los Angeles, Calif., March 6, 1959.

Hon. THOMAS H. KUCHEL,
U.S. Senator, Washington, D.C.

DEAR TOM: Thanks for your thoughtfulness in sending me your letter of March 3 and a copy of your communication addressed to the Commonwealth Club.

You are technically correct and I am pleased to set the record straight with a telegram addresed to the Commonwealth Club. A copy is herewith attached.

Sincerely yours,

STANLEY MOSK,
Attorney General.

Mr. STUART WARD,
Commonwealth Club,
San Francisco, Calif.:

I understand Senator KUCHEL has objected to reference in my address before Commonwealth Club February 6 to his voting with Senator Knowland in support of the Jenner-Butler bill. While it is true that he voted on August 20, 1958, to table Jenner-Butler, he spoke and voted on the very next day, August 21, 1958, in favor of a Bridges-Eastland comparable measure reflecting upon Supreme Court decisions and it was the latter measure which was recommitted to committee and thus defeated by a mere 40 to 41 vote. It appears to me Senator KUCHEL was trying to vote both for and against respect for the court on successive days, a curious basis for protest at this late date.

STANLEY MOSK,
Attorney General.

SACRAMENTO, CALIF., *March 11, 1959.*

Hon. THOMAS H. KUCHEL,
U.S. Senate, Washington, D.C.

DEAR TOM: In view of the San Francisco Chronicle editorial of today, which I am sure has been called to your attention, you may be interested in my response. A copy is enclosed.

Sincerely,

STANLEY MOSK,
Attorney General.

DEPARTMENT OF JUSTICE,
Sacramento, Calif., March 11, 1959.

Mr. CHARLES DE YOUNG THIERIOT,
Editor, San Francisco Chronicle,
San Francisco, Calif.

DEAR MR. THIERIOT: With regard to your editorial entitled "KUCHEL and the Court," while I could debate with you on the effect, both legally and symbolically, of the Bridges-Eastland bill, I am willing to cry "Uncle." It is comforting that Jenner-Butler has become such a dirty word as to stimulate this controversy.

Your criticism was essentially sound, and I accept it. Touché.

Many years ago Chief Justice Taney in an opinion (5 How. 504) cited numerous reasons for recanting a previously announced position and then added: "If there are other ways of gracefully and good naturedly surrendering former views to a better considered position, I invoke them all."

And, to quote from a more current source, one Casey Stengel, "I ain't mad at nobody."

Cordially yours,

STANLEY MOSK,
Attorney General.

[From the Sacramento Bee, Aug. 23, 1958]

JENNER-BUTLER BILL GETS A WELL-DESERVED BURIAL

The Jenner-Butler bill which proposed to put sweeping restrictions on the powers of the U.S. Supreme Court received a merited burial in the U.S. Senate.

The measure, originally spawned by Senator WILLIAM E. JENNER, of Indiana, with amendments by Senator JOHN M. BUTLER, of Maryland, was inspired by a motive which does no credit to its authors—retaliation against the Court for certain decisions with which they violently disagreed.

Only because extremist right-wing Republicans and extreme anti-integrationist southerners make up a majority of the Senate Judiciary Committee did the bill even get to the Senate floor.

It was shocking to see California's Senator William F. Knowland lined up with this group against the motion to table. Happily this State's other Senator, THOMAS H. KUCHEL, voted to kill the legislation.

One of the provisions of the measure, which was most objectionable, proposed to forbid the Supreme Court from ruling on the pertinency of questions asked of witnesses summoned before congressional investigating committees or on their liability for contempt in not answering them.

What would this have meant? The inquisitorial power of the committees would have become absolutely unchecked by the Bill of Rights or any law to prevent abuses.

What would be the effect of such a situation on traditional American freedoms?

And there were other provisions just as dangerous and just as redolent of police state methods.

Senator THOMAS C. HENNINGS, JR., of Missouri, whose motion to table killed the bill, well characterized it as stemming from the low instinct to kill the umpire.

Such foul play, had it been successful, could have hurt Congress in the end more than it would have injured the Court.

The defeat of the Jenner-Butler bill will have a healthy influence in putting an end to all like ill-conceived threats to the usefulness and independence of the Federal judiciary.

[From the Washington Post, Aug. 30, 1958]

SEDITION BILL

In his column of August 27, Drew Pearson erroneously cast me with the enemies of Chief Justice Warren, by reason of my vote on a recommittal motion in the Senate. I regret his unfair comment, particularly since I have the highest esteem for the Chief Justice as a great jurist and as a great American. Please permit a brief comment on the background of the vote to which Mr. Pearson refers.

The Pennsylvania Supreme Court in Commonwealth v. Nelson, 104 At. II 133 (1954), found that it was the purpose of Congress, in passing the revised Smith Act (1948), to preempt the field of sedition. It held its own Pennsylvania sedition law to be superseded and rendered inefficacious by the Federal statute. The U.S. Supreme Court agreed.

There then arose a question of legislative policy: Should the congressional purpose as found by the Court be changed by amending the Smith Act so as to permit States to adopt sedition laws? The U.S. Attorney General urged such a change, and I concluded to support a bill to accomplish it. A motion to recommit the bill to committee, and thereby to kill it, carried 41 to 40. I voted against the motion.

I believe, and I said in the Senate, that it is good public policy to let both the Federal Government and the States legislate in the sedition field. Since Congress failed clearly to spell out that policy in the 1948 statute, I wanted it to do so at this session.

I am a citizen and a Senator who has a profound respect for the U.S. Supreme Court, and particularly for its splendid Chief Justice Earl Warren. That respect is shared, I think, by the great majority of the American people.

I deeply resent the intemperate abuse which has been heaped upon our highest tribunal. And I displayed my resentment by opposing those legislative proposals designed to traduce or to weaken it.

THOMAS H. KUCHEL,
Senator from California.

WASHINGTON.

THE PROUD AND HAPPY COWS OF NEW JERSEY

Mr. WILLIAMS of New Jersey. Mr. President, it is a well-known fact that New Jersey folks are slow to anger when criticized for personal failings. We accept the fact that not everyone has a firsthand knowledge of the true beauty, artistic achievement, and industrial might of the Garden State. We realize that a quick transit of the New Jersey Turnpike does not always make these

facts crystal clear to visitors from other States.

As I have said, we do not mind abuse when it is directed at ourselves. But we cannot countenance criticism of our cows. They are not sacred cows, but we would like to keep them contented cows.

Yet, Mr. President there is afoot a small movement to rile them—or their owners, at least.

I am referring to an advertising campaign now underway in the Washington, D.C., area. Milk producers are debating about their marketing procedures; and some radio announcements criticize what is called "tired old milk" shipped here from other States.

It so happens that some of the imported milk is coming from the Camden area of New Jersey, according to one newspaper account. I cannot allow that charge about "tired old milk," therefore, to stand unchallenged.

New Jersey cows are a proud lot, and with very good reason. The State department of agriculture is continually working to make our cows even happier, and capable of even greater production.

Our consumers have not complained about any "tired old milk."

In short, we are quite convinced that New Jersey milk is, if we can twist the metaphor a little, alert and young in quality, not "old" or "tired."

So far as I can see the only sad thing is that apparently the consumers in the Washington area will consume it only for a limited time during the present conflict. The Garden State is always happy to share its good things with its near neighbors, despite the unfortunate charge made against our good and gentle provider, the cow.

AUSTRIA DEDICATES BOOK ON AUSTRIAN ECONOMIC RECOVERY TO GENEROSITY OF TAXPAYERS OF UNITED STATES

Mr. NEUBERGER. Mr. President, ever since I came to the Senate I have supported the requests of the President and the Secretary of State in the realm of foreign aid. I believe I am among the few Members of the Senate to have done so this consistently. I have reasoned that, when men like Dwight D. Eisenhower and John Foster Dulles continue a program begun by their political opposites like Harry S. Truman and Gen. George C. Marshall, that program must contain real merit for our country and the free world.

Most of my mail from Oregon criticizes me for supporting the administration on foreign aid. Much of this mail charges that other nations are ungrateful, that they never appreciate what America has done for them.

Today, I note with satisfaction that the Austrian Government has published a 368-page volume telling how the Marshall plan enabled Austria to rebuild from the ruins and devastation after the bombings of World War II. The book is dedicated to our American taxpayers. This is the text of the dedication, Mr. President:

Dedicated to the unknown American taxpayers to whose tax contributions the Austrian economy owes the millions contributed in good will toward its reconstruction.

And elsewhere the book adds this accurate and encouraging note:

It is to the historic credit of the United States to have recognized the vital importance of creating healthy economic conditions as an essential prerequisite for a lasting peace.

Mr. President, I also have read the report of the Draper Commission, which cites foreign aid as being essential in our own self-interest. This Commission, composed of outstanding civilian and military leaders, has reported to President Eisenhower that the sole alternative to foreign aid would be an isolationist retreat to Fortress America, there to await the worst. And how can we be isolationist in an era when intercontinental ballistic missiles, bearing terrible hydrogen warheads, can span the Atlantic Ocean more quickly than I drive in my 1954 Ford sedan from the Potomac Plaza Apartments to my office at 348 Senate Office Building?

I ask unanimous consent, Mr. President, to include in the CONGRESSIONAL RECORD a dispatch from the New York Times of March 18, 1959, entitled "Austria Thanks U.S. Taxpayers." In addition, I submit for inclusion in the RECORD an informative editorial on foreign aid from the Oregonian of Portland of March 14, entitled "Key to U.S. Security," and a persuasive column in support of our mutual security program by the syndicated editor, David Lawrence, which appeared in the Oregon Daily Journal of Portland on March 17. All of these materials confirm the wisdom and merits of the foreign-aid program in general, despite certain specific criticisms which fail to go to the roots of the undertaking.

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

[From the New York Times, Mar. 18, 1959]

AUSTRIA THANKS U.S. TAXPAYERS—VOLUME MARKING 10 YEARS OF RECOVERY IS DEDICATED TO MAN IN THE STREET

WASHINGTON, March 18.—America's man in the street was thanked by the Austrian Government today for his contribution to that nation's reconstruction through the Marshall plan.

Dr. Wilfried Plazer, Austrian Ambassador, gave President Eisenhower a 368-page volume entitled, "Ten Years of European Recovery Program in Austria, 1948–58." The book describes the Marshall plan's contribution in rebuilding the Austrian economy.

The book carries this dedication:

"Dedicated to the unknown American taxpayers to whose tax contributions the Austrian economy owes the millions contributed in good will toward its reconstruction."

Five forewords by members of the Austrian Government precede the dramatic story of the economic reconstruction and psychological rebirth of Austria after the collapse of Hitler's Germany.

CHANCELLOR'S STATEMENT

Chancellor Julius Raab wrote:

"Wherever and in whatever manner we celebrate the anniversary of Austria's rescue from economic collapse, we should be mindful of the fact that the means for our reconstruction were contributed by the American taxpayer in pursuance of a broadly conceived generous plan of his Government. To him, America's man in the street, Austria owes its thanks."

Foreign Minister Leopold Figl wrote the following:

"None of the political steps which Austria took in the past decade would have been possible without the economic help of the United States within the framework of the European recovery program.

"Austria's gratitude has manifested itself in its clear intervention for all peaceful goals and in its maintenance and protection of the dignity of the human individual. Austria has proven this attitude towards hundreds of thousands of refugees. It is proud of the fact that the aid which was granted to it was so well used that Austria itself could become a help to others."

A chapter entitled, "The U.S.A. Rectifies History," says:

"It is to the historic credit of the United States to have recognized the vital importance of creating healthy economic conditions as an essential prerequisite for a lasting peace."

In a review of the book, the Austrian Embassy said:

"This story should convince the American taxpayer, who often may have worried about the effectiveness of his sacrifice to foreign aid, that his investment in Austria through the European recovery plan has paid ample dividends."

[From the Oregonian, Portland, Mar. 14, 1959]

KEY TO U.S. SECURITY

President Eisenhower's message to Congress supporting his budget of $3,390 million for U.S. assistance to 70 nations is so undeniable in its logic that it can only be answered by demagoguery. The attack on foreign aid usually takes the line of "America First"—or why give money to foreigners when we need it for public works and military improvement at home?

The meat of the matter is that the United States is no more secure than the weakest of our allies or other friendly nations. We have reached a condition of world affairs when this country cannot, in its own interest, allow other nations to be swallowed by the Communist world conspiracy by political, economic, or military means. We cannot sacrifice other nations to buy time, for each loss weakens us. The United States could not survive for long should the rest of the world fall under the rule of communism.

Instead of waiting until other free nations are crushed by an imperialist power—as in World War I and World War II—before inevitably joining combat to hurl back the enemy of all freedom, the United States for 13 years has been working to strengthen other nations to resist the Communist aggressor.

There is a latitude for debate in Congress in the details of foreign aid, the division between military and economic assistance, and the fulfillment of the bargain by nations we help. But there is no justification for the meat-axe kind of "economy" which has as its goal the diversion of foreign aid funds to porkbarrel domestic projects to buy votes for Members of Congress.

The strength of the United States to forestall Communist conquest cannot be measured in the military and economic power of this single nation. It must be measured, if it is to meet the test of survival, in the combined strength of the non-Communist part of the world. Our foreign aid program is not designed to buy good will alone. It is designed to assure freedom for Americans as well as freedom for other peoples from an aggressive conspiracy which will make its major play within the next decade.

[From the Oregon Journal, Mar. 17, 1959]

THE COST OF FENDING OFF WAR—CRITICS OF FOREIGN AID CALLED BLIND TO HEAVY OUTLAY IT SAVES NATION

If the American people could express in a single sentence their most important wish today, it would be: "Keep us out of war at any cost."

Yet, when out of a national budget of $77 billion, the President asks for $3,930,000,000 to keep American boys from fighting abroad, and calls for a mutual security program to bolster our allies, this is derided as a "foreign aid" program or a "give-away."

The label is wrong. It's really a keep-us-out-of-war program.

Few of the critics realize the explosive situation that exists in the world today or how interrelated America's fate is with the other free countries—or, if they do realize it, they fail to see how many billions more our defenses would cost if America had to do the job alone. That's why President Eisenhower's television address last night was so important to the country.

For the President had no sooner announced last week that he was asking Congress for $3,930,000,000 when from Capitol Hill—mostly from Democrats—came predictions that the expenditure would be cut by a billion dollars. Acting Secretary of State Herter promptly said that if any such reduction were made it would "serve notice on the world that we are weakening in our determination."

Just why some of the legislators regard any money spent abroad as either a gift or a throw-away is hard to understand unless they think the American people really can be misled by such distortions. Certainly, as sometimes charged, there's waste in the spending of American funds in other countries, because the United States cannot always control how other governments disburse the money they receive. But, conceding that there is some waste, it is a fact that in war itself there is even greater waste. The true test is whether, on the whole, war is prevented, and thus far the United States has managed with the help of strong allies to keep us out of a third world war.

It sometimes isn't realized how much America's own allies have been spending since the close of World War II. Rather, the impression is fostered by the critics that the United States is putting up all the money for international defense or mutual security. The President in his message to Congress a few days ago said:

"Over the years of our combined effort, these allies and friends have spent on these forces some $141 billion, more than six 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.

"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."

What perhaps isn't generally understood in America is that economic assistance plays a vital role in maintaining the stability of other nations. If there were no stable governments among our allies, America would not have strategic bases overseas. The President said on this point:

"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."

Dissenting Members of Congress often concede that the military program is logical, but they claim the economic support abroad is questionable and this they would cut. In doing so, they would strike a blow at the morale of the countries affected. For without economic stability, political chaos ensues, and then the Communists find fertile ground for exploitation or even overthrow of existing governments. The Communist intrusion in Iraq lately, for example, has unsettled the entire Middle East. The Communist tactics in Africa, Asia, and Latin America have been supported by Soviet measures in the economic field.

So it's a dangerous international situation which calls for American expenditures to bolster here and abroad our defenses—politically, economically, and militarily. From a strong alliance, moreover, comes firmness in a crisis as is the case today when Moscow is testing the West. The President says the West will not surrender. He can say this convincingly because the Western Alliance in the last 10 years has been built on a strong foundation. It is to maintain that strength that the mutual security program, or what might better be called a keep-us-out-of-war program, is really directed.

ETHICS IN GOVERNMENT AND CONFLICT OF INTEREST

Mr. NEUBERGER. Mr. President, on March 9, I was pleased to join with the able senior Senator from New Jersey [Mr. CASE] in introducing S. 1332, a bill designed to utilize the principle of full disclosure to aid the public in assessing the conduct of top Federal officials and Congressmen.

S. 1332 has four major provisions. It would:

First. Demand full disclosure of the financial interest of all Members of Congress, civil or military officers, and employees of the executive or legislative branches who earn in excess of $12,500 a year. Annual reports would show all income received in the year, value of all assets held, all dealings in securities or commodities, and all purchases of real property.

Second. Require that all communications in regard to a pending case, whether by letter or by word of mouth, to a regulatory or semi-judicial agency, be made part of the public record in the case.

Third. Insure itemized expense accounts for all travel by members or staff of congressional committees, the accounts to be published in the CONGRESSIONAL RECORD.

Fourth. Establish a Commission on Legislative Standards to study and make recommendations concerning problems of conflicts of interest confronting Members of Congress as well as their relations with executive and other agencies.

As the distinguished Senator from New Jersey pointed out in presenting this legislative proposal, secrecy surrounding these matters frequently serves to reinforce adverse stereotypes of public officeholders. I share his belief that the provisions of S. 1332 would not only supply a public source of information against which to judge possible "conflict-of-interest," "junketing," and "influence-peddling" charges, but through full disclosure of financial and political interest would assist materially in destroying the cynical attitude which many persons now profess to hold with respect to Federal officials and Congressmen. I think that such reports would indicate that in the main these men and women are individuals of high integrity.

Last year I introduced a measure which would have extended application of existing conflict-of-interest laws with respect to members of the executive branch to Members of Congress and, in addition, provided for disclosure of outside sources of income and financial interests by both Congressmen and major appointees of the President. This bill, S. 3979, was an attempt to resolve a dilemma which has disturbed students of Government in the United States for many years: How Congress can demand of the officers of executive agencies higher standards of ethics and disinterestedness than Congress is willing to set for itself. My proposal was aimed at applying to Congress the same code with respect to corporate holdings, equities, private business transactions, and related matters which presently is imposed on members of the executive branch. It was an effort to set up a system of "policing the policeman." Mr. President, I ask unanimous consent that a portion of my remarks in the Senate on June 11, 1958, relative to this bill, be included in the RECORD at the conclusion of my remarks.

Because of my belief that Congress must establish for itself codes of conduct at least as rigorous as those used to judge persons in other Federal positions, I was particularly gratified to join with the able Senator from New Jersey in sponsoring S. 1332. Enactment of this bill would be a highly meaningful step in encouragement of public trust in Government officials, elected or appointed, and insurance that equal scrutiny is given the interests and activities of individuals in all branches of Government.

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

STATEMENT BY SENATOR RICHARD L. NEUBERGER IN U.S. SENATE, JUNE 11, 1958

Mr. President, many of us have been concerned for quite a while over the broad general question of who polices the policeman. Committees of Congress require Cabinet appointees of the President of the United States to divest themselves of stockholdings in corporations that have business dealings with Federal departments which these appointees will administer. Yet, Members of the Senate and House can own shares or partnerships of businesses that are directly affected by legislation which these Senators or Representatives are drafting and voting upon.

This does not, of course, necessarily prejudice or corrupt their judgment on the merits of the issue before them, any more than the judgment of executive officials is necessarily prejudiced or corrupted in comparable situations. It should be clearly understood that the overwhelming majority of both elective and appointive officials are persons of exceptionally high standards of honesty and integrity who make the policy choices and decisions that come before them on the basis of their best judgment of the public interest.

The unfortunate truth, however, is that this fact is not clearly and universally understood to be the case. And, the inconsistency between the rules which Congress, with a

great show of righteousness, applies to executive officials and its failure to apply identical rules and standards to its own Members undoubtedly has reflected adversely on the reputation of Congress in the public mind.

Members of Congress are, I repeat, as honest, ethical, and as self-sacrificing as any other class of persons in our society, and yet it has often been remarked that comparatively Congress is the object of much skepticism and cyncism. Why have we thus presented an inaccurate and unflattering image in public opinion?

One reason, I believe, is that Congress never has submitted itself to the objective standards of disinterestedness, of full disclosure, and of other procedures which Congress righteously demands of executive officials and everyone else.

LAWS MAY BE DEFICIENT

I wish to emphasize, Mr. President, that in introducing this bill I am definitely not passing upon the wisdom, adequacy, or desirability of the existing conflict-of-interest statutes which Congress has seen fit to enact for observance by officials of executive departments and agencies. In my opinion, some of these provisions might well be reviewed and analyzed with a critical eye. However, I do not wish to engage in such a review in connection with my present bill in order to avoid complicating the simple question of extension of conflict-of-interest coverage to Congress. What I am saying today is this—as long as these standards are applied to the executive arm of Government, then they should apply equally to the legislative arm of Government. That is the purport of the bill.

I also desire to stress once more that introduction of this proposed legislation implies absolutely no criticism on my part of any Member of the Senate or the House. For instance, Mr. President, a few Senators and Representatives have been singled out from time to time for public comment because they are more affluent or financially successful than the rest of us. Their private wealth has been discussed in the press, and their holdings in industries influenced by legislation or regulation have been searchingly analyzed. Yet I think the record shows that this misses the point and may often be unfair to them. Actually, there are very few of us here in Congress who can be said to be wholly isolated from any and all situations that lend themselves to a charge of conflict of interest somewhere along the line.

To begin with, political campaign contributions from the owners and managers of business corporations and from trade-union, political-education funds involve, in and of themselves, a built-in role for money in politics which pertains to and colors all our elections. After all, nearly all these business and labor organizations are heavily involved in legislative matters every day that Congress is in session.

Secondly, Members of Congress are necessarily men and women who have private lives and careers in the communities from which they come prior to their entry into full-time, professional, public life. Like everyone else, they must either make a living at some form of business or professional pursuit or they must own sources of productive wealth. They may be farmers, property owners, or businessmen. In any case, they normally have some economic stake and interest in their communities when they become candidates for Congress, and it is not expected of them that they should wholly sever these interests in the economy which, after all, involves the ultimate interests and wealth of all of us. Nevertheless, we must recognize that the maintenance of such an economic stake in specific types of property on the part of Members of Congress may give rise to exactly the same questions about ethics and disinterestedness as Congress so often raises with respect to men who are drawn from the economic life of the community into executive positions.

To mention another point, many Senators and Representatives receive handsome speaker's fees from groups and organizations with many legislative interests. This has become necessary to the pocketbooks of many Members without substantial private means, in view of the heavy expenses of maintaining two separate residences—as almost all of us must do—and of meeting the needs of our offices beyond those now provided for by appropriations. My bill would seek to have information about such speaking and writing fees and other sources of outside income made public each year, so as to forestall public feeling that there is no check on possible abuses in this practice.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the distinguished Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. Is it correct to assume there will be no votes today?

Mr. MANSFIELD. I am glad the acting minority leader has raised that question. We will proceed with the business which was laid before the Senate yesterday. There will be no votes in the Senate today, but I wish to put all Members on notice that on Monday very likely there will be votes.

I will say to my distinguished colleague the senior Senator from California, this was an agreement reached by the minority leader [Mr. DIRKSEN] and the majority leader [Mr. JOHNSON of Texas] on yesterday.

Mr. KUCHEL. I will ask my friend a further question. Am I correct in understanding that the pending business is the bill relating to unemployment in depressed areas?

Mr. MANSFIELD. The Senator, as always, is correct.

Mr. KUCHEL. I thank my able friend from Montana.

REFUSAL OF THE PRESIDENT TO RECEIVE REPRESENTATIVES OF THE INDIAN CONGRESS

Mr. LANGER. Mr. President, I rise to express my deep regret that the President of the United States yesterday did not receive the Indians who went to the White House to see him.

The Indian Congress represents practically every Indian tribe in the United States. Those Indians have a just complaint. They are citizens of the United States. As such citizens, they have the authority, under the Constitution of this country, to petition.

Of course the President had a perfect right not to see the Indians if he did not want to see them, but I reiterate that these Indians really have a just complaint. All the Indians wanted to do was to shake hands with the Great White Father and present their claims later to Glenn Emmons, the Commissioner of the Bureau of Indian Affairs.

Mr. President, in this connection I ask unanimous consent to have printed in the RECORD a letter written by the Honorable Clyde Duffy, former president, North Dakota Bar Association, and one of its foremost citizens and a former Lieutenant Governor of the State of North Dakota.

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

DUFFY & HAUGLAND,
Devils Lake, N. Dak., March 16, 1959.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I have just encountered what appears to me to be a horrible example of how Indian allotment should not be handled. One hundred and sixty acres was allotted to Susie Tatiyopa, Devils Lake Sioux Allottee No. 505. She died many years ago and her descendants have increased and increased until now there must be at least a thousand Indians who have an interest in this land. The Fort Totten Agency has a list showing approximately 150 interested parties but I am advised that many of these are now deceased and that their shares have been divided into 20 or more shares, in some instances. Some of the shares shown on the agency records, for instance, are Francis John Azure, share 2/10584, address unknown.

What brought this to my attention was the fact that a Canadian national came down to see about his interest in this property and that again shows how interesting this thing can become in time. Hdahiyayewin, a Canadian national, inherited 12/192 share. She died 42 years ago and left a husband and three children. The husband died about a month after the wife did. The three children were Lucy Peoples, Mrs. Charlie Cuwiyuksa, and Joe Doota. Mrs. Cuwiyuksa died in 1937, leaving as her heirs Mrs. Kenneth Eastenon, Mrs. Agnes Younge, and Lanes Duncan. Joe Doota died in 1951, leaving as his heirs John Doota, Joe Doota, Jr., and Pat Doota. All of these people are Canadian nationals except Lucy Peoples.

To clear title, as far as these Canadian nationals is concerned would necessitate about four probate proceedings in State court. Of course, their interest is not worth the cost.

It is a little difficult for me to understand what good an allotment of 2/10584 interest in 160 acres might do anybody. Undoubtedly there are hundreds of cases similiar to this. I would think that before these things get more involved, it would be desirable to sell the land (preferably to an Indian who could make use of it) and divide up the money. I am certain that the cost of keeping track of what possible income there might be from this land and apportioning it to the multitudinous heirs must be several times the value of the income.

I don't know whether there is anything that can be done but I thought you might deem it worthwhile making some suggestions to the Indian Bureau.

Yours truly,

CLYDE DUFFY.

Mr. LANGER. Mr. President, in the letter it is stated that one of the greatest complaints the Indians have is the fractionalization of the lands or allotments they have. In the letter it is also stated that the question of the title to, say, a quarter section of land, 160 acres, which has passed from person to person through the years by descent, poses a very serious problem. As Mr. Duffy says, in order to get clear title to the land it is sometimes necessary to probate four estates, and perhaps some Indians in Canada own two ten-thousandths of a quarter section, the cost to probate and quiet title would exceed the value of the land.

This is a problem which the Senator from Tennessee [Mr. KEFAUVER] and I investigated. We went from one State to another, and we found this problem existing in a great many places in this country. Sooner or later something must be done about the situation.

In our recommendations in 1954 we embodied one in that regard, along with a great many others.

I ask unanimous consent that those recommendations be printed in the RECORD at this point in my remarks.

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

IV. CONCLUSIONS AND RECOMMENDATIONS

The Indian problem in the United States is not a new one and it is one that will confront the Federal Government and a number of the States for many years to come. A relationship of paternalism has evolved with the passage of time since the colonization of America began. The development of this relationship was the result of the changing ethical concept toward the exploitation of the Indian's lands and his acceptance as a human being.

While the Subcommittee to Investigate Juvenile Delinquency held hearings and studied the segment of the problem of juvenile delinquency among Indians, it was found that there are interrelated economic, social, and political factors that contribute to juvenile delinquency among the Indians living on the reservations and those enrolled with the Bureau of Indian Affairs of the Department of the Interior.

The subcommittee does not presume to have prepared a comprehensive study of the entire Indian problem. It does believe, however, that in the course of the four hearings in North Dakota, the hearings in Phoenix, Ariz.; Palm Springs, Calif.; and Washington, D.C., facts were brought out that warrant making certain recommendations. These recommendations, if acted upon, would go far toward reducing the incidence of juvenile delinquency among the Indian population. The incidence of juvenile delinquency was found in many instances to be higher among the Indians than among the non-Indian population of the United States.

It was found that poverty and economic want among Indian families have a causal relationship in contributing to delinquency among their children. While realizing that the task of raising the economic level of the thousands of Indian families is a formidable one, there are suggested plans which, if carried through, would contribute to that objective. The suggestions include:

1. An intensified relocation program to enable more families to leave reservations and locate where employment is available. Such a program should provide for both temporary economic aid which might be required by a family making such a relocation, and the guidance and counseling services which may be needed in making possible the family's adjustment to the changed environment.

2. The development of a comprehensive program providing for direct loans to Indians to enable them to secure the capital needed for farming and ranching enterprises.

3. Intensification of public employment services to stimulate more extensive employment opportunities for Indians. It is necessary to combat the resistance of many employers to hiring Indians.

4. The establishment of Federal and State work projects on or near Indian reservations.

5. The providing of better housing for the Indians. Both the Federal Housing Act and the Farmers' Home Act contain provisions which prevent those who are enrolled as Indians but do not live on the reservations from securing the benefits under those acts. The subcommittee recommends that these acts be amended so that such restrictions would be eliminated. It is urged that low-cost rental housing projects be undertaken on the reservations. The housing project put in operation by the Ute Indians in Colorado should be studied as a model project for all Indian reservations.

6. There is a need for more expeditious handling of land and lease transactions by the Indian Bureau. The delays have resulted in financial loss to the Indians.

7. Legislation should be enacted by Congress to deal with the problem of fractionated land interests. This would improve the economic condition of many Indians.

8. Study should be devoted to the problem of water supply in the Indian reservations. The lack of water for farming and ranching on the Pima Reservation has adversely affected the income of the Indians on that reservation. The area of this reservation once included some of the most fertile lands in Arizona which are now barren because of the loss of their prior water rights.

9. The economic status of the Colorado River tribes has been seriously affected by the Department of the Interior's legal interpretation as to the title to certain lands. The Colorado River tribes had considered that they held title to those lands since 1876, when reservation lines were determined by a series of Executive orders under an act of Congress passed in 1864. This cloud on land titles has prevented the Colorado Indians from obtaining valuable leases which would help to raise their income level.

The need for improved social and welfare services on the Indian reservations can scarcely be overemphasized. One of the greatest needs on the reservation is for expert community organization workers. Such personnel could aid in developing firmer and better organized leadership within the Indian group itself. The placement of such workers on reservations would be fully consistent with the democratic and desirable principle that people are best aided who are helped to help themselves.

There is also keen need for enlarged and invigorated child-welfare services. Many State welfare departments are attempting to give service on reservations but meager funds for this purpose result in a service which, where existent, is on a too little and a too late policy. Special Federal appropriations for the development of adequate child-welfare services on Indian reservations would, in the long run, save the still larger sums which will be required to pay the costs which will be involved in caring for neglected youngsters after they have become grossly inadequate adult citizens.

It is recommended that additional Federal appropriations be made to insure adequate community and child-welfare services on reservations. It is the view of the subcommittee that responsibility for the administration of these services should be shifted to the respective States. As rapidly as this can be accomplished, funds so appropriated should be allotted to the respective States for the development or to insure the continuation of such services.

It is essential, in connection with the welfare of both Indian youth and adults, that the States assume responsibility for the care of those mentally ill. It is recommended that the Indian Bureau enter into the appropriate agreements with States as rapidly as possible.

A serious lack was found in provisions for the granting of general economic assistance to families in real need. The recommendation has been made that additional funds be appropriated to meet that need. It is the opinion of the subcommittee that responsibility for the administration of such assistance should be transferred to the established public-welfare agencies of the several States as soon as the change can be made.

Adverse health conditions may contribute to juvenile delinquency in various respects. The subcommittee believes that greatly enlarging the scope of public-health programs should be a priority to improve the health of Indians on reservations. Recently the Bureau of Indian Affairs inaugurated, on an experimental basis, a health plan on Indian reservations in the State of Washington. The results have been gratifying and it is recommended that sufficient funds be appropriated to establish such a health plan for the benefit of the Indians on all the reservations throughout the United States. The need is especially apparent among the tribes in Arizona which show high incidence of tuberculosis and pneumonia.

It is recommended that the Indian Bureau encourage and propagate more effective action in determining the parentage and the ordering of support payments for illegitimate children. Passage by Congress of Senate bill 1955, better known as the runaway father's bill, would aid in this problem. It is also recommended that desertion by fathers be included in the so-called 10 major crimes covering Federal jurisdiction in the matter.

Additional funds should be appropriated to provide ambulances and mobile health units for those reservations in areas such as Arizona where the Indian settlements are remote from the Indian hospitals. The Indian hospital in the Papago Indian Reservation at Sells, Ariz., should be restored.

A number of the recommendations point to the need for new legislation at both the State and Federal levels, while other recommendations are directed at ways and means of improving coordination and teamwork among the tribal, State, Federal governmental, and other agencies and organizations dealing with Indian affairs.

Two of the very important governmental responsibilities toward the Indians are in the areas of education and the maintenance of law and order. They are both of paramount importance in relation to the problem of juvenile delinquency.

The carrying out of the responsibility for improving educational standards and the furthering of educational opportunities among the Indians would assist substantially in preventing delinquency among the Indian children. To achieve this objective in a practical manner, the subcommittee recommends:

1. Establishment of a comprehensive program which would provide for scholarships for Indian youth, similar to the educational provisions that have been offered under the veterans' benefits. This would enable them to pursue courses of advanced study and training.

2. Additional special courses in vocational and technical training should be provided in both public and Indian schools for adults as well as for youths residing on Indian reservations. This program should include part-time continuation school programs for those unable to attend full-time classes.

The subcommittee recommends that the Bureau of Indian Affairs provide immediate facilities for the education of the 6,000 Navaho children. These children are between the ages of 6 and 18 years, who have not as yet attended any school. Provision for schools is also necessary at certain other Indian reservations, even though they are not confronted with as serious a problem as that found at the Navaho Reservation.

The subcommittee is of the opinion that present efforts to transfer the educational activities of the Indian Bureau to State authorities are sound. If such cannot be accomplished under provisions of the Johnson-O'Malley Act, then special legislation should be enacted to achieve this goal.

Laxity in law enforcement contributes to crime and delinquency in both children and adults on Indian reservations. The Congress should consider Federal reimbursement to

the States for the cost of administering law and order if and when the States assume jurisdiction over offenses committed by or against Indians on the reservations, under Public Law 280, which delegated civil and criminal jurisdiction over Indian lands (excepting jurisdiction relative to the so-called 10 major crimes) to the States in which these lands are located, if certain conditions relative to the assumption of such jurisdiction by the States were met. These conditions include the adoption of legislation by States necessary to the exercise of such jurisdiction.

In order to further improve law enforcement on Indian reservations, the subcommittee recommends that the following steps be taken:

1. Allocation of Federal funds to States to assist them in securing the enlarged personnel and additional facilities necessary to their assuming responsibility for law enforcement on Indian lands under Public Law 280.

2. Codification of Federal laws, including treaties and special agreements pertaining to American Indians.

3. Adoption, through legislative enactment, of uniform definitions as to "who is an Indian" and "what is Indian country."

It is the belief of this subcommittee that much could be accomplished through invigorated and extended efforts to bring into being a continuing program of community planning in relation to the local problems on each reservation area. Through such programs involving tribal, county, State, and Federal personnel and efforts, a variety of local activities might be stimulated. With reference specifically to youth, for example, such activities might include their participation in the programs of the Future Farmers of America, 4-H Clubs, and other programs. It might also result in the formation of other types of leisure time as well as in the provision of other recreational outlets.

The Indian Reorganization Act (84 Stat. 984) provided for the organization of Indians into tribal groups with constitutions and charters approved by the Department of the Interior. Not all tribes, however, were thus organized. Several difficulties have developed in these tribal organizations. One of the difficulties relates to questions regarding the effectiveness and adequate representation of the governing bodies on the several reservations.

It is recommended that a thorough reexamination of the Indian Reorganization Act and an evaluation of the self-governing operations of each Indian tribe be made in order to determine if further legislative action is necessary to correct the difficulties encountered.

The subcommittee believes that positive action upon a part of the foregoing recommendations would ameliorate those problems which were found to be contributing to delinquency among Indian children in the United States.

Mr. LANGER. Finally, Mr. President, I wish to say I think this is a strange proceeding. It is very strange to me, because in the Republican platform, when candidates were running for office, it was their position that they would see citizens who called on them. It was said, "Whenever the farmers want to come to see us we will be glad to see them personally." When certain cattle growers got together in a cavalcade to come to Washington they were told by the Secretary of Agriculture to turn back. When the REA people held conventions five different times, the President of the United States declined to address them. This year the President finally did so.

We now observe the spectacle of members of the Indian Congress, which represents all Indians from all over this great country—somewhere between 350,000 and 400,000—not being able even to get an opportunity to shake the hand of the President of the United States.

I merely say in closing that in my opinion if we had a President of the United States, with truly humanitarian instincts toward the Indians, he would have taken 3 or 4 minutes to shake hands with their leaders.

ORDER OF BUSINESS

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Has the morning hour been concluded?

The PRESIDING OFFICER. Morning business has not been concluded as yet.

Mr. STENNIS. Mr. President, I wish to seek the floor after the morning business is concluded.

RED CHINA TODAY—ARTICLES BY DR. SRIPATI CHANDRASEKHAR

Mr. CHURCH. Mr. President, a few weeks ago a series of articles was published in the Washington Star on "Red China Today." These were prepared by Dr. Sripati Chandrasekhar, of India.

Such reports as we are getting from Red China are foreboding. On January 23, I had printed in the RECORD an article from the Wall Street Journal showing that 1958 food production was double that of a year earlier, and that an additional 80 million acres of land was brought under irrigation.

If 300,000 mess halls gather 98 percent of the rural Chinese together for their daily meals, it is small wonder that there is success in dinning into the minds of 650 million Chinese, a hatred for the United States, and a conviction that America is the greatest menace to peace.

Mr. President, the significant thing is that we are receiving but fragmentary reports of a revolution which ought to have our closest attention. A part of the reason for this, I believe, has been our policy of restricting and discouraging American newsmen from going to Red China. We do not have a William Shirer or a Vincent Shean reporting the hard, unvarnished facts of Red China's gigantic and frightening revolution. Closing our eyes and ears to it will not make it go away.

I ask unanimous consent that two of the articles of Dr. Chandrasekhar, which were published in the Star on February 20 and 22, be printed in the RECORD at this point in my remarks.

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

[From the Washington Evening Star, Feb. 20, 1959]

RIGID CONTROL AND LACK OF SOLITUDE MARK LIFE IN BURGEONING COMMUNES

(By Dr. Sripati Chandrasekhar)

Hard work is the order of the day in the Chili Yin people's commune which I visited during my travels in Red China. The evening brings a dash of recreation—and large doses of Communist training.

After the day's toil in the fields and factories of this pioneer commune in Honan Province, all attend regular classes. There they listen to the radio, which pours out the latest editorial from the People's Daily, the latest production figures from agriculture and industry, the latest government measures to liquidate Chiang Kai-shek, figures on how China has surpassed Britain in the production of various industrial goods.

SELF-CRITICISM

Then here is a movie or a play or an acrobatic show. And last is the party meeting, which every worker attends. Here the matchless art of self-criticism is practiced.

People rise up and confess their drawbacks and failings, criticize their colleagues and swear to increase production if only to regain Formosa, the island bastion of the Nationalist Chinese. Thereafter, everyone retires for the compulsory 8 hours' sleep.

Nursing mothers and those of ailing children can visit the public nurseries or kindergartens, though this is not necessary as children are under the care of trained nurses and teachers. Parents can give up their bourgeois emotional attachments and stop worrying about their youngsters.

SIXTEEN GUARANTEES

This commune which I described is popularly called the commune of 16 guarantees. Everybody, according to the age group and sex of the individual, is given 16 guarantees. They are:

1. Clothing (clothing is still a problem because of the cold climate. Heating is poor).
2. Food.
3. Housing.
4. Transportation (from residence to place of work).
5. Maternity benefits. Expectant mothers are given 45 days' leave and a quantity of red sugar, which is a must for expectant mothers in China.
6. Sickness leave and free medical aid.
7. Free old-age care.
8. Free funeral and burial. The director of the commune told me that they would like to give up burial for cremation but the people were prejudiced in favor of traditional interment. So they are adopting what is now called deep burial. The body is buried at least 10 feet deep so that they can use the land, which otherwise might be a graveyard, for orchards.
9. Free education.
10. A small marriage grant and a free reception for the couple.
11. Twelve free haircuts a year.
12. Twenty free bath tickets a year. (Hot water baths.)
13. Free bringing up of children.
14. Free recreation.
15. Free tailoring.
16. Free electricity.

INCENTIVES CITED

After reciting these benefits—a kind of cradle-to-grave insurance—in return for unquestioning, lifelong hard labor, the director asked me, "What more can one want?"

"Nothing," I confessed, "but can you obtain a pack of cigarettes, for instance?"

"We have not overlooked that," the director replied happily. "Though we have abolished the need for money, we have provided certain incentives to enable a person to earn 5 yuan a month." That is, if any worker shows tremendous integrity and ability, or perfects a new technique, he gets a reward of 1 to 5 yuan a month. (In purchasing power, 1 yuan is about equal to 1 Indian rupee. The rupee is worth about 27 cents.)

"This is a kind of bonus," the director added. "Though no one has yet earned the full amount."

LACK OF PRIVACY

This is the commune where human beings are reduced to the level of inmates in a zoo. But there is a difference. The animals in a zoo do not have to work hard, and, what is more, they don't have to listen to the quasi-compulsory radio.

The lack of peace and quiet in the countryside where no one can retire and reflect, and the lack of privacy and solitude is to me more terrifying than all the hells put together.

PRODUCTION RISING

Communist Party Chairman Mao Tse-tung had hoped that the whole nation would become one big commune in a few years, but there seemed to be some doubt and resistance among the leaders themselves. Time alone can tell what lies ahead for China and the millions confined in her communes.

However, agricultural production is rising, though no one can swallow without a grain of salt the astronomical figures reeled out by officials. The methods adopted to achieve this great leap forward in agricultural production are:

All arable land (except in uneasy Tibet) has been brought under the plow; constant irrigation; deep plowing, 3 to 6 feet deep (on an experimental farm I visited they are plowing by detonating small bombs under the ground); close planting; and dumping enormous amounts of manure, night soil, green leaves, compost, and bacteria—layer after layer interspersed with good earth.

Communist China has solved the problem of food supply for its teeming millions, but it is difficult to check the figures on agricultural production. It is possible that they are generalizing from successes on small experimental farms. It is possible that their bookkeeping may be faulty.

Or, maybe, China's soil has joined the Communist Party's big leap forward campaign. It is anybody's guess.

[From the Washington Sunday Star, Feb. 22, 1959]

CHINESE GET CONTINUAL BLASTS OF ANTI-U.S. TALK

(There was a time when mainland China considered the United States one of its best friends. That time seems remote now—and receding steadily through Peiping's continuing hate-America campaign as reported first hand by a noted Indian social scientist. This article, based on 6 weeks' travel through Red China, is distributed exclusively outside India by the Associated Press. Among other things, it weighs the Communist Chinese challenge from an Indian standpoint.)

(By Sripati Chandrasekhar)

An intriguing, if disconcerting, aspect of the contemporary Chinese scene is the tremendous nationwide political propaganda concerning who Red China's friends and enemies are.

The whole nation has been taught that there is one great Socialist friend of China—the "selfless" Soviet Union—and one irreconcilable "imperialist enemy"—the United States.

The first is understandable, for it is the leader of the Communist camp. It is also true that this friendly Soviet Union, whether selfless or not, is responsible for 90 percent of the heavy machinery, an overwhelming majority of all technical experts and almost all the blueprints of China's industrial progress.

In fact, the Russians are almost exclusively responsible for such industrialization as has taken place in China in recent years.

It is no wonder that Russians receive special, preferential treatment all over China. The Chinese are now building special hotels for Russians so that they can have their own life without meeting or mingling with other foreigners from within or without the Communist world.

At every hotel in which I stayed during my 6 weeks in Red China, from Canton to Harbin in Manchuria, I found that my fellow guests belonged to some Soviet delegation or other. These delegations range from geological teams and steel experts down to acrobats and dancers. China is being rapidly Russianized in dress and manners, language and culture.

RUSSIAN LANGUAGE PUSHED

The only foreign language recognized in China is Russian. From menus to theater notices, from directions at stations and airports to travel information, I found only two languages—Chinese and Russian.

Today Russian is taught at most universities in place of English, French, and German. The English language was fairly widespread as a means of instruction before the Communists took over.

I have heard Chinese speaking Russian, but I discovered that English-speaking Chinese preferred speaking in Chinese rather than English. I have seen students using Russian textbooks in medical colleges and technical universities. All libraries that I visited were filled with Russian books, mostly technical.

In every factory I visited I was told the same story of the selfless help of the Soviet Union in giving technical aid and machinery. Whether it is the heavy machine tool factory in Harbin or the iron and steel complex at Wuhan or the great new bridge on the Yangtze River linking the north and south of China with the triple cities at Wuhan—all have been accomplished with Soviet assistance.

The Russians draw up the plans, bring the machinery, and raise the plant with, of course, the help of Chinese engineers and workers. But the Russian engineers stay behind the scenes and one sees only Chinese manning the machines and directing the factories.

RUSSIAN CULTURE ADVANCES

Russian literature, Russian ballet, Russian teaching, and Russian thinking have invaded China from Mukden to Canton. In every city of importance the Chinese have erected massive structures in honor of Sino-Soviet cooperation, and these buildings usually house permanent exhibitions of the Soviet Union's technological achievements, which are extremely impressive.

The Communists have gone about this business of Russianizing China in a thorough fashion. In a word, China is fast becoming an image of Russia.

On the other hand, there is the painful contrast of China's attitude to America. America has acquired the permanent adjective of "imperialistic" in the Chinese language. Everyone, from a village schoolgirl to a cabinet minister, will tell you that China's enemy No. 1 is the United States.

In every town the visitor is greeted, at the station or in the market place or a busy thoroughfare, by a huge poster—some 40 by 60 feet—showing a picture of Communist China crushing America and Secretary of State John Foster Dulles.

The most common of these posters were of three kinds. One showed molten steel pouring out of mainland China on Mr. Dulles and President Chiang Kai-shek of Nationalist China on the fast-sinking island of Formosa. The second type showed an American GI being pierced to death by a Chinese soldier's bayonet. The third showed a cringing Chiang and a shivering Dulles hanging from a Chinese noose.

UNITED STATES DEPICTED AS MENACE

All mass media—press, platform, radio, and the inevitable loudspeaker—have been harnessed to din into the Chinese that America is the greatest menace to peace and prosperity. One can see films and exhibits purporting to show American interference, espionage, and subversive activities on the mainland.

And, I believe, they have largely succeeded in training a nation of 650 million to hate the United States.

Various American campuses have been renamed, and the American-educated Chinese staff has been de-Americanized. After going round in Tsing Hua University in Peiping I asked whether this was the campus run with the Boxer Indemnity Fund. I was told that only a paltry few thousand dollars had been spent on that campus in the past, but that this was just as well, as Tsing Hua trained only "lackeys of American imperialism."

They have also closed down the Peiping Union Medical College—donated and run by the Rockefeller Foundation for a number of years. This institution, by all accounts, rendered valuable service to the people, but it had to be closed to erase the memory of its past connection with America.

I visited Union Medical and found that the college was no more, but that the attractive hospital had grown enormously and continues to minister to the ill. The Union Medical College has now become the Chinese Academy of Medical Sciences.

I met a few members of the staff—Chinese graduates of American medical colleges. In our talks I discovered that none had any warm recollection of the United States. (This surprised me considerably, for I can remember how happy most of my Chinese fellow students at American universities were and how much they seemed to appreciate the warm and generous treatment they received on American campuses.)

WHY THEY DISLIKE US

But what is China's case against the United States? It is a simple one. America should withdraw the 7th Fleet and get out of Formosa so that the Communists can occupy it. To them, the Formosa issue is purely a domestic problem.

"Taiwan (Formosa) is an internal problem. It is a continuation or an extension of our civil war, if you like. We know how to deal with Chiang Kai-shek. We may appoint him a governor or liquidate him for his past criminal acts. But the Americans are in the way." This, I think, correctly sums up their attitude.

The second grievance is that the United States is preventing China from taking her place in the U.N. These twin grievances stem from the basic fact of America's nonrecognition of Communist China. If communism is the barrier, they ask, then how is it that America has recognized the Soviet Union, Czechoslovakia, Poland, etc.?

It is obvious that all this ignores numerous historical factors which account for the two Chinas of today, and even more basic is the recognition of regimes which come to power through force, violence, and bloodshed.

At any rate, the psychological need for creating anti-American hysteria is evident, from the Communist point of view. The creation of an external enemy, who threatens to destroy the very existence of China, is a powerful force to cement internal unity and secure support for the existing regime—a regime which is not entirely loved by all the 650 million Chinese.

It is interesting that one hears very little in China about the British possessions of Hong Kong, Kowloon, and the New Territories or Portugal's of Macao. Maybe the time is not ripe officially to brand them as "imperialists" and agitate against them on a national scale. It must be added, though, that the Chinese "spontaneously" agitated against Britain when her troops landed in Jordan during the Middle East crisis.

THE FORMOSA PROBLEM

There is no denying that the Chinese Communists feel strongly about their dispute

with the United States. Peace in Asia may well be threatened by the way the Formosa problem is solved.

There are three ways to dispose of it. One is to declare the island independent and let the people of Formosa choose whatever government they like. The second is to make it a United Nations trust territory, as suggested recently by Lord Attlee, former British Prime Minister. The third way out is to hand it over to the Peiping regime.

Whatever the ultimate solution, the need for preserving peace in the area is imperative. Here is an area where India can exert its energies to enable the parties to reach agreement. But then, there is no guarantee that peace will endure, for the Communists may open the question of Kowloon, Hong Kong, and Macao.

Supposing that these issues are also settled, there is always the instinctive urge on the part of the Communists to spread their tentacles into other parts of Southeast Asia, "to liberate the poverty stricken masses from their bourgeois, capitalistic, and reactionary native masters."

Before we in India realize what is happening, Red China may be breathing down our neck. And whether it will be the healthy breath of a welcome friend or the scorching breath of a Chinese dragon will perhaps be decided by the firmness with which we state our belief in freedom and democracy and the fervor with which we are able to build up our free institutions.

THE AGRICULTURAL SUPPORT PROGRAM

Mr. YOUNG of North Dakota. Mr. President, I was very much pleased to note the interest in problems of agriculture on the part of the Daniel F. Rice Grain Co., with home offices in Chicago.

Their analysis of the agricultural problem, and particularly the budget, is to be commended.

Mr. President, I ask unanimous consent to have their four recent commodity letters printed in the RECORD as a part of my remarks.

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

COMMODITY LETTER OF FEBRUARY 18, 1959

The time has come in matters of agricultural legislation to get on one horse and ride off in one direction. It has been clear to us for a long time that an agricultural support program cannot be all things to all people; that it cannot repeal the immutable laws of supply, demand, and price. If a price program is designed to support prices above levels that would otherwise exist it has to have enough teeth in it to command the supply so that the price can be put where it is wanted.

This simple principle has either not been clear to the administration and the Congress or they have chosen to ignore it. The Congress has tried to gallop off in two directions at once—toward higher prices than would prevail in the market place and unlimited production. The Department of Agriculture has thrashed about in all directions at once. They have advocated lower price supports but have never wanted to go the whole hog and eliminate supports as the reasoning of their position would dictate. They have argued that lower supports would cut production and have sat for 6 years with the same argument while prices went down and production up. They have taken huge quantities of grain off the market through loans to support prices and at the same time have sold huge quantities which have weighed very heavily on prices. The Department tried a soil bank scheme. It was never clear whether this was to cut production or to improve land so that we could get more production.

The result of all of this confusion has been lower prices, the accumulation of huge stocks, expenditure of vast sums of public funds, and reduced farm income. In early 1953 when this administration took office wheat was selling for $2.45 per bushel, corn $1.65, oats 92 cents, and soybeans $3. Now wheat is $2, corn $1.20, oats 68 cents, and soybeans $2.24. By way of contrast the Dow-Jones industrial stock price was 287 in January 1953 and now is 590. The agricultural situation is becoming critical. How long farmers can continue to take the kind of economic punishment that they have been submitted to in recent years is conjectural. There is no doubt that justice calls for an immediate reversal of the recent trend.

During this session of Congress the agricultural problem is getting more than the usual amount of attention. Three things appear to be behind this interest: (1) attempts to capture the farm vote, (2) concern over the high cost of farm programs, and (3) concern over the ineffectiveness of existing programs. The administration continues to beat the same old drum for lower supports. With regard to wheat they seem to think that some varieties and qualities would go as low as $1.12. The Congress is kicking around two price proposals. One is for direct income deficiency payments on the amount of the commodity used domestically and the other is a scheme to use food as an instrument of peace. The second presumably means to increase our export dumping programs. One wonders if there are any more ways to dump than are already being used.

None of the suggestions get to the point of a fair price in the marketplace. There is no reason to think that a fair price to farmers cannot be determined and production and inventories adjusted and managed so that this fair price can be maintained. There is no reason why agriculture cannot be run as a business so that it produces when there is a profit and does not produce when there is a loss. There is no reason why farmers should be expected to subsidize consumers, both domestic and foreign, and why Government should in turn be forced to heavily subsidize farmers.

To put agriculture in a profitable position a four-step program needs to be adopted:

1. Establish fair prices for the main agricultural products. A new system needs to be developed to take into account new technology and new methods.

2. Establish production goals that will result in the desired prices. These goals need to be established by a board of nonpartisan experts.

3. Enforce multiple cross compliance. No system of control will work if land is taken out of one crop and put into another, creating a problem somewhere else. Land taken out of one crop has got to go out of production.

4. Freeze existing surplus stocks. When production and use are brought into balance these stocks can be appraised and their disposition determined. We may want to keep them as a reserve against atomic attack. Stocks can be frozen. If one bushel of corn in Crossroads, Iowa, needs to be sold because it is going out of condition, CCC can buy a bushel at Crossroads to replace it.

This program cannot be compromised and made to work. Either we adopt this program or we return to a non-Government situation. We cannot continue to ride two horses in opposite directions.

COMMODITY LETTER OF FEBRUARY 26, 1959

The price supports for 1959 crops were announced and fell on commodity markets like a load of bricks. A similar impact on farm income will be felt when 1959 crops start to market. With the huge carryover and the extreme willingness of Commodity Credit Corporation to sell in competition with farmers, the result will be a further reduction in the already low income of grain farmers.

Crop	1959 loan rate	1958 loan rate	1947-56 bushels per acre	Gross at 1959 loan	Gross at 1958 loan	Change	
						Dollars	Percent
Wheat	$1.81	$1.82	17.7	$32.04	$32.21	−$0.17	−1
Corn	1.12	1.06	38.8	43.46	41.13	+2.33	+6
Soybeans	1.85	2.09	20.3	37.56	42.43	−4.87	−11
Oats	.50	.61	34.3	17.15	20.92	−3.77	−18
Barley	.77	.93	27.2	20.94	25.30	−4.36	−17
Rye	.90	1.10	12.8	11.52	14.08	−2.56	−18
Grain Sorghums	.85	1.02	19.6	16.66	19.99	−3.33	−17

Gross income reductions ranging up to 18 per cent per acre are of ruinous proportions. Agriculture cannot survive under this load. The Secretary of Agriculture has just about had his way in the matter of flexible price supports. The results of the flexible program have now come home to roost.

The impact of this reduction on net farm income is a bitter measure. It costs about $38 per acre to produce corn, if we leave out return on money invested in land, land taxes, and labor. For soybeans, that cost is $32.50, and for oats, barley, and grain sorghums the cost of production is about $26. Under these circumstances a farmer does a little better than breaking even on wheat, corn, and soybeans, if he throws in his land and labor free, and is forgiven his land taxes. If land taxes must be paid, he is just about able to meet out of pocket costs. For the other grains there is no hope of avoiding a loss. It is no wonder that in every quarter we hear from farmers who are up in arms about the new loan rates. How long does this have to go on?

The infinite wisdom of the Department of Agriculture is shown in the apparent changes in relationship among the various grains. Most of the decreases in loan rates are in those commodities that have the smallest stocks in CCC inventory. The decrease in wheat, however, is very small, while there is an increase in corn. The largest inventories in CCC's larder are wheat and corn. A medium sized problem exists in soybeans, so there is a medium sized decrease in soybean support.

The effect of these changes in the relationships of anticipated gross returns on the various crops can be clearly foretold. Much of the fall planted rye will be plowed up and planted in corn. The acreages of barley, oats, and grain sorghums will shift to soybeans and corn.

Before this latest onslaught, soybeans and corn were on a fairly even footing. Now the scales are heavily balanced in favor of corn. Land that was in soybeans on corn acreage allotment farms, it is anticipated, will shift to corn. Add to this the land in the discontinued acreage reserve and it becomes clear that a major increase in corn acreage is to be expected.

This behavior of the Government makes it seem that every action is bottomed on a deliberate plan to increase the already bulg-

ing grain bins, to expand the Government's domination of every phase of grain marketing, as well as continually to drive farmers' income down. Every action is in contradiction of the avowed wish of the administration to return to free markets and free prices.

For 7 years the production of corn has been greater than consumption. The powers seem to be trying their best to make it 8 years. When will Washington understand that something must be done to turn off the deluge of production from farms?

COMMODITY LETTER OF MARCH 6, 1959

The urban press of the United States has unleashed a vicious attack on agricultural programs by repeatedly talking about the high cost to the taxpayer. The Congress and the general public appear to be taken in by this. The Department of Agriculture has taken hold of this tool to help push through its policy of liquidating price support programs and with them the liquidation of the American farmer.

Truly astronomical figures are bandied about. The lowest estimate of agriculture costs one hears these days is on the general order of 7 billion. It is not unusual to hear 12 or 13 billion mentioned. Another look needs to be taken. These are gross exaggerations and not much of it goes to farmers.

Agricultural appropriations for fiscal 1959 (millions of dollars) were:

Regular activities:			
Agricultural Research Service	$160.6	C	
Extension Service	63.2	C	
Farmer Cooperative Service	.6	C	
Soil Conservation Service	128.6	C	
Agricultural conservation program	235.0	C	
Agricultural Marketing Service (includes school lunch)	146.0 (110.0)	C	
Foreign Agricultural Service	4.0	S	
Commodity Exchange Authority	.8	P	
Soil-bank programs	809.5	F	
Commodity Stabilization Service	115.7	P	
Federal crop insurance programs	6.4	F	
Rural Electrification Administration	9.0	C	
Farmers' Home Administration	29.1	F	
Forest Service	130.3	C	
General overhead	7.9	C	
Subtotal			$1,846.7
Restoration of CCC capital	1,760.4	P	1,760.4
CCC administrative expense	35.4	P	35.4
Permanent appropriations:			
Removal of surplus agricultural commodities (30 percent of customs receipts)	235.9	T	
Other	61.9	T	
Subtotal			297.8
Loan authorizations	594.0	L	594.0
Special activities:			
Agricultural Research and Marketing service activities	20.1	C	
Emergency relief	125.8	S	
Public Law 480 and barter	1,509.7	S	
Soil bank programs	567.5	F	
Subtotal			2,313.1
Grand total			6,847.4

All of these costs in fiscal 1959 are keyed with a letter showing who really benefited. C-consuming public, F-farmers, S-State Department as part of our foreign policy, L-loans, repayable and bearing interest, P-price programs, and T-transfer of funds. Under the C there is $892.3 million. This went for research, teaching, disease eradication, monoply control, school lunch, etc. Some of these programs are as old as the Land Grant College Act of 1862. These activities have enabled farmers to make the production increases that have enabled food production to keep up with population. Under the S there is $1,639.5 million that went to feed hungry people throughout the free world and advance our interests against communism. Under the L there is $594 million, sound and repayable and shouldn't be changed. Under the T is $297.8 million that is mainly customs and forest lands receipts, not costing taxpayers a dime. Under the P there is $1,796.6 million. This went to support a vast bureaucracy, pay storage to nonfarmers on a mountainous inventory, and to take losses on commodities sold. A well-run program would cost only a fraction of this amount. By no stretch of the imagination can over $850 million be considered as benefiting farmers. This leaves $1,412.5 million under the F. At the outside high, programs for the benefit of farmers costs $2.3 billion dollars. Of this, $1,377 million was for the soil bank, most of which has now been discontinued. The real cost of farmers to the taxpayers stands at about $1 billion.

Farmers got about a billion, and the consuming public got about a billion. Where did the rest go? We believe that at this time, Congress, the press, and the public should recognize the true facts concerning the farmers and realize that the prosperity of the farmer is the backbone of the Nation.

COMMODITY LETTER OF MARCH 13, 1959

What happens to the price of corn and other grains between now and summer depends on the sales policy of CCC. Any relationship between what CCC does and what Congress intended by its enactments is purely coincidental. The present price of corn to farmers, for example, is below the legal loan. There is enough corn going into the loan system, however, to force prices up to the loan level plus an amount at which redemption will be profitable.

If CCC would stop selling corn now, the price of corn would be under the control of farmers where it belongs. The price would go up to a point at which farmers would be willing to sell.

CCC, as administered by the Secretary of Agriculture and his staff, seems to have gained a stature above and beyond the law. The law says that Government inventories can be sold only when the price is 105 percent of the support price, or the grain is non-storable or in danger of becoming nonstorable, or is for export under special programs. CCC continues to undersell corn that grades No. 2 yellow. This corn is not out of condition or in danger of going out of condition. These sales of corn can be very sharply reduced anytime CCC is forced to comply with the law.

Not only is perfectly good corn being sold, but it is being sold in locations that wreak the greatest havoc in the price structure. The two groups who are most important in setting the commercial price of corn are processors and exporters. The processors of corn in the United States know they do not have to carry inventories or go into the market and bid for farmers' corn to be assured of a supply. They can sit with their bins full of CCC corn stored at the get-rich-quick Government rate and know that all they have to do when they need supplies is to make an offer to CCC and get high quality corn right where they want it. CCC policy has made it possible for processors to make fabulous profits. If they were required to carry their own inventories they would incur interest and storage costs. Much of the excess profits now realized would disappear.

The exporters deal in payment in kind script that lets them have high quality corn in locations where sales will have the maximum price depressing result. Possibly the subsidy in kind program should be eliminated in favor of a subsidy in cash arrangement, since the subsidy in kind program has permitted CCC to oversell commercial centers by providing not only the normal export subsidy, but also has provided additional grain available at less than the normal market differentials, thus providing an additional transportation subsidy.

When one looks at the way CCC inventories are used to depress prices, one must conclude that either the people running the program are incompetent or are in league with processors and exporters. A faint indication in that direction may be gained by reviewing current business affiliations of former high-ranking officials of the Commodity Stabilization Service.

The responsibility for the administration of the law rests with the Secretary of Agriculture. Apparently, Mr. Benson doesn't like the Washington climate. He spends most of his time stumping the country, speaking to all and sundry who will listen, on matters of high policy. It is time that he stayed home and kept the store.

The grain inventory programs can be run for the benefit of farmers as the law intends. The Secretary of Agriculture should appoint an advisory committee to plan sales and reconcentration programs in such a way that disposal programs will have minimum market depressing effects. Such a committee could force merchants and processors to go into the market place and pay harvest prices for their supplies.

The ultimate responsibility for administration of the law rests with Congress. The duties of Congress do not end when the law is written. Congressional committees should call officials of the Commodity Stabilization Service on the carpet frequently and force them to establish that every single sale of grain made during the past 12 months was in compliance with law. Congress should appoint an independent grain committee: (1) To investigate sales of all alleged out-of-condition corn to see how much of it really needed to be sold, and (2) to point out to the CCC how sales could be made with the least market effect.

Anyone looking at the inner workings of the Government inventory programs must conclude that those programs are run by, for, and of the grain merchants, exporters, and processors, rather than for the farmers as the law intends. The Congress is derelict in its duty until it straightens this situation out.

REPRESENTATIVE LESTER JOHNSON'S FIGHT FOR LIFTING BARRIERS FOR INTERSTATE MARKETING OF WISCONSIN MILK

Mr. PROXMIRE. Mr. President, at this time I desire to publicly commend and endorse the efforts which are being made by Wisconsin's distinguished Representative, LESTER JOHNSON, to establish an orderly and open nationwide market for fluid milk.

The principal instrumentality for creating a national market for milk is adoption of a uniform national milk sanitation code. Representative JOHNSON is the principal author of legislation to accomplish this in the present Congress, as he was in previous years. I am proud to be a cosponsor, with the senior Senator from Minnesota [Mr. HUMPHREY], my senior colleague from Wisconsin [Mr. WILEY], and the junior Senator from Minnesota [Mr. MCCARTHY], of the Senate companion bill to LESTER JOHNSON'S milk sanitation bill. This bill would provide the basic foundation for a national milk market. It would provide that milk which meets the U.S. Public Health Service sanitation code cannot be barred from any local market in the country where there is someone who wants to buy it.

It is extremely unfortunate, in my opinion, that the organization of local dairy farmers which enjoys a favored position in respect to the Washington,

D.C., milk market, has chosen to misrepresent the merits of Wisconsin milk and of the U.S. Public Health Service code. This is grossly unfair to Wisconsin and other Western producers of milk—who produce some of the finest, most wholesome milk, and other dairy products in the world. It is grossly unfair to consumers, who are entitled to know that they can place complete confidence in the U.S. Public Health Service and its uniform milk sanitation code.

Mr. President, LESTER JOHNSON has performed a tremendous service to his District, to his State, and to the Nation, in the able way in which he has sorted out the misrepresentations and excesses which have been injected into the dispute over whether to allow Wisconsin milk to be sold in Washington, and kept the record clear and straight.

In his speech in the House on this subject recently—March 9—LESTER JOHNSON touched on one matter of great importance which I should like to call again to the attention of the dairy farmers in the Washington milkshed.

Mr. JOHNSON noted that he was the author of a dairy bill in the other House in the last session—H.R. 13800—which would provide a way in which all dairymen could get together to develop nationwide bargaining power. This was an excellent dairy bill; I was the author of very similar legislation in the Senate.

Mr. President, the dairy farmers of Wisconsin realize full well that they will not find their economic salvation by destroying the bargaining power of other dairy farmers. It is not Representative JOHNSON's intent, nor mine, nor of any important group of dairy farmers anywhere in Wisconsin, to wreck the Maryland-Virginia Milk Producers' Federation, or any other cooperative owned and controlled by dairy farmers. The Maryland-Virginia dairy farmers work hard for their livelihood; they produce good, wholesome milk, and they are entitled to an adequate return on their labor and investment.

But Wisconsin dairy farmers are entitled to adequate returns on their labor and investment also, and they are not getting them now. In fact, because Wisconsin is located far from the major markets for fluid milk, its farmers suffer a severe economic disadvantage in comparison with producers located closer to markets. Wisconsin and other distant milk producing areas are forced to bear most of the surplus burden for the entire national milk industry.

In the long run, milk producers in Wisconsin and those in Maryland and Virginia, and elsewhere throughout the Nation, must work together for the mutual welfare of all before they can secure a stable and orderly basis for decent returns for farmers anywhere. They must be brought together through a program which gives full consideration to the public interest, such as is provided in the national dairy legislation which has been proposed by LESTER JOHNSON and myself and other Members of Congress.

A uniform national milk sanitation code is an indispensable part of any effective, sensible milk marketing system of the future for this great country.

Only through such a national dairy program based on legislation such as we have proposed can Wisconsin and Minnesota and other surplus burdened areas be assured of equitable access to the Nation's market for milk, on a regular, orderly basis.

And in the long run—even in the fairly short run—the only real security for milk producers in Maryland and Virginia and in the other great milk consuming areas of the eastern seaboard, lies in the establishment of a national dairy program to give milk producers nationwide bargaining power.

In no other way can dairy producers anywhere hope to obtain and hold a favorable market situation without the constant threat of competitive pressure from other sections which enjoy less favorable market conditions.

PANAMA CANAL: PROTECTION AND DEFENSE

Mr. MARTIN. Mr. President, the problems of protecting and defending the Panama Canal, dramatically brought into public focus by recent overthrows of Caribbean governments and revolutionary agitations in the area near the Canal Zone, are matters to which I have devoted much time and study, with numerous resulting statements in the CONGRESSIONAL RECORD.

Thus, it was with keen interest that I read in the February 22, 1959, issues of the New York Times and the Washington, D.C., Sunday Star, two significant news stories, quoting Lt. Gen. Ridgeley Gaither, Commander in Chief, Caribbean, and giving some details of this complicated and important task.

In this connection, it is well to note that there are two problems involved: First, normal police protection of the Panama Canal and its installations under direction of the Governor of the Canal Zone; and, second, their defense against aggression under the military commander, but with both efforts aimed at maintaining the security of the waterway.

I ask unanimous consent that the news stories I have cited be printed at this point in the RECORD.

Without objection, the stories were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 22, 1959]

ONLY 3,000 GUARD THE CANAL ZONE—ECONOMY AND STRATEGY CUT U.S. FORCES—NAVAL AND AIR POWER LACKING

(By Jack Raymond)

QUARRY HEIGHTS, C.Z., February 21.—Economies and strategic policy have reduced the U.S. forces protecting the vital Panama Canal Zone to a single reinforced battle group, about 3,000 men.

There were 65,000 troops in the Canal Zone during World War II.

The Army here has no missiles such as the Nike-Hercules, which guard the key cities of the United States and overseas military installations with nuclear warheads.

The Caribbean Command's area of responsibility is the entire land mass of Central and South America south of Mexico. But it has no airpower and no war vessels, although it has headquarters on paper for air and sea operations.

"We are phasing down now and are as low as we can get," Lt. Gen. Ridgeley Gaither declared today. "If we went any lower we would be out."

PROBLEMS OF SECURITY

General Gaither, commander of the Caribbean forces, discussed canal security and related problems at his headquarters here. His comments related to joint Army-Air Force maneuvers in this region.

Although the war games were held in an atmosphere of political tension in the Republic of Panama, General Gaither's remarks were directed to a possible outside enemy such as the Soviet Union.

The Panamanian crisis, which involved a protest against alleged corruption on the city council of nearby Panama City, had no effect upon the maneuvers.

At the peak of the political crisis, United States soldiers were within the Canal Zone. The maneuvers in the Rio Hata region, 75 miles from here, were not affected.

The maneuvers, dubbed Exercise Banyan Tree, were designed to test the United States capability in limited war operations. More than 1,300 paratroopers flew 2,000 miles from Fort Bragg, N.C., and jumped to battle positions here ready to fight.

Although General Gaither said he hoped his command would be reinforced with missiles of atomic capability, he responded to questions about the security of the canal with a wisecrack.

"Having enough security is like your wife having enough dresses," he said with a laugh.

LOW MILITARY PRIORITY

General Gaither, who is a veteran paratrooper, appeared resigned to the low order of military priority assigned to this area by the Joint Chiefs of Staff in Washington.

The three-star general called attention to the absence of any direct contact with Soviet forces that face United States military positions.

"We are surrounded here by friendly countries," he said.

General Gaither stressed that the protection of Panama Canal, completed in 1914 and jealously guarded by the United States since then, was the primary mission of his command.

General Gaither said that last year, of some 4,000 vessels that crossed the Atlantic Ocean, more than half has used the 50-mile waterway across the Panamanian Isthmus.

General Gaither stressed the significance of the Banyan Tree war games. The smoothly completed combat jump by an airborne battle group of the 82d Division after a 7-hour flight showed that his forces could be bolstered in a day, he said.

Aircraft and shipping could quickly be brought here to protect the canal in the event of hostilities, he added.

[From the Washington (D.C.) Sunday Star, Feb. 22, 1959]

LACK OF MISSILE DEFENSE ON CANAL EXPLAINED

(By Elton C. Fay)

PANAMA, February 21.—The Panama Canal once ringed by the most modern of weapons, today has no missile defenses.

Moreover, there seems little air of urgency in establishing missile defenses for the U.S. Canal Zone—in an era when rocket weapons are becoming of major importance.

Why is the primary defense of the Canal Zone still based on antiaircraft guns not much different from those of World War II?

It doesn't necessarily mean that the Joint Chiefs of Staff in Washington question the value of missiles.

KEY REASONS GIVEN

Military commanders stationed here or visiting the area for recently concluded exercises point to some of the factors back of

the policy. And there are other obvious ones which they do not mention.

1. The assumption is that an enemy would aim at seizure rather than destruction of the canal. For a conquering nation it would have high economic value. Its military value to the United States is lessened in these days by the fact that the U.S. Navy now is a two-ocean fleet. Destruction of the canal could be more probable through sabotage of dams and locks than through air or missile attack.

2. The canal, at this time, is well removed from the area of Soviet threat. Lt. Gen. Ridgely Gaither, chief of the combined Army-Navy-Air command for the Caribbean, said today: "My command is not bellied up against any Communist or satellite country; we are in the midst of friendly countries."

3. Because defensive tactics apparently might be needed more against attempted seizure of the canal than its attempted destruction by overt attack, the need is for ground, air, and sea forces to repel invaders.

GUNS VALUE DUBIOUS

Today the resident garrison of the Canal Zone, about 3,000 troops, is smaller than in any year since World War II. The big coastal guns of other wars are gone. In their place are 90 and 120 millimeter antiaircraft guns. They are good against slow-moving propeller-driven aircraft, but of doubtful value against jets.

How would the Caribbean commander repel an attempt to capture the Canal Zone?

During the past week the military has tested out, again, its plan. In exercise Banyan Tree, two organizations for coping with small wars and similar aggressive efforts were used—the Army's Strategic Army Command (STRAC) and the Air Force's composite strike force.

Seven hours after taking off in big C130 turboprop transports from a base in the United States, 1,300 paratroopers parachuted into mock battle in the light jungle 70 miles north of the Canal Zone.

REFUELED IN AIR

Flying with them was an Air Force composite strike force of light jet bombers and fighters. The bombers are able to carry tactical size atomic weapons. Tankers planes refueled the jets in flight, extending their range to match the 2,000 miles flown by the big transports.

It could be asked: Exercise Banyan Tree demonstrated the capability to put a battle group of 1,300 men into the canal area, but what about putting in a bigger force, say an airborne division of 12,000 men?

Maj. Gen. Robert F. Sink, commander of STRAC forces, thinks that, as an example, the 82d Airborne Division (of which the battle group now here is a unit) might be moved to Panama from its Fort Bragg, N.C., station in 4 or 5 hours more than the time required for bringing down just the battle group.

SEVEN HUNDRED PLANES NEEDED

But there are some reservations. The 21 planes which brought the 1,300 paratroopers to the jump zone at Rio Hato obviously couldn't have a whole division. General Sink's estimate is based on the idea of using approximately 700 four-engined, long range planes to airlift a division of troops.

The Air Force's tactical air command doesn't have that many planes ready at all times for immediate use. But by diverting big transports from other services and borrowing from other Air Force units it might be possible to muster that total.

ROY WILLIAM HEBARD: ENGINEER, EXPLORER, AND BUILDER

Mr. MARTIN. Mr. President, one of the most satisfying compensations for public life is its occasional opportunities for participating in great undertakings and in the friendships such efforts bring forth. This is notably true of my work in the Congress having to do with the Panama Canal, which has brought me in touch with many leaders in the several fields concerned with the construction, operation, maintenance, and protection of that vital waterway.

Of these leaders, I have been tremendously impressed with the great stature attained by the distinguished graduates of the construction era of Panama Canal history, many of whom, after leaving canal service, achieved continuing fame in other pursuits.

In 1954, when the Panama Canal problem needed a forthright clarification, a number of them rose to the occasion in a ringing memorial to the Congress of the United States, a paper that contributed materially toward authorization of the Isthmian Canal investigation now being conducted under the direction of the Committee on Merchant Marine and Fisheries of the House of Representatives. One of the signatories of that memorial was Maj. Roy William Hebard, of White Plains, N.Y. A celebrated construction engineer, he started his distinguished career in engineering work during construction of the Panama Canal under the inspiring tutelage of John F. Stevens, historically recognized as its basic architect.

He was known to thousands over two American continents. Thus his death on February 5, 1959, is a matter of hemispheric interest.

Mr. President, I ask unanimous consent that an admirably written obituary, published in the Reporter Dispatch, of White Plains, N.Y., on February 6, 1959, be printed at this point in the RECORD.

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

MAJOR HEBARD DIES—HELPED BUILD THE PANAMA CANAL

Maj. Roy William Hebard, of 204 Soundview Avenue, who founded the construction engineering firm, R. W. Hebard & Co., Inc., in 1909 when in his middle twenties and who had previously spent 5 years as a resident engineer on the Panama Canal construction, died yesterday at his home. He was 85.

His interest in Latin America continued through his lifetime. In April 1954, he was given the Gold Medal of the Pan American Society of the United States for "distinguished services in developing and improving United States-Latin American relations and better understanding with the American Republics and people." Major Hebard had been a member of the society since its founding in 1912 and for more than 30 years had served as officer and director.

Major Hebard was also president of R. W. Hebard Associates in New York, agents for Brazilian mining interests. He had lived in White Plains many years and when not in Latin America had been a commuter from this city to New York since 1919. In 1956 he wrote to the Westchester Board of Supervisors recommending the requested fare boost of the New York Central, calling the railroad service "the best of its kind in Greater New York, or in fact, the United States."

Major Hebard and the thousands who had worked on the Panama Canal project expected that its inauguration on August 15, 1914, would be an occasion for appropriate recognition throughout the civilized world.

But as Major Hebard related later in an address, "Fate is not always kind to the engineering fraternity. Instead of hitting the front pages of the world's newspapers, the news of the canal was thrust in an obscure spot on an inside page and confined to a few lines. The front pages all told of the victorious march of the Kaiser's armies into Belgium. It was the irony of fate that World War I should have erupted in Europe almost on the day that the first ship passed in a man-made canal between the two great oceans, the Atlantic and Pacific."

SERVED AEF WITH DISTINCTION

Major Hebard had his chance to get back at the Kaiser for stealing the headlines. When the United States entered the war in 1917, Major Hebard and most of his associates volunteered for duty with the U.S. Engineers Corps, all serving with distinction in the AEF. Major Hebard was commanding officer of an engineering regiment and attained the rank of major.

In Latin America Major Hebard was regarded much the same way as Henry Kaiser was in this country for a time. He both tackled and mastered gigantic projects.

Major Hebard's company did pioneering work in primitive sections of both Central and South America, building roads, railroads, airports, communication systems, sanitation projects and buildings. From 1925 to 1931 his company worked on engineering and construction projects in seven countries, employing a labor force of more than 12,000 men.

The initial contract after the incorporation of Hebard & Co. was the construction of the first electric tramway ever built in Panama, together with a modern powerplant.

In 1911 Major Hebard met Minor C. Keith, brilliant American builder and entrepreneur in Latin America, an event that was to influence his entire future. The two men hit it off famously from the start, in spite of a great age discrepancy, and Mr. Keith and his associates took a substantial financial interest in the Hebard company.

STUDIED COLOMBIA'S TRANSIT

A New York banking group engaged Major Hebard in 1919 to make a study of transportation in Colombia. After a survey Major Hebard's company carried out highway and railroad work there and designed plans for water supply and sanitation in many important Colombian cities. Later the company located and constructed the famous Carreteraal-Mar (highway to the sea), a mountain road that required the heaviest construction ever undertaken in South America up to that time.

The Guatemala-Salvador Railway, the initial rail connection between any two Central American Republics, was built by the Hebard company.

During World War II the company was engaged on military installations for the U.S. Army at Panama and also built the Asuncion, Paraguay, airport, one of the most modern in South America. The company also served as consultants for Pan American World Airways airports on the north coast of Brazil. They played an important part in aerial transportation between Brazil and Africa during World War II.

Born in Augusta, Wis., Major Hebard was a graduate of the University of Wisconsin. He had lived in White Plains about 40 years and was a member of the White Plains University Club, the Westchester Hills Golf Club, and honorary member of the White Plains Hospital board of governors. During World War II, Major Hebard was active in civil defense.

AN ELECTOR

He was also a past president of the Panama Canal Society, a member of the American Brazilian Association, and treasurer and director of the Pan-American Society of New York. Major Hebard was an elector for the State of New York for the election of President Eisenhower.

Major Hebard leaves his wife, Mrs. Anita Hebard; a daughter, Mrs. Francisco deSola, of San Salvador; two sons, Roy F. Hebard, of Glen Ellyn, Ill., and Richard K. Hebard, of Scarsdale; 10 grandchildren, and a sister, Mrs. Ward Byers, of Kansas City, Mo.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

The Chair lays before the Senate the unfinished business.

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

MILITARY RETIRED PAY INCREASES

Mr. STENNIS. Mr. President, there has been introduced proposed legislation which would authorize pay increases for the military personnel retired prior to June 1, 1958, under current pay laws. This increase would be accomplished by permitting those persons to recompute their retired pay in accordance with the new scales for military basic pay. As the Senate knows, the Congress in the recent Military Pay Act did not adopt the view now being urged. Instead, the act contained, with slight modification, a flat 6 percent increase for those retired prior to its effective date of June 1, 1958.

In August of 1957 I was appointed by Chairman RUSSELL as chairman of a subcommittee to conduct hearings on the military pay legislation then pending in the form of proposed amendments to the Career Compensation Act. This legislation embodied the recommendations of the Cordiner report. The subcommittee held extensive hearings not only on this measure, but the legislation passed by the House. The subcommittee in April of 1958 reported a bill which was adopted without change by the full committee of the Senate, and with a slight modification was finally enacted into law.

This year, especially in view of the recomputation bills, S. 269 and S. 541, which constitute proposals rejected in the new Military Pay Act, many have requested me to present for the record the legislative history and some of the issues involved with respect to the new military pay law and the pending proposed amendments.

In response to these requests and with a sense of continuing obligation to the Senate on the subject, I shall briefly review the highlights of this subject.

POSITION OF CORDINER REPORT

Mr. President, an appropriate place to begin is the Cordiner report on military pay, which provided most of the basic concepts for the recent military pay bill. This report, which was issued in May 1957, did recommend that those already retired under current laws should be allowed to recompute their pay in accordance with the increased scales recommended for active duty personnel. It should be noted, however, that under this approach there would have resulted large increases, ranging as high as 58 percent, for the upper commissioned ranks of those retired. For the retired enlisted personnel and for the lower grade officers there would have been substantially no increase.

POSITION OF MR. CORDINER

Mr. President, Mr. Cordiner himself had reservations about this feature of the pay report. He stated during his testimony before the Military Pay Subcommittee that the retired pay feature was one of the weakest things in the Cordiner report and that it would be very difficult to make it consistent with other portions of the report's recommendations.

There was a difference of opinion among the Cordiner Committee members on his question, although Mr. Cordiner noted that the issue did not go so far as to result in a minority report.

POSITION OF THE EXECUTIVE BRANCH

Mr. President, thereafter there was introduced legislation that would have implemented the pay recommendations of the Cordiner report. The Department of Defense in commenting on this legislation opposed applying the increased pay scales to those on the retired list. The Department of Defense indicated that the primary objective was to provide increased incentives to retain personnel on active duty. The Department indicated that "it is not considered appropriate to reflect these compensation changes to personnel already retired," and, moreover, that "disproportionate increases would accrue to some and none to others," and furthermore, the Cordiner report and bill was not "the proper approach to the retired pay system." As I have already indicated, if recomputation had been permitted there would have been little or no retired pay increases for those in the enlisted and lower commissioned grades, but substantial increases for the higher commissioned grades.

Thereafter the Department of Defense submitted its own military pay legislation that embodied with slight modifications the concepts of the Cordiner committee. This legislation, however, provided that there would be no increase for persons already retired. During hearings on this proposed legislation the Department of Defense testified that the fairest approach to the whole retired list would be to award a flat across-the-board percentage increase.

During the Senate hearings, Mr. President, the House passed its own military bill. This measure, although a redraft of the administration's bill, was aimed at accomplishing the same improvements in the military pay system. The House, with a slight modification, provided a flat 6-percent increase for those already retired. The Military Pay Subcommittee, of which I was chairman, requested the precise views of the executive branch on the House bill. Mr. Quarles, Deputy Secretary of Defense, in responding to this request, had the following to say with respect to retired pay:

> With respect to the action of the House of Representatives in providing in section 4 of H.R. 11470 a 6-percent increase in the retired pay of personnel currently retired, the Department of Defense does not oppose this provision; however, the Department of Defense recommends against any amendment of section 4 of H.R. 11470 which would further increase the pay of personnel currently retired.

It is my clear understanding that the President of the United States himself carefully reviewed and approved the letter stating this position.

HOUSE AND SENATE ACTION

Mr. President, the House bill, as I have indicated, provided, with one exception, a flat 6-percent increase for those already retired. The Senate adopted the 6-percent feature that became a part of the act. The exception related to the retired pay of those of three- and four-star rank whom the House would have permitted to recompute under the new scales on the premise that no pay scales for the O–9 and O–10 pay grade existed previous to the new act. The Senate deleted three- and four-star feature. As the bill was agreed to in conference and signed by the President, those of the three- and four-star rank were not permitted to recompute under the new scales. They were, however, allowed to add to their retired computation base the amount of $100 a month for three-star, and $200 a month for the four-star which had already been a part of the active pay for these ranks.

RESULTS OF RECOMPUTATION ON THE PAY BILL

Mr. President, I should now like to consider the results, if a recomputation provision had been adopted under the scales as finally enacted in the new pay law rather than a 6-percent provision. There would have been the extremes of a 74-percent increase in the top pay bracket of an O–10 general officer ranging downward to no increase for those retired in the lower commissioned and enlisted grades. Except for the usual saving clause some retired enlisted personnel and lower grade officers would have suffered a reduction in pay. Specifically, the increase would have been as follows: O–10, former Chief of Staff, 74-percent increase; O–10, general, 58-percent increase; O–9, lieutenant general, 39-percent increase; O–8, major general, 26-percent increase; O–7, brigadier general, 22-percent increase; O–6, colonel, 22-percent increase; O–5, lieutenant colonel, 15-percent increase; O–4, major, 6-percent increase; O–3, captain, 2-percent increase; O–2, first lieutenant, reduction of 8 percent except for saving clause; O–1, second lieutenant, reduction of 16 percent except for saving clause.

With respect to enlisted men: E–7, master sergeant, 9-percent increase; E–6, technical sergeant, 1-percent increase; E–5, sergeant, reduction of 7 percent except for saving clause; E–4, corporal, reduction of 13 percent except for saving clause; E–3, private 1st class, reduction of 14 percent except for saving clause; E–2, private, reduction of 19 percent except for saving clause; E–1, recruit, reduction of 2 percent except for saving clause.

The cases cited are typical of the grades concerned, that is, those who

complete the average years of service before retirement.

Mr. President, let us examine the reason for these disproportionate percentages. The fact is that this new pay legislation was not the usual type extending a flat percentage increase to all grades. On the contrary, it was a broad and basic revision of the entire military pay structure designed principally to provide an incentive system which would attract and retain qualified personnel. It was to form the basis of a merit system aimed at properly encouraging progress and achievement. Specifically, these changes included for the first time two new officer and enlisted pay grades, proficiency pay systems for enlisted personnel, responsibility pay system for officers, and a substantial reduction in the importance of longevity increases.

In view of these disproportionate percentages resulting from changes in the system and in view of the need for recognizing the increase in the cost of living, the question therefore presented was whether it would be best to adopt recomputation, with the result that thousands of retired enlisted men and junior officers would receive nothing and those in the higher ranks would at the same time be awarded large increases.

The 6-percent feature was adopted as providing the most equitable treatment for the entire retired list in an attempt to provide a cost-of-living increase for all concerned.

FLAT PERCENT USUAL METHOD OF INCREASE FOR OTHER RETIREMENT SYSTEMS

Mr. President, for the reasons I have outlined, the 6-percent feature was adopted. This was a departure from the usual method of granting retired increases for those retired under current laws. I point out, however, that rather than recomputation the flat percentage has been applied in the past to a category of some thousands on the retired list. These are the persons retired under the laws in effect prior to 1949. The Military Pay Act of 1955 awarded this group a flat 6 percent and did not permit them to recompute.

Moreover, Mr. President, I should like to emphasize that the usual method of extending retired-pay increases under other retirement systems is some form of a cost-of-living percentage increase not involving recomputation. This is certainly true with respect to the increases granted to retired civil service employees and retired Members of Congress.

By way of example, I will review what has occurred with respect to increases for retired Members of Congress. All of these have been purely cost-of-living increases. I am advised that in 1952 there was a maximum increase of $324 a year, in 1955 a maximum of $410 a year, and in 1958 a maximum limitation of $500 a year.

I refer to these examples to show that recomputation has certainly never been used for the retired civil service employees and retired Members of Congress, and, furthermore, I know of no industrial or private systems where automatic recomputation is a feature. The issue is, therefore, presented as to why recomputation should necessarily be a part of the military system alone, keeping in mind also the disproportionate results that would have occurred under the current pay legislation.

RESULT OF REPEATED RECOMPUTATION

Mr. President, there are some members retired prior to June 1, 1958, who, after they received the 6-percent increase, are today receiving more retired pay than they ever received in the form of basic pay while on active duty. Moreover, there are some retired members in this group whose retired pay today, with the 6-percent increase, is greater than the highest pay they ever received on active duty, including all allowances.

If recomputation were extended over and above the 6 percent, there would, of course, be an increase in the number in these groups. The various systems with which I am acquainted compute the pay of the retired person on the salary he earned, with subsequent increases being based on the cost-of-living and separate action or legislation.

EFFECT OF INCREASES UNDER PENDING LEGISLATION

Mr. President, the 6 percent increase has already been granted. If the pending bills permitting recomputation should be enacted, the great preponderance of increases would still go to those in the upper grades, ranging from 39 percent for the top O–10 grade, down to 9 percent for the O–5 lieutenant colonel. Those in the lower commissioned grades would receive no increase. The E–7 enlisted grade would receive a 3-percent increase. Except for this slight adjustment all of the thousands of other retired enlisted personnel would receive no increase. The bills contain a saving clause that prevents any reductions in pay. Except for these provisions, however, there would be substantial reductions in retired pay in the lower grades. I point this out merely to show the effect of an outright recomputation.

Mr. President, the figures I have discussed are based on the pay grades for typical persons retired on the basis of length of service. I am inserting in the RECORD a somewhat detailed chart, setting forth each of the examples which are typical because of the fact that they represent the normal years of service before retirement in the various grades. Column 9 of the inserted chart indicates the percentage of increases which would be granted under this proposed legislation to those retired prior to June 1, 1958, with normal years of service.

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

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

Typical examples of military retired pay under the Career Compensation Act nondisability retirements

Grade	Pay grade	Years of service	Paid prior to June 1, 1958		Paid after June 1, 1958: Retired before June 1, 1958		Paid after June 1, 1958: Retired after June 1, 1958 [2]		Percent increase compared to old pay scale: Retired before June 1, 1958	Percent increase compared to old pay scale: Retired after June 1, 1958 [2]	Percent increase for recomputation compared to Jan. 1, 1959, retired pay [1]: With saved retired pay	Percent increase for recomputation compared to Jan. 1, 1959, retired pay [1]: Without saved retired pay
(1)	(2)	(3)	(4)		(5)		(6)		(7)	(8)	(9)	(10)
			Monthly	Annual	Monthly	Annual	Monthly	Annual				
Chief of Staff	O–10	30	$807	$9,684	$1,015	$12,180	$1,406	$16,872	26	74	39	39
General	O–10	30	807	9,684	1,015	12,180	1,275	15,300	26	58	26	26
Lieutenant General	O–9	30	807	9,684	935	11,220	1,125	13,500	16	39	20	20
Major general	O–8	30	807	9,684	856	10,272	1,013	12,156	6	26	18	18
Brigader general	O–7	30	725	8,700	769	9,228	881	10,572	6	22	15	15
Colonel	O–6	30	608	7,296	645	7,740	739	8,868	6	22	15	15
Lieutenant colonel	O–5	27	453	5,436	480	5,760	523	6,276	6	15	9	9
Major	O–4	26	385	4,620	408	4,896	410	4,920	6	6	0	----------
Captain	O–3	25	322	3,864	341	4,092	[3] 328	3,936	6	2	0	−4
1st lieutenant	O–2	25	258	3,096	274	3,288	[3] 238	2,856	6	[4] −8	0	−13
2d lieutenant	O–1	27	253	3,036	268	3,216	[3] 212	2,544	6	[4] −16	0	−21
Warrant	W–4	27	347	4,164	368	4,416	388	4,656	6	12	5	5
Do	W–3	24	257	3,084	272	3,264	292	3,504	6	14	7	7
Do	W–2	24	233	2,796	247	2,964	264	3,168	6	13	7	7
Do	W–1	24	212	2,544	224	2,688	234	2,808	6	10	4	4

[1] Applicable only to persons retired prior to June 1, 1958, and receiving retired pay at Career Compensation Act rates.

[2] Cols. 6 and 8 also indicate the amounts and percentages which would result from recomputation for those retired prior to June 1, 1958, except for those in the enlisted and lower commissioned grades who would be affected by the saved-pay provision.

[3] If those in these grades had completed at least 4 years' active enlisted service the figures would be O–1, $270 instead of $212; for O–2, $281 instead of $238; and for O–3, $334 instead of $328.

[4] This result would occur except for 1 relatively small percentage of individuals on saved active duty pay. Even those on such pay would receive less than those retired before June 1, 1958.

Typical examples of military retired pay under the Career Compensation Act nondisability retirements—Continued

Grade	Pay grade	Years of service	Paid prior to June 1, 1958		Paid after June 1, 1958: Retired before June 1, 1958		Paid after June 1, 1958: Retired after June 1, 1958		Percent increase compared to old pay scale: Retired before June 1, 1958	Percent increase compared to old pay scale: Retired after June 1, 1958	Percent increase for recomputation compared to Jan. 1, 1959, retired pay: With saved retired pay	Percent increase for recomputation compared to Jan. 1, 1959, retired pay: Without saved retired pay
(1)	(2)	(3)	(4)		(5)		(6)		(7)	(8)	(9)	(10)
			Monthly	Annual	Monthly	Annual	Monthly	Annual				
Master sergeant	E-7	23	$184	$2,208	$195	$2,340	$201	$2,412	6	9	3	3
Technical sergeant	E-6	23	166	1,992	176	2,112	167	2,004	6	1	0	−5
Staff sergeant	E-5	24	155	1,860	164	1,968	144	1,728	6	[4]−7	0	−12
Sergeant	E-4	25	137	1,644	145	1,740	119	1,428	6	[4]−13	0	−18
Corporal	E-3	25	102	1,224	109	1,308	88	1,056	6	[4]−14	0	−19
Private 1st class	E-2	24	80	960	84	1,008	65	780	6	[4]−19	0	−23
Private	E-1	23	61	732	65	780	60	720	6	[4]−2	0	−8

Mar. 10, 1959.

POSSIBLE CHANGES IN SYSTEM

Mr. STENNIS. Mr. President, because of the custom of recomputation I can well appreciate the feeling of the particular individuals retired prior to June 1, 1958, who now receive less than a person retired after that date in the same grade. For the entire retired list, however, a 6 percent feature was adopted as the fairest approach.

With respect to those retired after June 1, 1958, the only way to prevent some particular grades from receiving more than others who retired prior to June 1, 1958, would have been to change the entire retirement system for those retiring in the future.

I might add at this point, Mr. President, that these differences work both ways. There are some persons who will retire in the future who will receive less than those retired prior to June 1, 1958, with the same rank and service. This result is caused by the changes in the pay system I have already referred to.

It was, of course, not practical, during the limited period of the pay hearings, to attempt to reexamine the basic rules for those retiring in the future.

There were a number of alternatives which the committee might have considered. These include, first, a phase-in system for the future whereby minimum periods of service would have been required in order to retire under the higher scales; and, second, a change in the method of computation whereby the retired pay would be based upon the average earned in the past 5 years rather than the pay of the rank held on the day of retirement.

I might point out, Mr. President, that the current laws provide that in the case of the Navy, an officer may be retired in the highest grade in which he satisfactorily served, even though he may not have held that grade at the time of retirement. This rule also applies to the Army and Air Force, except that the officer must serve at least 6 months in the higher grade.

Third. The requirement of some personal contributions to the military retirement pay system if it were proven that such would assist in reducing the ultimate cost. Possibly these or other alternatives might be considered in the future. They would necessarily require intensive study.

If the recomputation bills are to be considered, the three above alternatives, as well as others, should be studied and considered as possible statutory changes in the present system of retired compensation. A major revision of the entire military retired pay system doubtless would result. I want to emphasize, Mr. President, that I am not implying that hearings should be held on the recomputation bills.

RELATED ISSUES

Mr. President, I should now like to discuss certain other issues which are directly related to this entire military retired pay matter.

A. COST OF PENDING LEGISLATION

Mr. President, the total estimated cost of enacting the legislation permitting recomputation would be approximately $400 million. That is in accordance with the terms of the bills which have been introduced.

For the first year the estimated cost would be about $27 million, a figure that diminishes throughout succeeding years for the lifetime of the group.

Mr. President, as I have already noted, the pending legislation does not permit recomputation for all those retired, but only those retired under current pay laws. If those retired under the old laws were permitted to recompute, the total cost would be increased by about $50 million, or a complete total of about $450 million.

The military pay legislation of 1955 did not permit those retired under the old laws to recompute, but awarded them a flat 6 percent increase.

B. INCREASING RETIRED COSTS

Mr. President, a fact that Congress must recognize is the tremendous increase in the cost of retired pay. In fiscal year 1950 the cost was $219 million. This amount had been growing annually. In fiscal 1958 it was $561 million; in fiscal 1959 it will be $640 million. The pending defense appropriation requests $715 million for fiscal year 1960. Within the next few years this figure will cross the billion dollar mark, going up in terms of annual cost. These figures and estimates are undoubtedly on the low side since they are based only on current military pay scales. In the years ahead there will probably be additional military retired pay increases. I might note that the legislation enacted last year was the fifth military pay act since the end of World War II.

C. EARLY RETIREMENT PROBLEM

Mr. President, I shall now speak about the matter of early retirement. By this term I refer to the present arrangements that relieve a man from active duty at the prime of his career when his services could still be effectively used. This is accomplished under either the 20-year retirement law that permits an officer to voluntarily apply for retirement, or the mandatory retirement laws that eliminate most people after about 30 years of service. We continually observe the fact that many able officers, in the higher ranks of colonel and general, voluntarily retire in their early or middle forties in order to take positions in defense or some related industry. It is to the advantage of these officers to retire, since they can receive both retired pay and private remuneration at the same time. These officers should not necessarily be censured, since the laws offer this advantage, and it is certainly to their personal gain.

With respect to the 30-year statutes I should like to note that a man completes 30 years at about age 53. Many of these officers, especially those with professional qualifications, such as doctors and lawyers, are forced to leave the services at the prime of their experience and when they could render further valuable service.

These remarks, Mr. President, are not intended to imply that an officer should be retained who cannot fully meet the required physical and mental standards.

There is also the added fact that early retirements generally result in increasing substantially the cost of military retirement. This result is due principally to the fact that early retired pay, even though reduced because of fewer years of service, will be received over a longer normal lifetime.

Early retirement admittedly presents a complex problem. As we know, the promotion system in the services operates on what is generally called the flow system. The argument is therefore made that unless there are substantial retirements, there will be no vacancies to which to promote the able young men

from lower grades. Nevertheless, despite all these factors, there remains the question of whether on balance this continued retirement policy is in the overall best interests of the services.

Mr. President, I know of no retirement system, such as the military, where a person, after no contributions, may retire without regard to age on one-half of his basic pay after only 20 years of service. We must exercise some caution, in view of the very liberal nature of the law, to make certain that military retirement does not become an end in itself, rather than a means of providing adequate compensation after the conclusion of a career of useful service.

Mr. President, I hope that these remarks will serve to clarify the legislative history and some of the complex questions involved in this matter.

Mr. SALTONSTALL. Mr. President, as ranking minority member of the full Committee on Armed Services, and also as ranking minority member of the subcommittee which reported the military pay legislation last year, I should like to add a few facts in addition to those expressed by the Senator from Mississippi [Mr. STENNIS] on the question of whether pay increases should now be enacted for those retired prior to June 1, 1958, beyond those already provided for in the Military Pay Act of last year. I shall discuss the reasons for granting a 6 percent increase rather than providing for recomputation, with its disproportionate results.

First. It was felt that the 6 percent cost-of-living increase was the fairest method for the entire retired list. As the Senator from Mississippi has already pointed out, if instead of a 6 percent increase the committee had allowed recomputation, there would have been extreme increases in the upper grades, with practically no increases for the junior officers and for the retired enlisted man. These extremes would have resulted from the fact that the pay legislation changed to a large degree the entire military pay system.

Mr. President, we could not equitably ignore the cost-of-living element, for thousands of retired persons who would have received no increase under outright recomputation.

Second. The flat cost-of-living percentage increase is the normal method of increase under most retirement systems. As the Senator from Mississippi has pointed out, this is the method used for both retired civil service employees and also retired Members of Congress. Those retired under military laws are certainly not penalized when compared to those retired under other retirement systems.

The argument has been advanced that by making a 6 percent increase in retired pay last year, Congress set a precedent which will operate to reduce retired pay in the future of personnel now on active duty. It should be noted that if a flat percentage increase in retired pay were to be made in the future by Congress, it might provide a greater increase in retired pay for some than recomputation would provide, just as occurred in the new Military Pay Act. It all depends on which particular rank is in question.

For example, if a future military pay bill carried no increase or a very small increase in basic pay for high-ranking personnel, a flat percentage increase in retired pay might be greater than recomputation would provide.

The vital consideration in any retired pay increase is that all those then on the retired list be treated equitably. Congress must deal with each pay bill on its merits. Many times the requirements for the active forces are greatly different from those which apply to the retired list.

I feel certain that in each pay bill which may be considered in the future Congress will do its utmost to deal equitably with all retired personnel.

Third. The pay bill as it passed the House, Mr. President, provided a flat 6 percent increase, except for the slight modification mentioned by the Senator from Mississippi [Mr. STENNIS]. The executive branch also advised the Senate committee that it would support the 6 percent feature of the House bill, but would oppose any further increase.

Mr. President, we now have pending proposed legislation proposing further retired pay increases by permitting those retired prior to June 1, 1958, to recompute under the new pay scale. The only persons who would benefit thereby would be those who would receive more pay by recomputation. The persons who would benefit by this legislation are those in the high commissioned grades. There would be no increases for typical retired enlisted personnel or junior grade officers. Therefore, this means that the Congress is now being asked to reverse itself, after it passed what it considered to be the fairest method for retired pay increase.

Mr. President, I should like to add that if further retired pay increases are to be reconsidered, that might certainly open up the whole question of major and fundamental revisions in the entire military pay system.

One item which the Congress cannot ignore is the growing cost of retired pay. In the fiscal year 1950, the cost was $219 million. The pending appropriations bill contains a request for $715 million for the fiscal year 1960. Within a few years, this figure will cross the billion dollar mark, and the annual cost will continue to increase. The pending proposed legislation would add a total estimated cost of $400 million, over the lifetime of the entire retired pay group.

Mr. President, I hope my remarks will serve to clarify some of the questions involved in this issue, and to supplement the remarks made by the able Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, will the Senator from Massachusetts yield briefly to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. SALTONSTALL. I yield.

Mr. STENNIS. Mr. President, I remember very well, during the long hearings and consideration of this very voluminous and most difficult measure, the extremely fine cooperation and very constructive suggestions and efforts of the Senator from Massachusetts, who almost always was present for the entire hearings and the consultations on the bill. I remember well his approach of absolute fairness and sincerity and his deep concern that, as nearly as could be, equity be done the individuals involved, and that at the same time a sound system be evolved.

I remember that one day he and I summed up our thinking as follows: We were convinced that there had to be a new pay scale for those on active duty, and that a career incentive feature had to be placed in the legislation. With the latter's being one of the primary objectives, we also agreed that the growing cost of the retirement system for the military—approaching $1 billion within a few years—is a factor of growing concern. So we adopted, after considering all the elements involved, the cost-of-living increase as the fairest and also the soundest approach.

Mr. President, I know that perhaps some who have retired under either system may be receiving too much, and there are some who are not receiving enough. But we cannot legislate for every individual; we had to recommend a system. That is what we tried to do.

Again, I wish to thank the Senator from Massachusetts for his very fine, constructive contributions to our labors.

And let me say that I appreciate very much the sentiments he has expressed.

Mr. SALTONSTALL. Mr. President, in reply, let me say that I appreciate the statement of the Senator from Mississippi. He was extremely conscientious and extremely thorough in his work on the bill, which was most difficult to develop because of its many computations which might lead to unfairness in certain ways.

As the Senator from Mississippi has said, what we tried to do was develop a bill which would provide sufficient incentive to retain in the services good men who would make lifetime careers of the military services, and at the same time be fair to those who had retired, although not to make the latter the subject of our principal concern. Therefore, we provided the increases called for by the bill. The contributions made by the Senator from Mississippi were extremely valuable.

Mr. President, I appreciate very much, indeed, what the Senator from Mississippi has said.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXCESSIVE NUMBER OF LIMOUSINES IN EXECUTIVE AGENCIES

Mr. DOUGLAS. Mr. President, we should seek to prevent waste wherever

it can be found. Some administrators, however, excuse excessive luxuries and loose practices—which are paid for by the taxpayers—on the ground that they do not cost very much. By this, they generally mean that the taxpayers are not gouged by any one practice by more than a few hundred thousand or a few million dollars. But it is out of the accumulation of such waste that enormous sums are lost. We should be careful with the millions, as well as with the billions.

Like most Members of Congress, I have been appalled by the traffic jams created on Capitol Hill when the administrative officials and the "high brass" of the Pentagon come to the Senate or House on business. Our streets and parking areas fairly swarm with huge limousines, each with its stone-faced chauffeur.

All this costs large amounts of money which someone has to pay. It excited my curiosity, as I am sure it has excited the curiosity of others. So, some time ago, I requested that the Budget Bureau furnish me information in regard to the number of Government limousines—7-passenger Cadillacs, Lincolns, or comparable vehicles—which are assigned to administrative officials in the Washington area, and to which office or official they were assigned.

I have since received from the Director of the Bureau of the Budget a reply which shows that some 99 limousines or comparable heavy sedans are assigned to administrative officials or agency heads in the Washington area. These limousines are in addition to some 1,450 Government-owned passenger automobiles which were in the Washington area as of June 30, 1958.

After analyzing the facts, I have come to several conclusions.

NUMBER OF LIMOUSINES COULD BE GREATLY REDUCED

First, the number of limousines or equivalent automobiles in the Washington area could be greatly reduced. I believe we could quite properly reduce the total number from 99 to 35, or a reduction of 64.

At the present time, not only do the President, the Secretaries of the Departments, and the members of the Joint Chiefs of Staff have limousines, but the Pentagon has a total of 37, of which 14 alone are assigned to various Assistant Secretaries.

I may say, in this connection, that the present administration has created an administrative monstrosity in the Pentagon. In the previous administration there were, I believe, some 13 Secretaries, Under Secretaries, and Assistant Secretaries. There are now 31 Secretaries, Under Secretaries, Deputy Under Secretaries, Assistant Secretaries, and Deputy Assistant Secretaries; and, of course, there are assistants to Deputy Under Secretaries and assistants to Deputy Assistant Secretaries. The situation which now exists in the Pentagon is largely matched by that in the State Department, and also to a large degree, by that in the Department of Agriculture. This system carries with it, as among the prerequisites of many of these officials, elaborate Cadillacs and Lincolns.

I may say here that while we, the Congress, are not always perfect, and often are subjected to severe criticism on some of these matters, we are not all that bad. If we were to follow the practice of the Pentagon, each of the 98 Senators would be assigned a limousine and a chauffeur.

We also find that every member of the Atomic Energy Commission, as well as the director or chairman of a great many agencies below Cabinet level, such as the Director of the Bureau of the Budget himself—the man who is supposed to watch over economy in the Government—the Director of the Federal Mediation and Conciliation Service, the Administrator of the Veterans' Administration, the Director of the National Gallery of Art, and the Governor of the U.S. Soldiers Home all have limousines assigned to them.

Quite frankly, this is excessive, and the numbers should be reduced. I think that an administration which has labeled the passage of legislation to clear the slums as inflationary and reckless should begin to practice what it preaches.

I think, too, that a President who believes that compensation to the unemployed can rightly be curtailed or limited at a time when 4.7 million are fully unemployed should be able to get along with a lesser number than the eight limousines which are now assigned to the White House.

I propose that the total number of the limousines be cut from 99 to a total of 35.

I would cut the number of White House limousines from eight to six. I think the President could get along with six limousines.

I would cut the number of limousines now assigned to the Pentagon from 37 to 11, or a reduction of 26.

I think it quite adequate for the total to be limited to six limousines for the President, and one each for his Cabinet officials, Secretaries of the Departments of the Army, Navy, and Air Force, the Commandants of the Marine Corps and Coast Guard, as well as the Chiefs of Staff of the services, and perhaps the Chairman of the Atomic Energy Commission and the Director of the Central Intelligence Agency.

Since the patients at St. Elizabeths Hospital are now assigned a 1947 Chrysler limousine, I believe that its age is such that it should not be denied to them for their transportation and enjoyment.

However, except for the limousines for the White House, Cabinet officials, the Chiefs of Staff and Commandants, the heads of the Atomic Energy Commission, and Central Intelligence Agency, and the patients at St. Elizabeths Hospital, the others should be relinquished and the officials who now ride in them should learn to live more simply and to help us save money and balance the President's budget.

BELOW-COST RENTALS RAISES SERIOUS QUESTIONS OF PROPRIETY

Secondly, Mr. President, the practice of renting limousines for the President and his Cabinet officials should be discontinued.

Apparently some 39 limousines are now rented by private industry to the Government for a yearly fee of $500 each—which includes maintenance, but not gas and oil—for the use of our top officials. I may say that the depreciation alone on these cars is certainly in excess of $500 per year.

According to the Bureau of the Budget, the limousines which were provided on a rental basis included 24 Cadillacs—manufactured, of course, by General Motors—2 Imperials, 5 Lincolns, 7 Chryslers, and 1 Buick. Thus, General Motors, Ford, and Chrysler were all renting limousines to the Government at below cost and for only nominal fees.

Personally, I believe that this is a bad practice and one which raises serious questions of propriety. One should note that these companies have huge Government contracts amounting to many millions of dollars a year. In these circumstances, I believe that the top officials of our Government should not be in a position of receiving services from these companies which are very costly, but for which the officials and the Government are not properly charged. I do not believe that our Government should be forced to exist on handouts from General Motors.

I would note also, in passing, that such service was not provided either by American Motors or by Studebaker-Packard.

Mr. President, much has been made in recent weeks of the so-called back-door financing of Government expenditures. Now I desire to raise the issue of hidden financing. I would note that while we in the Congress are not perfect in all of these matters, it is true that the limousines which are provided for the legislative branch are all provided by specific authority in an appropriation bill. Further, we require that each agency include a statement in the budget of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year involved.

Yet it is to be noted that nowhere in the budget for the Executive Office of the President or for the various departments and agencies are these rented automobiles listed. There is thus no obvious check on them as there is for the number of passenger automobiles which are provided for the legislative branch, or which are purchased by direct appropriation.

Thus, while on page 27 of the fiscal year 1960 budget there is a specific item for the Vice President's automobile—as well as those for the President pro tempore and the majority and minority leaders of the Senate—the money for the automobiles which are rented for the White House is not listed at all, and is hidden away under the object classification "other contractual services" for the White House budget.

In this respect, the legislative branch—with all its faults—does a good deal better than the President and the White House who have made such a hue and cry about back door financing, but who here are practicing hidden financing.

At this point, I should like to read an article on the subject of limousine rentals which appeared in the Washing-

ton News of April 22, 1957. It reads as follows:

SUMMERFIELD GETS A CADILLAC

Three days before he stopped mail service because he didn't have enough money, Postmaster General Arthur Summerfield took delivery of a new 1957 Cadillac, furnished him as a Cabinet officer. Cost of the car was $8,900, but the Government didn't pay that much.

The Post Office Department has an arrangement with General Motors to rent a Cadillac each year from the company at $500 a year. GM keeps the car in repair. The Government buys gas and oil.

SUMMERFIELD USED TO BE A CHEVROLET DEALER

What does General Motors get out of it? Well, publicity (such as this).

HOW CUTS COULD BE MADE

Mr. President, it should also be noted that the Federal Government has 20 limousines which were originally obtained by seizure or forfeiture. Most of these are now used by the Treasury.

What could be done is this:

Reduce the number of limousines which are now rented from 39 to none because of the possible conflicts of interest.

Reduce the number which are now purchased from 40 to 15, or a drop of 25.

The 15 which are purchased could be assigned to the White House and Cabinet officials according to rank. Of the remaining 20, which were obtained by seizure or forfeiture, 15 could be used to supply the remaining Cabinet and very top military officials and the patients at St. Elizabeths with a limousine, in lieu of those now rented or purchased.

The remaining five limousines could be pooled for use by the State Department, the ICA, the USIA, or other agency heads when an ordinary Chevrolet, Ford, or Plymouth or—in the case of need for seven-passenger vehicles—a low-priced seven-passenger station wagon could not be used, when these officials would need, in their opinion, to be equipped with magnificent cars in keeping with the high station to which they have been appointed.

CONCLUSION

In this way, Mr. President, the number of limousines now assigned to administrative and military officials could be reduced from 99 to 35, and a considerable savings could be made; a possible conflict-of-interest situation could be avoided; our top officials in the administration could begin to practice what they preach about inflation and economy; hidden financing could be avoided, and all of those but the very top and most important officials could demonstrate in their official actions that they try to live simply and act frugally with the taxpayers' money, as those who serve the people should try to act.

A rough estimate would seem to indicate that from $400,000 to $500,000 a year, including chauffeurs' salaries, could be saved in the cost of providing transportation to administration officials by the reforms I have suggested. This estimate is based on an average hourly wage of $2 for chauffeurs and the price of from $8,000 to $9,000 for a limousine.

I commend this matter to the attention of the administration and of Congress. In later brief speeches, from time to time, I shall point out other wastes and inefficiencies in the administration of our affairs and indicate further economies.

I ask unanimous consent that the detail sheets supporting the statements which I have made be printed in the RECORD at the conclusion of my remarks.

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

Summary sheet, limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area

Department or agency	Type of vehicle		Agency total	Acquired by—			Assigned to—	
	Limousines [1]	Heavy sedans [2]		Purchase	Rental	Other [3]	Office of agency head	Other officials [4]
Agriculture	1		1		1		1	
Commerce	1	1	2		2		1	1
Defense:								
Office of Secretary	5	5	10	7	3		1	9
Air Force	2	6	8	5	3		1	7
Army	3	6	9	7	2		1	8
Navy	3	4	7	5	2		1	6
Marine Corps	1	2	3		3		1	2
HEW	1	2	3		1	2	1	2
St. Elizabeths Hospital	1		1	1				1
Interior	1	2	3	2	1		1	2
Justice	2	1	3	1	2		1	2
Labor	1	3	4	2	1	1	1	3
Post Office	2	1	3	1	2		1	2
State	3		3		3		1	2
Treasury	1	9	10		1	9	1	9
AEC		5	5	3	1	1	1	4
Bureau of the Budget [5]		1	1			1	1	
Bureau of Census [5]		1	1			1	1	
CIA	1		1	1			1	
Civil Service Commission		1	1			1	1	
Export-Import Bank		1	1	1			1	
Federal Mediation and Conciliation Service		1	1	1			1	
GSA		2	2			2	1	1
ICA	1		1		1		1	
National Gallery of Art		1	1			1	1	
Office of Civil and Defense Mobilization [5]		1	1			1	1	
Selective Service System		1	1	1			1	
U.S. Information Agency		2	2		2		1	1
U.S. Soldiers' Home		1	1	1			1	
Veterans' Administration		1	1	1			1	
White House	6	2	8		8		8	
Total	36	63	99	40	39	20	37	62

[1] Limousine, 7-passenger sedan, generally with glass partition separating passengers and driver.

[2] Heavy sedan, other than limousines—Cadillac, Lincoln, Imperial (all models); also Chrysler (New Yorker), Buick (Roadmaster), Oldsmobile (98 series), and Packard (except Clipper).

[3] Generally acquired by seizure or forfeiture originally.

[4] Generally Under Secretaries, Deputies, Assistants, or offices of such officials.

[5] Rented from the General Services Administration.

Detail sheet—Limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area

Department or agency	Make	Year	Type of vehicle [1]	Total	Assigned to—	Acquired by—
Agriculture	Cadillac	1958	L	1	Secretary	Rental.
Commerce	do	1958	L	2	Office of Secretary	Do.
	Buick	1958	H.S.		Federal Highway Administrator	Do.
Defense:						
Office of Secretary of Defense	Cadillac	1959	L	37	Secretary	Do.
Do	do	1959	L		Deputy Secretary	Do.
Do	do	1959	L		Chairman, Joint Chiefs of Staff	Do.
Do	do	1951	L		Representation NATO Group	Purchase.
Do	Chrysler	1950	L		Office of Secretary of Defense	Do.
Do	Imperial	1958	H.S.		Assistant Secretary (Comptroller)	Do.
Do	do	1958	H.S.		Assistant Secretary (Health)	Do.
Do	do	1958	H.S.		Assistant Secretary (Public Affairs)	Do.
Do	do	1958	H.S.		Assistant Secretary (Properties and Installations)	Do.
Do	do	1958	H.S.		Assistant Secretary (Supply and Logistics)	Do.
Army	Cadillac	1959	L		Secretary	Rental.
Do	do	1958	L		Chief of Staff	Do.
Do	Chrysler	1950	L		Military District of Washington Motor Pool	Purchase.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Vice Chief of Staff	Do.

[1] Limousines (L); heavy sedans (H.S.).

Detail sheet—Limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area—Con.

Department or agency	Make	Year	Type of vehicle [1]	Total	Assigned to—	Acquired by—
Defense—Continued						
Army	Imperial	1958	H.S.		Assistant Secretary (Manpower, Personnel, and Reserve Forces).	Purchase.
Do	do	1958	H.S.		Assistant Secretary (Financial Management)	Do.
Do	do	1958	H.S.		Assistant Secretary (Logistics)	Do.
Do	do	1958	H.S.		Director Research and Engineering	Do.
Air Force	Cadillac	1959	L		Secretary	Rental.
Do	do	1959	L		Chief of Staff	Do.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Vice Chief of Staff	Purchase.
Do	do	1958	H.S.		Assistant Secretary (Fiscal)	Do.
Do	do	1958	H.S.		Assistant Secretary (Material)	Do.
Do	do	1958	H.S.		Assistant Secretary (Research and Development)	Do.
Do	do	1958	H.S.		Commander (Air Force-Research and Development Committee).	Do.
Navy	Cadillac	1959	L		Secretary	Rental.
Do	Chrysler	1955	L		Chief, Naval Operations	Do.
Do	do	1955	L		Vice Chief, Naval Operations	Purchase.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Assistant Secretary (Material)	Do.
Do	do	1958	H.S.		Assistant Secretary (Air)	Do.
Do	do	1958	H.S.		Assistant Secretary (Personnel)	Do.
Marine Corps	Cadillac	1959	L		Commandant	Rental.
Do	Chrysler	1958	H.S.		Assistant Commandant	Do.
Do	do	1958	H.S.		Chief of Staff	Do.
Health, Education, and Welfare	Cadillac	1958	L	4	Secretary	Do.
Do	do	1955	H.S.		Secretary's staff	Other.
Do	Chrysler	1954	H.S.		do	Do.
St. Elizabeths Hospital	do	1947	L		Patients	Purchase.
Interior	Cadillac	1958	L	3	Office of Secretary	Rental.
Do	Chrysler	1958	H.S.		do	Purchase.
Do	Cadillac	1946	H.S.		do	Do.
Justice	do	1958	L	3	Attorney General	Rental.
Do	Lincoln	1958	L		Attorney General's staff	Do.
Do	Imperial	1958	H.S.		do	Purchase.
Labor	Cadillac	1958	L	4	Secretary	Rental.
Do	do	1956	H.S.		Under Secretary	Purchase.
Do	do	1954	H.S.		Secretary	Other.
Do	do	1947	H.S.		Secretary's Office	Purchase.
Post Office	do	1958	L	3	Postmaster General	Rental.
Do	do	1951	L		Postmaster General's staff	Purchase.
Do	Lincoln	1958	H.S.		do	Rental.
State Department	Cadillac	1958	L	3	Secretary	Do.
Do	do	1958	L		Under Secretary	Do.
Do	do	1958	L		Under Secretary (Economic Affairs)	Do.
Treasury	Imperial	1958	L	10	Secretary	Do.
Do	Cadillac	1956	H.S.		Office of Secretary	Other.
Do	Lincoln	1956	H.S.		do	Do.
Do	do	1956	H.S.		do	Do.
Do	Chrysler	1955	H.S.		do	Do.
Do	Cadillac	1952	H.S.		Commandant Coast Guard	Do.
Do	do	1952	H.S.		Assistant Commandant Coast Guard	Do.
Do	Lincoln	1956	H.S.		Commandant's Office	Do.
Do	Cadillac	1953	H.S.		Internal Revenue Service	Do.
Do	do	1955	H.S.		do	Do.
Atomic Energy Commission	do	1955	H.S.	5	Commissioner's use	Do.
Do	do	1958	H.S.		Chairman	Rental.
Do	Lincoln	1957	H.S.		Commissioner's use	Purchase.
Do	do	1957	H.S.		do	Do.
Do	Buick	1959	H.S.		do	Do.
Bureau of Census	Cadillac	1951	H.S.	1	Director	Other.
Bureau of the Budget	do	1955	H.S.	1	do	Do.
Central Intelligence Agency	do	1957	L	1	do	Purchase.
Civil Service Commission	do	1952	H.S.	1	Chairman	Other.
Export-Import Bank	Oldsmobile	1956	H.S.	1	Chairman and Members of Board	Purchase.
Federal Mediation and Conciliation Service	Lincoln	1957	H.S.	1	Director	Do.
General Services Administration	Cadillac	1953	H.S.	2	Administrator	Other.
Do	do	1951	H.S.		Not assigned	Do.
International Cooperation Administration	Chrysler	1956	L	1	Office of Director	Rental.
National Gallery of Art	Cadillac	1950	H.S.	1	Director	Other.
Office of Civil and Defense Mobilization	do	1955	H.S.	1	do	Do.
Selective Service System	Lincoln	1957	H.S.	1	do	Purchase.
U.S. Information Agency	do	1958	H.S.	2	do	Rental.
Do	do	1958	H.S.		Deputy Director and others	Do.
U.S. Soldiers' Home	Buick	1956	H.S.	1	Governor	Purchase.[1]
Veterans' Administration	Cadillac	1958	H.S.	1	Administrator	Purchase.
White House	do	1959	L			
Do	do	1959	L			
Do	do	1959	L			
Do	do	1955	L	8	President, official guests, parade cars	Rental.
Do	Chrysler	1955	L			
Do	do	1955	L			
Do	do	1956	H.S.			
Do	Lincoln	1958	H.S.			
Total				99		

[1] Not general funds.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it adjourn until Monday next, at 12 o'clock noon.

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

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. RANDOLPH. Mr. President, I rise to associate myself with my many colleagues in this body who are in support of S. 722. We heard last evening the factual and eloquent presentation of the subject by the junior Senator from West Virginia [Mr. BYRD], who now presides over the Senate. I pay deserved tribute to the effective efforts he has put forth on behalf of the proposed legislation, which has for its purpose needed area redevelopment.

Later this afternoon and early next week we shall hear statements from other Senators who advocate the passage of the

bill, S. 722. Among the Senators will be our esteemed and able colleague from Illinois [Mr. DOUGLAS]. The Senator from Illinois will indicate forcefully the contribution this measure can make to the potential redevelopment of our Nation, to the strengthening of the economy of the State of West Virginia and of the other States of the Union.

I should like, Mr. President, to offer some reflections of my own which will have a somewhat different emphasis from those set forth so well by my colleague from West Virginia.

We hear much talk, Mr. President, about the mandate which the people gave to the Congress of the United States in November of 1958. This bill affords the 86th Congress the opportunity, in line with its responsibility, to apply that mandate in decisive terms; if necessary, in terms which will override a possible Presidential veto such as that which resulted when the Congress passed similar legislation in the 85th Congress, and the Chief Executive of the United States saw fit on that occasion to use the pocket veto.

We hear much talk also on the question of balanced budget. I may say I am not a spender per se. I believe it is the responsibility of an individual Member of the Senate to check objectively those items on which moneys could be saved and those on which moneys should be expended, but we should now attend to the budget of human misery and want, to the budget of deprivation and despair—afflictions visited upon so many of our communities in West Virginia and throughout many other States by reason of chronic unemployment.

I say to my colleagues in the Senate that I was privileged for 2 days to sit in the hearings conducted in West Virginia in regard to the bill, which hearings were under the chairmanship of the diligent junior Senator from West Virginia [Mr. BYRD].

We listened to the grim recital of stories that are rivaled only by memories of the Great Depression of the 1930's; stories of men who have been without work, not for weeks and months, but for years; stories of children kept from school for lack of clothes to wear; stories of desertion of their families by fathers so that the wives and children might go on relief; and reports of thievery by other fathers so that their children might eat. And some of those, Mr. President, who have not stolen have starved.

This is a shocking revelation to America in a time of so-called high prosperity. We understand full well that our people are in dire distress. Their plight is pitiful.

It is not easy for a West Virginian to speak of his State and of its people in these terms, but I say that tonight, as was true this morning and as is true this noon, the unwelcome guest at the tables of tens of thousands of West Virginia families will be hunger.

Almost 300,000 of our people are living on what they call—and perhaps it is an expressive word—"mollygrub"—though existing is perhaps a better word than living. I think perhaps they do not live, they but exist. That is a better and more correct word.

For almost 300,000 West Virginians this term stands for a life of bare subsistence on surplus commodities. For a family of four it represents a monthly food ration of 10 pounds of flour, a 5-pound bag of cornmeal, 4 pounds of powdered milk, 2 pounds of rice, and 2 pounds of butter. According to State health department officials, for almost 300,000 West Virginians the term stands for a life of slow starvation.

The distinguished Senators who have spoken before me have referred to the cost of unemployment throughout the Nation, and the earnest junior Senator from West Virginia last night set forth the statistics for my own State. Economists and legislators must deal with figures and statistics; but I say the figures must be clothed with faces and the statistics must be pointed up in human values. So, as we consider the bill, let us remember that the figures about which we speak are mere abstractions of human beings who stand behind them. We must remember that $50 million spent in unemployment compensation in the State of West Virginia last year is a mere abstraction of human costs for which we can never compensate.

We can measure much of the effects of unemployment, such as the costs of compensation, the man-hours lost in work, and the gross product loss as a result of an idle labor force; but we cannot measure the effects on the lives of the people thus involved.

I have known the able Senator from Wisconsin [Mr. WILEY] for many years. I say to the Senator from Wisconsin, because of his intense interest in humanity, that last year in the campaign which I was privileged to carry forward to a seat in this Chamber I remember very well that on one occasion I talked to three men who were sitting on the steps when I went to a company store in a coal camp which was practically inoperative. I shook hands with these three men. I asked their names.

They said, "Mr. RANDOLPH, what are we going to do? We cannot find work." I asked the men how long they had been unemployed. I say to Senators present, particularly to the Senator from Wisconsin [Mr. WILEY] that those men had been unemployed for an average of a year and one-half—one man for almost 2½ years. I emphasize the fact that those men want to work. West Virginians are hardy and self-reliant. They want the opportunity to work.

This is a situation which causes me, frankly, to be a little slower in my speech than I would ordinarily be, because I feel the tug of the memory of the occasion to which I have referred, and which was repeated over and over again.

We cannot measure the spiritual impoverishment in the men and women who face a life of unrelenting physical poverty.

We cannot evaluate the erosion of morale in the parents who daily face the imploring eyes of their children.

We cannot determine the despair of men bound by the iron chain of circumstance.

I saw hundreds of men with dull eyes, fighting against the enforced tedium of unemployment. We need to consider these facts when discussing the provisions of Senate bill 722. These are some of the human facts, Mr. President, of which the figures are mere shadows and abstractions.

The facts of urban unemployment in West Virginia have already been ably presented by my distinguished colleague.

I remember that last night as he stood here, he talked about the human values. I repeat and reemphasize that there are human facts, of which the figures are the mere shadows and abstractions. Therefore, I can add but little to the statement of my colleague in that respect.

Therefore, I focus my remarks upon the provisions in the pending bill for rural redevelopment and the increasing problems of chronic rural poverty. These are problems, Mr. President, that are national and endemic, and they must be treated on a national rather than a local basis, with attention to the causes rather than the symptoms of distress. It is in this respect that S. 722 shows one of its chief advantages over the administration bill as well as the so-called compromise bill, S. 268. For, while the administration proposal offers nothing for rural redevelopment, and S. 268 offers only $50 million for rural areas, the Douglas-Cooper bill, cosponsored by many other Senators on both sides of the aisle, offers $100 million. This is hardly an extravagant sum to apply to the widespread and chronic conditions of rural poverty.

There are in the United States 562 counties which the Department of Agriculture characterizes as serious low-income areas. The Department uses three criteria in establishing the classification: first, economic areas with less than $1,000 average residual income to operator and family labor on commercial farms.

I digress to say that the family farm must be rebuilt. We need more emphasis upon the family farm than we have given it in the past few years. I speak of the necessity for the family farm because the able and distinguished Senator from Kansas [Mr. CARLSON], who has just entered the Chamber, has given much thought to that subject.

The second category includes economic areas with level of living index the lowest fifth of the Nation; third, economic areas having 50 percent or more of commercial farms in which the annual sales are $2,500 or less. If all three of these conditions are met the area is classified as serious; if two conditions are met it is classified as substantial; if one, it is classified as moderate. The entire State of West Virginia falls in one category or another.

According to the census of Agriculture of 1954, there were in West Virginia, 41 counties of a total of 55, in which one-third or more of the commercial farms sold products whose gross value was less than $1,200. There were nine additional counties in which 35 percent or more of the commercial farms sold products whose gross value ranged from $1,200 to $2,500. That is gross value, Mr. President, not net income. Thus, there were

only 5 counties in West Virginia which did not come under one classification or the other. While in the United States as a whole there were 458 counties in the first classification and 500 counties in the second.

In hearings before the Joint Committee on the Economic Report in 1955, an Under Secretary of Agriculture, Hon. True D. Morse, stated:

There are large numbers of rural people with incomes so low they cannot afford the goods and services most of us take for granted. Many of them need special assistance if they are to improve their standard of living.

The poverty existing among some of our people, in good times and bad, has a weakening effect on the entire Nation. Production lost because of lack of education and skills, poor health, and insufficient employment, can never be recovered. It is gone for good. The social conditions arising from low production and low incomes often generate an apathetic attitude.

Community, education, religious, and civic affairs suffer. Confronted with the overwhelming handicaps of chronic poverty, many people with very low incomes see no possibility of improvement using the inadequate resources and few opportunities available to them.

The development of agriculture's human resources is one of this Nation's most important economic and social problems. Very low incomes, that is, incomes in the range of less than $1,000 a year, are concentrated in agriculture. Less than one-fifth of the farmers in areas of low rural income produced and sold $2,500 worth of products in 1949. Investment in land and buildings is only about one-third of what it is elsewhere. Average schooling of adults on farms is 7 years. There are few outside jobs, and little use of machinery on low-income farms.

This statement, Mr. President, is from a high official of the very administration which today claims there is no need for, or that the budget cannot support, funds for rural redevelopment. I would ask the supporters of the administration bill, in the name of what concept of fiscal responsibility can they deny the provision of $100 million in loan funds, while continuing to accumulate the deficit in human resources described by the Under Secretary of Agriculture?

What concept of budget, Mr. President can justify such a policy? Surely it demonstrates the old nursery rhyme of the battle lost for want of a nail. And though I do not fear the outcome of the battle to extend to the farmers the full benefits of our society, this administration's policy in respect to the bill before the Senate would most assuredly create needless casualties among America's farm families.

The kind of relief offered by S. 722 to rural poverty is long overdue, Mr. President. We violate the faith of the farmers of America if we fail to act now. For, within the field of agriculture there are approximately 1 million families with an annual income of less than $1,000, while in West Virginia the average farm income is substantially less than $1,000.

Perhaps even more important than the substandard income level, Mr. President, is the fact that these people have little prospect of improving their situation, little hope of new opportunities in the field of agriculture.

Generally speaking, these are the families who also have inadequate farming resources, insufficient capital, little credit, and land too depleted to provide full-time productive use of their labor under modern farming conditions.

Thus, off-the-farm employment is becoming increasingly important as a source, not only of supplemental income, but frequently as the chief source of income. With continued technological developments in farming, and with the attendant process of larger and larger farm units being operated by fewer and fewer people, off-the-farm employment will continue to grow in significance.

I say to the distinguished Senator from Illinois [Mr. DOUGLAS], who sits next to me, that I have read on the ticker a United Press-International news story to the effect that the figure for the Nation's unemployment was approximately 25,000 greater in February than it had been in January. A Government spokesman said this was insignificant. I say to the Senator that the loss of a job to the man who needs the job is significant to him. Ten jobs are significant; 100 jobs are significant. Certainly 25,000 jobs, to the people who lose them, are significant. The loss of a job is never insignificant.

We hear not infrequently the expression of the view that these people are inefficient and marginal producers anyway, and should therefore leave the farms and seek employment in the city. That would seem to be the view held by this administration, if one might infer it from the policies of Secretary Benson. But, apart from the disregard of human values implied by such policies, they are impractical and unrealistic.

How is the farmer to prepare himself for skilled employment in urban areas? And how, when we already have almost 5 million men and women unemployed, is he to find work, especially when he is often over age and underskilled? If he fails, then he and his family become one more increment to the dispossessed urban slum dwellers—thus creating new burdens for public welfare and blighting more lives that otherwise would hold promise.

Although S. 722 does not presume to supply a complete solution to this grim and depressing problem, it offers promise of a constructive beginning. Not only should such a rural redevelopment program engage our support for humanitarian reasons, but by enabling currently underemployed farmers to seek full time off-the-farm employment it would decrease the surplus production of some commodities to that extent.

Finally, Mr. President, by relieving the political pressures from large numbers of underemployed farmers it would help create conditions favorable to the development of truly constructive and effective farm programs for the Nation.

Mr. President, I turn now to a brief consideration of the range and intensity of the continued unemployment in nonagricultural areas of West Virginia.

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

Mr. RANDOLPH. I yield.

Mr. DOUGLAS. Before the Senator touches upon that point, I wish to commend him for going into the question of rural underemployment and rural poverty, because sometimes this feature of the problem is neglected. We have placed at the rear of the Chamber a map which attempts to show, in red, the counties of the country which, as the Senator from West Virginia has said, suffer from all three defects. Those shown in red include a large portion of West Virginia, counties in eastern Tennessee, eastern Kentucky, western North Carolina, the coastal regions of South Carolina, most of Georgia, northern Florida, most of Alabama, most of Mississippi, a large part of Arkansas, eastern Oklahoma, eastern Texas, and western New Mexico.

Those shown as having two of these characteristics, represented in yellow, include large sections of Pennsylvania, Virginia, West Virginia, South Carolina, Louisiana, Arkansas, Oklahoma, west Tennessee, northern Michigan, Washington, Oregon, and northwestern Montana.

Those having one of those serious characteristics, shown in blue, include virtually the remainder of West Virginia, a large section of Missouri, a large section of Louisiana, eastern Arkansas, southern Alabama, northwestern Georgia, Minnesota, and large sections of northern Michigan.

So the idea that the American rural population is living in luxury is simply a complete misapprehension. I thank the Senator from West Virginia for making this fact abundantly clear.

Mr. RANDOLPH. I thank the Senator from Illinois. I remember an old poem:

The doctor heals, the lawyer pleads,
And the miner follows precious leads.
But, this or that, what ere befall,
The farmer feeds them all.

I think that is the substance of the poem as I knew it 25 years ago.

Mr. President, the figures from the 21st annual report of the West Virginia State Department of Employment Security, covering the period from July 1957 to July 1958 reveal quite clearly that our problem is not merely that of a temporary downswing, nor is it one of localized soft spots.

The distinguished Senator from Michigan [Mr. MCNAMARA] knows that in his State such a statement as I have made would apply with equal emphasis as it would in West Virginia.

Mr. MCNAMARA. And in many other States.

Mr. RANDOLPH. Yes, and in many other States, also.

The President of the United States has called a conference for next Monday to consider unemployment. At least eight Governors will come here to counsel with him about these matters. I am glad the conference will be held. I think perhaps it should have been held many months ago. But it is an indication that the President wants information on this subject. Perhaps he recognizes the importance of hearing first hand from the Governors of the States.

I have stated that this problem is chronic and endemic. For example, all major manufacturing industries in West Virginia registered losses in employment during the past 12-month period, ranging from 2,400 in chemicals to 3,500 in primary metals.

Included among those reporting losses were: Food, 200; petroleum and coal products, 200; textiles, 400; fabricated metals, 500; apparel, 300; lumber, wood products, furniture, and fixtures, 900; machinery, 1,900; and stone, clay, and glass, 3,300.

We know what the picture is in Michigan, even with the so-called good production of automobiles. Nevertheless, unemployment continues to exist.

Nonmanufacturing industries in West Virginia showed a combined employment loss during this period of 30,200, with mining heading the list at 16,200; transportation, communications, and public utilities, 8,000; trade, 4,000; contract construction, 3,100; and finance, insurance, and real estate, 100.

Only services and Government showed increases, with 900 and 400, respectively.

Even in Texas there are some problems which justify the need for a close look at the situation. I have talked on occasion with the distinguished junior Senator from Texas [Mr. YARBOROUGH] about these matters.

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

Mr. RANDOLPH. I yield.

Mr. YARBOROUGH. I express my appreciation to the distinguished Senator from West Virginia for his interest in these problems, not only in West Virginia but in all the States of the Union. It is a privilege to work with him on this matter and to support the bill which he has done so much to further in the Senate.

The Senator has referred to my home State. I am very familiar with the 36 counties which, unfortunately, are in the red area on the map displayed on the floor of the Senate. Those counties were among some of the first settled by the Colonial American settlers in my State. I was born and reared in that area, where my people have lived for more than 110 years. I have been in each and all of those counties a good many times.

The labor supply in that area is among the best in the United States. Actually the problem is one of wornout land, because of which farmers are being forced to go to the cities and other areas, especially to the gulf coast, to seek the means of earning their livelihood. It is land having abundant water resources and timber resources, together with an abundant labor supply. It simply needs a touch of organized capital, which the bill would provide. The area is favored with a mild climate and plenty of water, which most of our State does not have.

It is a pleasure to support the bill. I commend the distinguished Senator from West Virginia [Mr. RANDOLPH], and the distinguished Senator from Illinois [Mr. DOUGLAS], and other Senators, who have given so much leadership to the Senate and the country on this measure.

Mr. RANDOLPH. Mr. President, the Senator from Texas speaks with characteristic knowledge of his own State. We appreciate the support which he is giving in a vigorous way to the bill.

The current situation shows no improvement. According to the West Virginia Department of Employment Security, in January of this year the estimated civilian labor force of the State was 657,500, of which an estimated 89,700 were unemployed. In other words, approximately 15 percent of the State's labor force were ready to work but were unable to find employment. The estimate I have given includes, of course, those covered by unemployment compensation as well as those who are not covered.

Yet these figures themselves do not depict the full scope of our problem; for while the population of other States has been increasing, West Virginia registered a decline of 100,000 from 1950 to 1954. A disproportionate number of these emigrants are comprised of our sturdiest and most vigorous young men, as evidenced by the fact that 40 percent of the Korean bonus payments were sent to veterans living outside West Virginia.

There are bleak figures which represent widespread conditions of hunger, humiliation, and human misery. This situation will continue in West Virginia and in many other States if the Federal Government, in concert with the States, does not accept its responsibilities of alleviating the situation. It is idle rhetorical chatter of a theoretical and abstract sort of talk about principles of local responsibility and local resources when families are without adequate food, clothing, and shelter, and entire communities are near bankruptcy.

The people of West Virginia and the Nation demand deeds, not dogmas. Their need is for action, not idle doctrine.

I hope I shall not be misunderstood. I remember serving in the House of Representatives in the 1930's with men whom I see in the Chamber this afternoon. I shall not speak in partisan vein, but I shall say to Senators that I was a militant Member of Congress in those years when action came on Capitol Hill. I do not want to raise a hand to overdramatize, but I say that the President of the United States then, Franklin D. Roosevelt, was a man of action. He enunciated programs which were carried forward with the approval and vigorous support of Congress.

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

Mr. RANDOLPH. I will yield; but before yielding, I may say that I remember the Senator from Texas saying in this body a few weeks ago that apparently the administration wants to wait. Sometimes this administration also seems to say, "It can't be done."

I am sorry that I took that moment, but I remember how moving the Senator's remarks were on that occasion. I yield.

Mr. YARBOROUGH. I congratulate the Senator from West Virginia again. I should like to compare the dramatic action taken by a great American leader, which he has just described, with the present attitude of no new starts. I ask the Senator from West Virginia, who is a historian as well as a Senator, what, throughout our history of expansion, the attitude has been of Americans of dramatic action, as contrasted with the "Don't do anything" attitude of the present administration.

Mr. RANDOLPH. In reply, let me say to the Senator from Texas that our Nation was founded by the bold, and it cannot be maintained by the timid. I realize that some of us disagree on the budget and on the nature of the budget. Yet I shall say—I had no desire to say it earlier, and perhaps it has no bearing here, but I wish to say it now—that my colleague has spoken of President Franklin D. Roosevelt in terms of precious memory, and I remember him in that way, too. He was unable to walk, but he placed the Nation on its feet.

I think it important that today the membership of the Congress rekindle that spirit of action, in which I participated a quarter of a century ago, on Capitol Hill. I know that some of us differ in our approaches. But I say that the people of the States want action. They are not interested now in weak explanations.

Mr. BYRD of West Virginia. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from West Virginia yield to his colleague?

Mr. RANDOLPH. I yield.

Mr. BYRD of West Virginia. Mr. President, my senior colleague has spoken most succinctly and cogently today concerning the need for action in alleviating the poverty, the suffering, and the unemployment which exists in West Virginia and in some of the other States of the country.

It was Benjamin Franklin who said:

> He that riseth late shall trot all day, but shall scarce overtake his business at night.

Mr. President, I join my colleague in urging that action be taken quickly upon this proposed legislation.

A little earlier my colleague spoke about the decline in the manufacturing industries in West Virginia. I think it pertinent to read into the RECORD at this time a portion of a statement which was submitted during the testimony taken recently in West Virginia at our hearings, to which I have referred upon several occasions within the past week or 10 days. The following statement was made by Dr. Henry L. Ash, director of the West Virginia Department of Employment Security:

> To me, two things are crystal clear about the coal industry in West Virginia. The first of these is that coal will remain a very vital part of our economic life in this State. The second is that mechanization has and will continue to decrease the number of employees needed. To me, this is not an argument against mechanization, but a fact to reckon with.
>
> In the area of the production of natural gas in West Virginia, it is worth noting that the peak year of production was 1917, when 309 billion cubic feet was produced. In 1958 the production totaled only 187,300 million cubic feet. Then, if we may turn to the production of oil, in 1958 West Virginia produced 2,185,000 barrels of crude petroleum as against 12 million barrels in 1912, the peak

year. In other words, between 1912 and 1958 the production of crude petroleum in West Virginia fell to one-sixth of its former production.

In 1924 West Virginia produced 1,017 million board-feet of lumber. In 1958 the production was scarcely more than one-fourth of what it was 34 years before.

Mr. President, if I may impose for a moment further upon the time of my colleague, I should like to point out to the Members of the Senate who are present today the diastrous effects upon the revenues of our State government of this decline in the industries I have mentioned.

I think it most appropriate that I quote words which were spoken to the subcommittee during the field hearings; I shall quote now from the testimony given by the tax commissioner of West Virginia, the Honorable John Field:

The tax commissioner's office does not reflect the total State revenue, but it does reflect, I think, those sources of revenue that indicate the economy of the State and the condition of its economy.

That was the reflection on June 30 1957. By December 31 of that year we showed only a gain of $9,600,000 over the previous calendar year, so our attrition was beginning to appear.

Then at the end of the fiscal year, on June 30, 1958, we showed only a gain of $3,373,000.

So we realized that we were shipping water fast.

That trend continued, and at the end of the calendar year 1958 we showed a loss of general revenue through our office of $4,400,000 compared to the calendar year 1957.

With that picture in mind, the board of public works in the latter part of December felt called upon to invoke the statutory reserve of 5 percent, and that, of course, curtailed every participant of the general revenue appropriation 5 percent of its overall appropriation for the fiscal year.

I know my colleague will agree with me when I say that a State is in bad condition when it has to cut 5 percent from the budget of every department.

The tax commissioner went on to say:

Since we had only 6 months to go, in fact, it amounted to a 10 percent curtailment from that time on out.

Of course, while it creates difficulties in State agencies and State departments, by far the most serious effect of that is in our country schools.

I know that this matter is particularly close to the heart of my colleague, because of his long and useful experience in teaching in our public schools, and also because of his experience in serving as a member of the governing groups of higher institutions of learning.

Mr. RANDOLPH. Let me interrupt my colleague to point out that there is a possibility that in West Virginia a special session of the legislature will be called, to deal with the unemployment situation. I believe that is a possibility, even though the legislature closed its regular session on Monday of this week. The possibility of the calling of such a special session at this time indicates the seriousness of this problem.

Mr. BYRD of West Virginia. Mr. President, in his testimony, the Tax Commissioner of West Virginia further stated that "the State of West Virginia is now faced with that loss of State aid, and many counties may have to curtail their school term to 8 months or curtail their activities and their curriculum," because of the cutback to which I have already referred.

So, Mr. President, I say—and I shall not impose further on the time of my able colleague—that the State of West Virginia is in a most serious condition. Unemployment there is exceedingly high, and the State's revenues are diminishing in the face of increasing expenditures which are so very much needed.

I compliment my colleague on his excellent presentation. I trust that his words will not go unheeded by the other Members of this body and the Members of the other House and by those in the executive branch of the Government.

I think my colleague has made valuable contributions today. I know he is very sincerely and very conscientiously dedicated to the furtherance of legislation of this nature, because we see in it some hope—certainly in the long run—for our suffering constituents in West Virginia.

Mr. RANDOLPH. I thank my colleague.

Mr. KEATING. Mr. President, will the distinguished Senator from West Virginia yield to me?

Mr. RANDOLPH. I yield to my friend, the Senator from New York.

Mr. KEATING. On the map displayed in the rear of the Chamber, does the white area indicate the part of the country which would not share in this program?

Mr. RANDOLPH. That is correct.

Mr. KEATING. And that, I know, includes the State of New York. I appreciate the position of both distinguished Senators from West Virginia who have been speaking, and I am sympathetic with their position. It is one which it is only natural for them to take. I know that West Virginia has suffered probably more than any other State in the Union—at least, it is one of the very hardest hit. I am not a member of the committee, and I speak with some reticence on the subject, but as I envision and study the bill, it would cover about 16 percent of the total number of unemployed in the Nation. If I am in error in that statement, I shall be happy to have the Senator set me straight. If the statement is accurate, is it not a rather difficult thing to call upon all the taxpayers to put up some $390 million, which I think is the amount involved, in order to aid such a relatively small proportion of the areas of the country?

Mr. RANDOLPH. I know the Senator is familiar with the loan features of the proposed legislation—not the outright grants, but the revolving loan which will have to be repaid. I go back 25 years, and I remember that when we loaned men and women money with which to hold their homes together, $1 billion was provided. I remember the opponents of such aid at that time said the money would not be repaid. I remind the Senator that the money was repaid. I remind the Senator that, while it is true that States such as West Virginia, and other areas, which need help will be given help under the bill, I think there is a oneness in this country and in our responsibilities to the people of the Nation. I certainly would attempt to aid the State of New York if it needed aid, just as I am sure, if the Senator were convinced of the merits of the proposal, he would want to aid the State of West Virginia.

We must not think of legislation as sectional; we must think of this country as a nation of people who are knit together. Sometimes the poverty existing in one area today may exist in another area tomorrow. No one knows what next year may bring to industrial sections of New York, some of which are already beginning to feel the pinch.

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

Mr. RANDOLPH. I yield.

Mr. DOUGLAS. Is it not true that the labor market areas of Amsterdam, Auburn, and Gloversville, N.Y., are areas of high unemployment and would be eligible under the provisions of this bill?

Mr. RANDOLPH. That is correct.

Mr. KEATING. So, there are three small areas in New York which would be eligible for assistance, if they are properly represented by the chart in the rear of the Chamber.

Mr. RANDOLPH. That is correct.

Mr. KEATING. The Senator from West Virginia is concerned about his area, and properly so; and I am concerned about the State of New York, and I believe properly so.

Mr. RANDOLPH. Yes.

Mr. KEATING. I am very worried about the provision on page 9, lines 20 through 24 of the bill, which sets forth that the financial assistance shall not be used to "assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

That would be a very difficult provision to administer. It would be very difficult to determine in advance whether there were going to be unemployment in one area if an industry moved to another area. I would not want to support a measure which would further draw industry away from New York, even if it should go to the State of West Virginia, notwithstanding the affection I hold for my colleague. If such legislation were placed on our statute books, I think certainly the basic purpose of it could not be served if we allowed any funds to be used to assist establishments in relocating in one part of the country rather than in another.

We in the Northeast, and in the State of New York, have suffered seriously from the removal of industries to other areas. I would not want to feel that I was sitting idly by and permitting legislation to be enacted which would further that process, and leave it to a board or bureau to determine whether it would give aid to an industry in West Virginia, or North Carolina, or some other area, before the situation developed.

I should like to hear the views of the Senator on that question. I believe there may be an amendment offered to cover that situation. I do not know what the views of the Senator are on

that question. I would appreciate hearing them.

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

Mr. RANDOLPH. I yield to the Senator from Illinois, who is one of the leading sponsors of the bill.

Mr. DOUGLAS. I am interested in the comment which has been made by the Senator from New York. It seems to imply that New York does not have much unemployment; it is the other sections of the country which are in trouble.

I should like to remind my good friend from New York that, as of last February, 385,154 workers in New York were insured for unemployment; and, in addition to that, there were large numbers of other workers unemployed who were not insured.

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

Mr. DOUGLAS. I would further remind my good friend that there were 269,265 persons in New York receiving surplus foods.

Mr. KEATING. Will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. KEATING. If those persons were covered by this bill, I would feel quite differently about the bill, but they are not eligible under its provisions.

Mr. DOUGLAS. They might well be.

Mr. KEATING. A very small number are eligible.

Mr. DOUGLAS. They might well be eligible tomorrow or next year.

Mr. KEATING. The taxpayers of New York will have to put up money, under the provisions of the bill, in order to help those in other areas. If the benefits of the bill were evenly and equitably divided among all the people of our country, I would be in favor of it; but I do not think the provisions of the bill are fair to the people of a State like New York.

The PRESIDING OFFICER. The Senator from West Virginia has the floor. Does he yield further; and if so, to whom?

Mr. RANDOLPH. Mr. President, I say in all good humor that the Senator from New York is not provincial; the Senator from New York, I am sure, is broad gaged. But I would remind those who are on the floor that those who today live on the ragged edges of an economic area which is depressed, as West Virginia is, may be joined by literally hundreds of thousands of other persons in a similar situation within a few weeks or a few months.

No one can suggest a cutoff point in connection with this problem.

The State of West Virginia alone, Mr. President, has needs which would almost exhaust the paltry provisions of the administration bill, if they were all to be met. For, according to the executive director of the West Virginia Industrial and Publicity Commission, to reduce unemployment in West Virginia to the national average of 6 percent would require the construction of 250 new plants employing 100 workers and a capital expenditure of $75 million.

Of course, not under this bill nor any other bill do we expect such accomplishments. West Virginians do not expect miracles; nor do they seek manna from heaven in the form of Federal handouts. They do, however, expect—and they have a right to expect—responsiveness from their elected officials, at the Federal, as well as the State level, at a time of desperate need. They have a right to expect constructive leadership from the Federal Government in giving the necessary stimulus to redevelopment.

Senate bill 722 offers the provisions for such a stimulus. I need not repeat its provisions, which have been presented so clearly by those who have spoken on the matter. However, there is one facet of the bill which may bear more relevance to West Virginia's problems than those of some other areas. I refer to the proposal for vocational retraining, and the authorization of $10 million for the purpose of subsistence payments to unemployed who are being retrained and are not entitled to unemployment compensation.

I stated a moment ago that this provision has particular relevance to the conditions in West Virginia because, due to the heavy reliance of our State economy on coal mining and the railroad industry, the inevitable technological developments in those fields have had an unduly harsh effect in the displacement of our workers. Thus, West Virginia, more than any other State, has felt the impact of technological unemployment. Those workers who are still young enough to transfer to other types of employment can benefit immensely from vocational retraining and the subsistence payments authorized under this bill. West Virginia has a laboring force of high skills and native intelligence, Mr. President, and to allow these abilities and capacities to atrophy, to wither away through neglect, is not only to deny the right of the individual to a creative life, but to deny the Nation itself the fruits of his creation. It should not be necessary to remind ourselves, when we are faced with the prospect of total mobilization of resources in the relentless contest with the Soviet Union that such a denial constitutes a shameful and wanton waste of human resources.

Mr. President, I address a few words to the opponents of this bill—not to personalities, but to their philosophy of government responsibility in regard to this measure.

The stark truth is, Mr. President, that there is no private enterprise willing or able to occupy the vacuum against which this bill is directed. This is a bill to assist private enterprise and to make more viable a national economy based upon private enterprise. Only the most fanciful and fantasy-ridden doctrine could interpret S. 722 as governmental usurpation of the domain of private enterprise. On the contrary, S. 722 is an imaginative, creative, and realistic proposal to extend the domain of private enterprise where it is most needed.

Nor should we be distracted by the contention that area redevelopment is the sole function of State and municipal authority. For, as the Senator from Illinois [Mr. DOUGLAS] indicated during the hearings, the same interests who oppose Federal action when contemplated and advocate placing the responsibility upon the States and municipalities, then in turn oppose State and local governmental action on the ground of private responsibility. The results of such arguments are there for all of us to see in the pinched faces of hungry children, in the long lines before the employment security offices, and in the dazed and stricken looks of men who are willing to work but can secure no work.

I am ready to conclude, Mr. President, but before I do so I wish to make one additional statement: I do not desire to overstress my feelings, but I believe this is the time when the Senate needs to have not only purpose but also perhaps a little prayer in its heart. I feel we have the opportunity to serve, but also that perhaps some Senators, who think in terms of their own constituencies rather than the Nation, might well think a little of sacrificing something in the interest of the whole Nation.

I trust Senate bill 722 will be brought to very speedy passage in this body.

Mr. PROXMIRE and Mr. DOUGLAS addressed the Chair.

Mr. RANDOLPH. I yield first to the Senator from Wisconsin.

Mr. PROXMIRE. First, I wish to congratulate the distinguished Senator from West Virginia for his excellent, effective, and dramatic speech. I think the State of West Virginia is extremely fortunate in having the kind of Senators it has, both of whom have made such strong speeches in favor of a bill which means so much to the State they represent.

To carry on a little bit the colloquy I began the other day with the distinguished junior Senator from West Virginia [Mr. BYRD] the present occupant of the Chair, I think the main point of the bill is that it is designed to help people who are located in an area in which there is no other way for them to get help.

Mr. RANDOLPH. The Senator is correct.

Mr. PROXMIRE. The fact is that these people are not going to be aided by seasonal work which may come along, or by cyclical work. These people are not in an area or a community where help can be provided them, because the industry of the area in which the community is organized has largely disappeared. These people are not in a State which can assist them. These are people who cannot help themselves at all.

A great Republican, perhaps the greatest of all, Abraham Lincoln, said:

> The legitimate object of Government is to do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves.

Mr. RANDOLPH. The Senator is correct.

Mr. PROXMIRE. If ever there as a bill before the Congress which fitted Lincoln's standard to a "T" it seems to me this bill does, because if we do not help the needy people of West Virginia the fact is they are going to continue to be destitute and to be without work. They are going to continue to be anxious to work, who have the ability to work,

and who want to work, but who simply cannot find work. They need the work and they want the work.

I congratulate the senior Senator from West Virginia for an excellent speech.

I should like to add one further point. In the course of the colloquy which took place between the distinguished junior Senator from New York [Mr. KEATING] and the senior Senator from West Virginia [Mr. RANDOLPH] the Senator from New York raised the point that the bill might result in increasing unemployment in New York because it might take industries from New York and give them to West Virginia. In the course of that colloquy there was no opportunity to reply to the Senator from New York.

I point out that on page 9 of the bill, in line 20, the following language occurs:

Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

That language was put into the bill for precisely the reason which was voiced by the Senator from New York, that is, to make sure that the national economy as a whole is not damaged in any way, and that no section or area of the country will be damaged by the bill.

Mr. RANDOLPH. That is a protective amendment, as the Senator has well said.

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

Mr. RANDOLPH. I yield.

Mr. CARLSON. The senior Senator from West Virginia has very ably discussed a very important subject, of concern not only to West Virginia, but to many other areas of the country, including some sections of my own State.

While the picture he has painted seems dark, there are also some bright spots in the State of West Virginia. One of them, which he should have mentioned, is West Virginia's basketball team. It so happened that Kansas State was the No. 1 team in the Nation, but it had some difficulty in a regional contest, in which it was eliminated. Our team cannot now win. I not only assure the Senator from West Virginia that we are proud of his team, but I hope it will win the national championship.

Mr. RANDOLPH. I thank my colleague. Tonight at Louisville we hope the Mountaineers of West Virginia will win, and go on to the finals in tomorrow night's contest.

One of the boys on that team is Jerry West. He is 6 feet 5 inches tall. Returning to the subject, let me say—not facetiously—that we in West Virginia want all of our people to stand tall. We believe that the proposed legislation, if it is passed and properly administered, will help us to help ourselves. If it becomes law it will not only return the original monetary investment, but it will also return dividends in the form of an improved economy and a strengthened morale.

Mr. SCOTT. Mr. President, it is my intention, at the appropriate time—and when the vote is taken on the area redevelopment bill, S. 722—to offer S. 268, which I introduced on January 14, as an amendment in the nature of a substitute.

I do not ask to have S. 268 reprinted as an amendment to S. 722, because I do not think it is necessary. Copies of S. 268 are available, and I have had a brief summary mimeographed for the use of the Senate. I ask unanimous consent that the summary may be printed in the RECORD.

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

BRIEF ANALYSIS OF AREA REDEVELOPMENT BILL INTRODUCED BY SENATOR HUGH SCOTT

(Intended to be offered as amendment in nature of a substitute to S. 722)

1. Authorizes appropriation of $200 million for a revolving loan fund: $100 million to industrial areas; $50 million to rural areas; and $50 million to public facilities.

2. Provides for Federal loan participation of 50 percent, with State, local government or nongovernment sources providing matching 50 percent.

3. No outright grants for public facilities.

4. Provides for loans over period of 30 years.

5. Places program under Department of Commerce.

6. Authorizes Secretary of Commerce to determine realistic rates of interest on all loans.

7. Authorizes loans to industrial areas with following unemployment levels: 15 percent unemployment for 6 months, or 12 percent unemployment for 1 year, or 9 percent for 15 out of 18 months, or 6 percent for 18 out of 24 months, preceding date of application.

8. Contains special urban renewal section to permit Housing and Home Finance to give financial assistance to urban renewal projects in municipalities, without regard to predominantly residential requirement.

9. Contains Davis-Bacon Act provision to assure prevailing wage and 40-hour week on contracts.

10. Authorizes technical assistance of $3.5 million for surveys and evaluation studies.

11. Requires State or its instrumentality to establish local redevelopment plans.

12. Establishes Cabinet-level Advisory Board and 25-member public advisory committee.

Mr. DOUGLAS. Mr. President, I rise to speak on the area redevelopment bill, S. 722, which I reported 2 days ago on behalf of the Senate Committee on Banking and Currency. I shall discuss the desperate need for action, our national responsibilities in this regard, how S. 722 would help, the European experience with area redevelopment programs, and the background of attempts to establish such a program in this country.

THE DESPERATE NEED FOR ACTION

It is only with the greatest difficulty that one can discuss this measure. Were I to talk about the issue purely from my heart, I fear that many of my colleagues would mistakenly think I was exaggerating. On the other hand, were I to analyze the bill in cold statistics and pure economic reasoning, I would lose its basic purpose.

The hard fact is, however, that in this, the richest and most powerful Nation the world has ever known, the specter of prolonged unemployment and poverty still stalks the streets and the rural routes in numerous and vast areas of the country. This joblessness is no short-run affair. It is not made up of workers temporarily between jobs. Like a heavy, acrid smog, it has lingered for years over the entire State of West Virginia, as the two distinguished Senators from that State have made clear, stifling initiative and morale, smothering hope itself. It has pervaded huge sections of New England, the Middle Atlantic, and the South. And it has invaded sections of the Midwest, the Southwest, and the Far West.

This specter of prolonged unemployment does not walk alone. In its presence we often find hunger, disease, and mental anguish. It is visible in the wan faces of hungry and ill-clad children, relatively helpless as their parents slip deeper and deeper into the abyss of utter despair. Stouthearted womenfolk fight back only to be met with defeat after defeat. Jaunty, good humored, hardworking fathers have been worn down by enforced idleness.

Breadlines? There are few breadlines. But in West Virginia, a quarter of a million people line up for free food from surplus commodities. In some counties, 40 percent of the population is on relief. Twenty-five percent is common.

Not only in West Virginia, but all over the country, large numbers of people are receiving surplus foods. In January of this year no fewer than 5,605,824 people were receiving the barest amount of surplus foods, such as cornmeal, cheese, powdered milk, a little butter, and a little flour.

The two Senators from West Virginia pointed out that in that State approximately 283,000 people were in receipt of surplus commodities. In Pennsylvania no fewer than 851,000 persons are in receipt of surplus foods; in Oklahoma 252,000; in the State of New York 369,000; in the State of Mississippi 408,000; in the State of Michigan 534,000; in the State of Kentucky 267,000; and in the State of Arkansas 279,000. This is indicative, in some measure, of the great need which exists all over the country.

I ask unanimous consent to insert at this point a table showing the number of persons receiving surplus foods in the various States as of January 1959.

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

Number of persons receiving surplus foods January 1959

Alabama	130,118
Arizona	42,221
Arkansas	278,852
California	67,333
Colorado	25,845
Connecticut	1,246
District of Columbia	37,000
Georgia	43,307
Illinois	80,549
Indiana	101,338
Iowa	93,513
Kansas	11,476
Kentucky	267,016
Louisiana	170,465
Maine	59,442
Maryland	47,006
Massachusetts	4,303
Michigan	533,914
Minnesota	46,960
Mississippi	407,756
Missouri	117,548

Number of persons receiving surplus foods January 1959—Continued

Montana	11,031
Nebraska	2,107
Nevada	1,301
New Hampshire	8,289
New Jersey	21,965
New Mexico	42,159
New York	369,265
North Carolina	964
North Dakota	11,299
Ohio	68,883
Oklahoma	252,301
Pennsylvania	851,203
Puerto Rico	602,749
Rhode Island	12,777
South Carolina	2,248
South Dakota	39,307
Tennessee	165,415
Texas	142,446
Utah	25,453
Vermont	13,924
Virginia	37,765
Washington	7,494
West Virginia	282,575
Wisconsin	55,902
Wyoming	8,959
Trust territories	5,835
Total—United States	5,605,824

SOURCE.—Department of Agriculture

Mr. DOUGLAS. How can this be? Nationwide there is somewhat more than six percent unemployment, which is far higher than it should be when we take into consideration involuntary part time, but it would not seem in itself to be disastrous. The output of goods and services is rising. Total personal income and profits are heading up. How can we have this destitution in the midst of what is sometimes said to be an affluent society? The answer is simple. Averages and totals cannot tell the true story.

Suppose the average income of five families is $5,000 a year. This would seem to indicate that they are not in dire need. But suppose one of the families makes $25,000 and the other four families make nothing at all. Their average income is still $5,000, but the fact is that 4 out of 5 of these families are poverty-stricken.

The latest figure shows that 4.7 million persons in the United States are walking the streets hunting work. This is a little more than six percent of all workers. That is seemingly not disastrous. However, in addition to those persons, there are the involuntary part-time workers. These would amount to an equivalent of approximately a million full-time unemployed workers, making a total average of around 7½ percent of the labor force. But let us part the curtains and look behind the totals, for we often fail to see the trees for the forest, as well as the other way around.

HIGH DEGREE OF UNEMPLOYMENT IN MANY AREAS

In the Altoona, Johnstown, Scranton, and Wilkes-Barre areas in Pennsylvania, one worker out of six has failed to find a job. In the areas of Beckley, Bluefield, Logan, Morgantown, and Welch in West Virginia, the proportion was nearer to one out of every five.

Almost 13 percent of all workers in the areas of Bristol, Norwich, and Thompsonville, Conn., were without work.

I should like to call these latter figures particularly to the attention of the senior Senator from Connecticut [Mr. BUSH]. Unemployment hovers around 17 percent in the Harrisburg, Herrin, Murphysboro, and West Frankfort areas in my own State of Illinois. Unemployment is also high in the southernmost tip counties of Illinois around Cairo, and in those counties are included the labor market area across the river in Kentucky. The Jasper, Ala., area, had more than 13 percent unemployed, as did the Muncie and New Castle areas in Indiana.

I am stating the areas, not merely the towns.

In the Kentucky areas of Corbin, Hazard, Madisonville, Middlesboro, Paducah, Paintsville, and Pikesville, the rate of unemployment ranged from 12 to nearly 23 percent. Maine, Maryland, Michigan, Missouri, Montana, New York, North Carolina, and Tennessee all had areas with over 12 percent unemployment.

I have mentioned only some of the areas with currently high rates. But unemployment, as such, is not disastrous, if it continues for only a brief period of time. What is disastrous is being without a job for a year, 2 years, or even longer.

Now let me refer to a chart I have had prepared, which indicates the persistence of unemployment in the major areas of employment.

This is indicated, for the major areas, in the third chart in the back of the Chamber, and for the minor areas in the fourth chart.

In the Terre Haute, Ind., area, unemployment has ranged from 6 to over 12 percent every month for 4 solid years. The same is true of the areas of Lawrence, Mass.; Johnstown, Scranton, and Wilkes-Barre, Pa.; Providence, R.I.; and Charleston, W. Va. These are the so-called major areas of substantial labor surplus. There are also numerous smaller areas in the same situation. Southern Illinois areas have been in grave difficulties for many years on end.

In the southern Illinois communities, unemployment has been more than 16 percent for at least 4 continuous years, and more than 20 percent for a large portion of the time.

Mr. President, in conjunction with the moving addresses which have been delivered before I took the floor, I hope we shall have established the need for a sound program to combat joblessness in the many distressed areas of the Nation.

Yesterday the distinguished junior Senator from West Virginia [Mr. BYRD], who is now in the chair, presiding over the Senate, produced a great mass of evidence regarding West Virginia. The Senator from Kentucky, who will follow me in a few minutes, will produce equally strong evidence affecting the people of his State. This evidence could be multiplied by various other sections of the country. I could go on with the growing evidence of malnutrition, rickets among children, actual death by starvation; of family desertions by defeated fathers; of growing crime rates—the stealing not so much of money as of food; of children trudging to school through snow in worn-out tennis shoes. Our committee hearings are replete with proof of the human misery in these areas this very day.

I regret that the national press so largely ignores these facts, and that national officials so largely ignore them. I shall, however, dwell no longer on these deep human needs, which the press and national officials so largely ignore. However, let us never forget what is going on as we struggle to enact a program to deal with this situation.

OUR NATIONAL RESPONSIBILITIES

I know that some will ask a question at this point, and it is a logical one. Why do these people stay in these places? Why do they not leave and seek work elsewhere? The answer is that they do. That is why unemployment rates are 12 instead of 25 percent, or 20 instead of 40 percent. But migration cannot solve the problem.

In the first place, many of the persons thrown out of work are over 40 or 50 years of age and face discrimination because of their age when seeking a job. They leave their families only to return more defeated than before. Second, they lack training for the available jobs in other areas. We must remember moreover that there is a ceiling on jobs in the other localities. The total number of employed in manufacturing is diminishing. The number of job opportunities elsewhere is limited.

Fourth, the roots and homes of these people are in these areas. They keep up their hopes for the future in these areas. It is hard for a man to give up all he has worked for in his home, his neighborhood, church, and local groups, especially after investing most of his life in them.

Fifth, some families have gone deeply in debt and do not like to run out on their obligations. Moreover, those who migrate and find jobs are, because of low seniority in their new employment, the first to be laid off in a recession. So they head back home.

There are other reasons. But the basic answer to the question "Why do not more persons in these areas move?" is that they would if they could but they cannot.

The next question, also logical, might be "Well, what can we do about it? Why send good money after bad? What good would it do? Anyway, is this not a local rather than a national problem?" The overtones of this argument were heard a few minutes ago when the distinguished junior Senator from New York, who has recently joined us, implied what does New York have to do with the unemployed people of West Virginia?

Mr. President, we are one Nation. We cannot keep these pockets of distress isolated from the rest of the Nation any more than we can keep cancer cells isolated from the rest of the body. Once the cancer begins to move and to concentrate, it will spread. I say it is in the interest of the Nation to try to eliminate cancerous areas of high and persistent unemployment.

In some cases, perhaps, little can be done. For the program envisaged by our area redevelopment bill is not a handout or a dole. It is not a relief measure. Rather, it is a program of long-term investment in repayable loans to help these areas to help themselves.

The fact is that many of these areas have natural resources, strategic locations, and an available labor supply. They are ripe for new industries, but private capital is not available. In such depressed communities local capital is normally limited and less venturesome than in places where greater prosperity prevails.

Furthermore, a long period of unemployment will have drawn down local savings and other local funds in local banks. Local capital is less venturesome because there has been a long period of decline.

NEED FOR ADDITIONAL CAPITAL

Moreover, outside capital is reluctant to enter these communities. Insurance companies do not want to put money into areas which are distressed and where employment and production have been on the downgrade. Investment bankers do not wish to make loans. What is needed in these localities, among other things, is credit on favorable terms and at low rates of interest, so that they can both develop their public facilities so as to make them more attractive to new industry, and establish new enterprises to create new jobs in the area. The Federal Government can be most helpful in assisting such communities, with the cooperation of private lending institutions and State and local governments, to raise the funds necessary to expand the economic base. A long-term loan at a low rate of interest granted by the Federal Government in some cases may be just the added incentive necessary for the unleashing of other private capital to develop many of these areas.

In a sense, what we are proposing is to provide a locality with "seed capital" which can help start new enterprises around which local capital, local community facilities, outside capital, and all the rest, can cluster.

Failing to aid badly distressed areas which might recover with a little help would be a waste of valuable resources. What is a prolonged depression? A prolonged depression in an area means the gradual disintegration of community facilities—schools, stores, hospitals, banks, office buildings, homes, churches, paved streets, sidewalks, sewer and water supply systems, and all of the community services which were required at great expense and which are now wasting away. Moreover, a successful area redevelopment program would serve to reduce public outlays for unemployment compensation, relief, and various other forms of public assistance—payments for which no current production is received in return. The best remedy for unemployment is work and jobs. That is the purpose of this bill, S. 722.

S. 722 IS NOT INFLATIONARY

The Employment Act of 1946 declares that the Federal Government should promote maximum employment. But there is a limit to the effectiveness of broad-scale programs to alleviate joblessness. Many—probably most—of the cities of the United States are not badly depressed. Moreover, a nationwide program to alleviate joblessness and poverty, which affects all areas alike, might create inflationary pressures by causing new investments where unemployment is small. In these cases, there would be no slack, or little slack, for the additional expenditures to take up, and pouring new money into such areas would tend to bid up prices instead of actually increasing production.

Channeling investments into areas of high unemployment or underemployment is, however, a different matter. Large reservoirs of idle manpower would be put to work and production would increase. This added output would offset in whole or in large part the extra monetary purchasing powers added to the industrial sector of the country, and hence cannot be called inflationary.

The other day I placed in the RECORD an algebraic formula which describes the quantity theory of money. I pointed out that "P," the general price level, is equal to MV plus M′V′ over T, or

$$P=\frac{MV+M'V'}{T}.$$

"M" is the symbol for the cash; "V" is the velocity of circulation of the cash. "M′" is the quantity of bank credit or demand deposits. "V′" is the velocity of circulation of bank deposits. The denominator "T" is the symbol for the physical production or real national income.

The unimaginative interpretation of the quantitative theory of money is that if the numerator is increased, it necessarily means that P must increase. So it would, if the denominator T were not increased at the same time.

But if by adding additional bank credit and monetary purchasing power, idle labor is put to work, together with resources which otherwise would be unemployed and idle, the denominator T would be increased at the same time that M′ is increased.

The consequent increase in T would certainly diminish the increase in P which would otherwise result, and might indeed compensate for the increase in M′ and prevent any increase in the price level at all.

I invite the naive advocates of the quantitative theory of money to read the CONGRESSIONAL RECORD tomorrow morning and examine this equation. If they do, they will find that what I have said is correct. The trouble is that many so-called orthodox folk who think that every time bank credit is increased prices will necessarily be increased, assume that such an increase will have no effect whatsoever upon production. But to the degree the increase in the circulating medium does cause the volume of production to increase, this serves as an offset, in whole or in part, for the increase in the quantity of money or credit.

This is one of the greatest weaknesses, I may say, in the economic reasoning of the so-called orthodox school. They assume full employment and the full utilization of resources. Under such conditions, if the labor supply and resources are fully employed, then if more purchasing power is added, it does overflow and spills over in an increase in the price level.

But if there are idle resources and idle labor, the addition of monetary purchasing power may put to work labor which otherwise would be idle, and thus increase the real national income. So let there be no talk about the inflationary effects of the bill by exponents of the half-baked orthodox quantitative theories.

Thus, the area redevelopment bill reported by the Committee on Banking and Currency would reduce unemployment and poverty where they are the worst. The minority, in their views, complain because the program is not distributed evenly over the Nation. The junior Senator from New York [Mr. KEATING] seemed to be complaining about this point. The bill is intended to reduce unemployment in areas where unemployment is the worst. That is the purpose of the bill.

We believe also that the bill will have a beneficial effect upon the Nation, because it will build up purchasing power in the distressed areas, and the people in those areas will then buy products from other sections of the country, and reduce unemployment there, or prevent conditions from getting worse there; moreover there will not be the same pressure for the migration of labor which there otherwise would be.

Let me make it clear, this is not a program designed to cure either great industrial depressions or seasonal unemployment. We do not claim that; we never have claimed it. But it would reduce the persistent and deep pockets of the unemployed, and hence decrease so-called structural unemployment. General monetary and fiscal policy cannot reach structural unemployment, due to shifts of demand, diminishing natural resources, and improved technical methods, and other factors, which have left so many American families stranded.

Unemployment in the depressed areas cannot be reduced appreciably by a general monetary or fiscal policy. It is necessary to have a sound plan designed specifically for the situation, and that, we believe, is what S. 722 would provide.

HOW S. 722 WOULD HELP

Senate bill 722 proposes the establishment of an Area Redevelopment Administration, headed by an Administrator with power to designate redevelopment areas and allocate help to them in the form of loans and assistance. To be eligible for help, an area would have to qualify under certain criteria. There would be two types of areas—industrial and rural.

As of January of this year, the Department of Labor designated 76 major areas located in 25 States as "areas of substantial labor surplus," namely, those with unemployment in excess of 6 percent. One hundred and eighty-three smaller areas in 35 States fell into this category.

I wish to emphasize that these are areas, not merely towns. On the map, we have had to designate them at the

location of the towns on which they are centered; but the labor areas cover not only the towns, but also the surrounding regions of indefinite extent. So the designation applies not only to the towns, but also to the regions which surround them.

In general, this means that after making allowances for temporary and seasonal changes, those seeking work in the area and unable to find it must account for at least 6 percent of the total working force.

Mr. President, I ask unanimous consent to have a list of these areas printed in the RECORD at this point.

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

AREAS OF SUBSTANTIAL LABOR SURPLUS, JANUARY 1959

MAJOR AREAS

Alabama: Birmingham, Mobile.

Connecticut: Bridgeport, New Britain, New Haven, Waterbury.

Illinois: Chicago, Joliet.

Indiana: Evansville, Fort Wayne, South Bend, Terre Haute.

Kentucky: Louisville.

Maine: Portland.

Maryland: Baltimore.

Massachusetts: Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield-Holyoke, Worcester.

Michigan: Battle Creek, Detroit, Flint, Grand Rapids, Lansing, Muskegon, Saginaw.

Minnesota: Duluth-Superior.

Missouri: Kansas City, St. Louis.

New Jersey: Atlantic City, Newark, Paterson, Perth Amboy, Trenton.

New York: Albany-Schenectady-Troy, Binghampton, Buffalo, New York, Syracuse, Utica-Rome.

North Carolina: Asheville, Durham.

Ohio: Canton, Lorain-Elyria, Toledo, Youngstown.

Oregon: Portland.

Pennsylvania: Allentown-Bethlehem-Easton, Altoona, Erie, Johnstown, Philadelphia, Pittsburgh, Reading, Scranton, Wilkes-Barre-Hazleton, York.

Puerto Rico: Mayaguez, Ponce, San Juan.

Rhode Island: Providence.

Tennessee: Chattanooga, Knoxville, Memphis.

Texas: Beaumont-Port Arthur, Corpus Christi.

Virginia: Roanoke.

Washington: Spokane, Tacoma.

West Virginia: Charleston, Huntington-Ashland, Wheeling-Steubenville.

Wisconsin: Racine.

SMALLER AREAS [1]

Alabama: Alexander City, Anniston, Florence-Sheffield, Gadsden, Jasper, Talladega.

Alaska: Anchorage.

Arkansas: Fort Smith.

California: Eureka, Ukiah.

Colorado: Pueblo.

Connecticut: Ansonia, Bristol, Danbury, Danielson, Meriden, Middletown, Norwich, Thompsonville, Torrington, Willamantic.

Georgia: Toccoa.

Illinois: Canton, Centralia, Decatur, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney, Mount Vernon.

Indiana: Anderson, Columbus, Connersville, Michigan City-La Porte, Muncie, New Castle, Richmond, Vincennes.

Iowa: Ottumwa.

Kansas: Coffeyville-Independence-Parsons, Pittsburg.

Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.

Louisiana: Opelousas.

Maine: Biddeford-Sanford, Lewiston.

Maryland: Cumberland, Frederick, Westminster.

Massachusetts: Fitchburg, Greenfield, Haverill, Marlboro, Milford, Newburyport, North Adams, Pittsfield, Southbridge - Webster, Taunton, Ware.

Michigan: Adrian, Allegan, Ann Arbor-Ypsilanti, Bay City, Benton Harbor, Escanaba, Holland-Grand Haven, Ionia-Belding-Greenville, Iron Mountain, Jackson, Marquette, Monroe, Owosso, Port Huron, Sturgis.

Mississippi: Greenville.

Missouri: Cape Girardeau, Flat River-De Soto-Festus, Joplin.

Montana: Butte, Great Falls, Kalispell.

New Jersey: Bridgeton, Long Branch, Morristown-Dover, Plainfield-Somerville.

New York: Amsterdam, Auburn, Batavia, Corning-Hornell, Elmira, Glens Falls-Hudson Falls, Gloversville, Jamestown - Dunkirk, Kingston, Newburg - Middletown - Beacon, Olean-Salamanca, Oneida, Watertown, Wellsville.

North Carolina: Fayetteville, Kinston, Mount Airy, Rockingham-Hamlet, Rocky Mount, Rutherfordton-Forest City, Shelby-Kings Mountain, Waynesville.

Ohio: Ashtabula-Conneaut, Athens-Logan-Nelsonville, Batavia-Georgetown-West Union, Cambridge, Defiance, East Liverpool-Salem, Findlay-Tiffin-Fostoria, Kent-Ravenna, Kenton, Marietta, New Philadelphia-Dover, Portsmouth-Chillicothe, Springfield, Zanesville.

Oklahoma: Ardmore, McAlester, Okmulgee-Henryetta.

Oregon: Albany, Coos Bay, Eugene, Pendleton, Roseburg.

Pennsylvania: Berwick-Bloomsburg, Butler, Clearfield-DuBois, Lewistown, Lock Haven, New Castle, Oil City-Franklin-Titusville, Pottsville, Sayre-Athens-Towanda, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Williamsport.

Rhode Island: Newport.

Tennessee: Bristol-Johnson City-Kingsport, La Follette-Jellico-Tazewell.

Texas: Laredo, Texarkana.

Vermont: Burlington, Springfield.

Virginia: Big Stone Gap-Appalachia, Radford-Pulaski, Richlands-Bluefield.

Washington: Aberdeen, Anacortes, Bellingham, Bremerton, Everett, Olympia, Port Angeles.

West Virginia: Beckley, Bluefield, Clarksburg, Fairmont, Logan, Martinsburg, Morgantown, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.

Wisconsin: Beliot, Eau Claire-Chippewa, La Crosse, Oshkosh, Watertown.

[1] These areas are not part of the regular area labor market reporting and area classification program of the Bureau of Employment Security and its affiliated State employment security agencies.

Source: Department of Labor.

Mr. DOUGLAS. Mr. President, in order to qualify for help under the terms of Senate bill 722, an area must have been subjected to persistent as well as high unemployment; and the 6 percent test is an absolute minimum. In addition, the joblessness of an area must have been 50 percent above the national average for 3 out of the 4 years, or 75 percent above for 2 out of the 3 years, or 100 percent above for 1 out of the 2 years immediately preceding its application. These criteria have been criticized by our friends of the minority. Of course, it is very interesting that these criteria are the same as those used by the administration in its objections to the bill. These criteria were adopted by the committee in a move to meet one of the administration's objections to the bill. These are the same as those proposed by the administration, except that the qualifying time periods were reduced by one year.

In other words, Senate bill 722 would make eligible for loans only the most hard-hit industrial areas among those already classified as having substantial labor surplus.

Of course, if we attempted to apply this program to everyone, the minority would say we were trying to spread it too thin over the entire Nation. But now that we propose to apply it only to the areas most in need, the minority says we should apply it to the entire Nation. In short, when one deals with the minority, one cannot win, because the minority will say that the proposal is either too thick or too thin, too hot or too cold, too young or too old. So in dealing with the minority, one simply cannot win; according to the minority, a Democrat is never correct.

According to the best estimates of the Department of Labor, 112 industrial areas spread over 26 States qualify for the designation of "industrial redevelopment area" under the terms of Senate bill 722.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of these areas.

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

AREAS WHICH MAY QUALIFY FOR FEDERAL ASSISTANCE AS AREAS WITH SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT UNDER S. 722,[1] MARCH 1959

MAJOR AREAS [2] (23 MAJOR AREAS)

Indiana: Evansville, South Bend, Terre Haute.

Massachusetts: Fall River, Lawrence, Lowell, New Bedford.

Michigan: Detroit, Flint, Grand Rapids, Muskegon.

New Jersey: Atlantic City.

North Carolina: Asheville.

[1] This listing is preliminary and tentative, and is based largely on bimonthly or semiannual data compiled from area labor market reports prepared in connection with the Bureau of Employment Security's program for the classification of areas according to relative adequacy of labor supply. Data used cover a 2 to 5 year period extending through the closing months of 1958; early 1959 data, now becoming available for some areas could result in several changes in the above listing. A more comprehensive review of area data on a monthly—rather than bimonthly or semiannual basis, and in the light of whatever criteria may be included in the bill finally enacted, would be required to determine which areas are eligible for assistance as areas with substantial and persistent unemployment.

[2] Major areas are areas included in the Bureau of Employment Security's regular area labor market reporting and classification program. This program covers 149 of the country's leading employment centers. Unemployment and labor force data for these areas are generally available on bimonthly basis.

Ohio: Lorain-Elyria.[4]

Pennsylvania, Altoona, Erie,[3] Johnstown, Scranton, Wilkes-Barre-Hazleton.

Rhode Island: Providence.

Tennessee: Knoxville.

West Virginia: Charleston, Huntington-Ashland.[4]

SMALLER AREAS [5] (89 SMALLER AREAS)

Alabama: Florence-Sheffield, Jasper, Talladega.[3]

Alaska: Anchorage.

Connecticut: Bristol, Danielson, Norwich.[3]

Illinois: Centralia, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney,[3] Mount Vernon.

Indiana: Michigan City-La Porte, Muncie, New Castle,[4] Vincennes.

Kansas: Coffeyville-Independence-Parsons,[3] Pittsburg.

Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.

Maine: Biddeford-Sanford, Lewiston.[3]

Maryland: Cumberland.

Massachusetts: Milford,[3] North Adams, Southbridge-Webster, Taunton.[3]

Michigan: Adrain, Bay City, Escanaba, Ionia-Belding-Greenville,[4] Iron Mountain, Marquette, Monroe, Owosso,[4] Port Huron.

Missouri: Joplin.

Montana: Butte, Kalispell.[3]

New Jersey: Bridgeton, Long Branch.

New York: Amsterdam, Auburn,[4] Gloversville.

North Carolina: Fayetteville, Mount Airy, Rockingham-Hamlet, Shelby-Kings Mountain.

Ohio: Portsmouth-Chillicothe, Springfield,[3]

Oklahoma: McAlester.

Oregon: Coos Bay.[3]

Pennsylvania: Berwick-Bloomsburg, Clearfield-DuBois, Lewistown, Lock Haven, New Castle,[4] Pottsville, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Williamsport.

Tennessee: LaFollette-Jellico-Tazewell.

Texas: Texarkana.

Virginia: Big Stone Gap-Appalachia, Radford-Pulaski.

Washington: Aberdeen, Anacortes, Bellingham, Everett, Olympia, Port Angeles.

West Virginia: Beckley, Bluefield, Clarksburg,[4] Fairmount, Logan, Morgantown, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.

Mr. DOUGLAS. Mr. President, there is, in the Chamber, a chart which indicates the degree and persistence of unemployment in the major areas covered by S. 722. I ask unanimous consent, at this point, to insert a table in the RECORD which indicates the degree and persistence of unemployment in the smaller areas.

[3] Borderline.

[4] Appears eligible solely on the basis of unemployment 100 percent above national average for 1 of the preceding 2 years.

[5] Smaller areas: Areas with a labor force of 15,000 or more which are officially classified as "smaller areas of substantial labor surplus" by the Bureau of Employment Security. Data for such areas are generally available on a semiannual basis. Information for smaller areas which are not classified, or for areas with a labor force of less than 15,000, is not available in Washington on a consistent basis.

Source: U.S. Department of Labor, Bureau of Employment Security, Office of Program Review and Analysis, Washington, D.C., Mar. 13, 1959.

There being no objection, the table was ordered printed as follows:

Degree and persistence of joblessness in smaller areas covered by S. 722

Key: x = 6 to 10 percent
X = over 10 percent
— = not available

	1954		1955		1956		1957		1958	
Alabama:										
Florence-Shefield	x	x	x	x	x	x	x	x	X	X
Jasper	—	—	X	x	x	—	x	—	X	X
Talladega	x	X	x	—	—	—	—	X	X	X
Alaska: Anchorage	—	—	—	—	—	—	X	x	X	x
Connecticut:										
Bristol	—	—	x	—	—	—	x	X	X	X
Danielson	—	—	X	x	—	—	x	x	X	X
Norwich	—	—	—	—	—	—	x	—	X	x
Illinois:										
Centralia	—	—	—	—	—	—	x	X	X	X
Harrisburg	X	X	X	X	X	X	X	X	X	X
Herrin-Murphysboro-West Frankfort	X	X	X	X	X	X	X	X	X	X
Litchfield	X	X	X	x	x	—	x	x	X	x
Mount Carmel-Olney	—	—	x	x	—	x	x	x	x	x
Mount Vernon	X	X	X	x	X	x	x	x	X	X
Indiana:										
Michigan City-La Porte	X	X	X	x	x	x	x	—	X	X
Muncie	—	—	x	—	x	X	X	x	X	X
New Castle	—	—	—	—	—	—	—	—	X	X
Vincennes	X	X	X	X	X	X	X	x	X	x
Kansas:										
Coffeyville-Independence-Parsons	—	—	—	x	x	x	x	x	x	x
Pittsburg	X	X	X	X	X	x	x	x	X	x
Kentucky:										
Corbin	X	X	X	x	X	X	X	X	X	X
Hazard	X	X	X	X	X	X	x	X	X	X
Hopkinsville	—	—	—	—	—	x	—	x	X	x
Madisonville	X	X	X	x	X	x	X	x	X	X
Middlesboro-Harlan	X	X	X	X	X	X	X	X	X	X
Morehead-Grayson	X	X	X	X	X	x	X	X	X	X
Owensboro	X	X	x	x	x	x	x	x	X	X
Paducah	—	—	—	—	—	—	X	x	X	X
Paintsville-Prestonsburg	X	X	X	X	X	x	X	x	X	X
Pikeville-Williamson	X	X	X	X	X	X	X	X	X	X
Maine:										
Biddeford-Sanford	x	x	X	X	X	x	x	X	X	X
Lewiston	—	—	—	—	—	—	x	—	X	x
Maryland: Cumberland	X	X	X	X	X	X	X	X	X	X
Massachusetts:										
Milford	x	x	x	—	—	—	x	x	X	x
North Adams	x	x	—	—	—	—	x	x	X	X
Southbridge-Webster	X	X	X	x	—	—	—	X	X	X
Taunton	—	—	—	—	—	—	x	x	X	X
Michigan:										
Adrian	x	x	—	—	—	—	—	X	X	X
Bay City	x	X	x	—	—	x	x	x	X	X
Escanaba	—	—	X	—	x	—	x	X	X	X
Ionia-Belding-Greenville	X	—	—	—	—	—	—	x	X	X
Iron Mountain	X	X	X	x	x	x	x	x	x	X
Marquette	—	—	x	—	x	x	x	x	X	X
Monroe	x	x	x	—	x	x	x	x	X	x
Owosso	x	x	—	—	—	—	—	X	X	X
Port Huron	x	X	x	—	x	x	x	x	X	X
Missouri: Joplin	x	—	x	—	—	—	—	x	X	x
Montana:										
Butte	—	—	—	—	—	—	x	X	X	X
Kalispell	—	—	—	—	—	—	—	X	x	X
New Jersey:										
Bridgeton	—	—	x	x	x	x	X	—	X	x
Long Branch	—	—	x	x	x	—	x	—	x	x
New York:										
Amsterdam	X	X	X	x	X	—	x	X	X	X
Auburn	—	—	x	—	—	—	—	x	X	X
Gloversville	X	x	X	—	—	—	—	x	X	X
North Carolina:										
Fayettville	—	—	x	x	x	x	X	X	X	X
Mount Airy	—	—	x	x	x	x	x	x	X	x
Rockingham-Hamlet	—	—	—	—	—	—	X	X	X	X
Shelby-Kings Mountain	—	—	x	x	X	x	X	X	X	x
Ohio:										
Portsmouth-Chillicothe	—	—	—	—	—	x	X	x	X	x
Springfield	x	x	x	—	—	—	X	x	X	X
Oklahoma: McAlester	x	x	x	x	x	x	X	x	x	X
Oregon: Coos Bay	—	—	—	—	—	—	x	—	X	x
Pennsylvania:										
Berwick-Bloomsburg	x	X	x	x	X	x	x	X	X	X
Clearfield-DuBois	X	X	X	X	x	—	x	x	X	X
Lewistown	—	—	x	—	x	x	—	x	X	X
Lock Haven	X	X	X	x	—	x	x	X	X	X
New Castle	X	x	X	—	—	—	—	—	X	X
Pottsville	X	X	X	X	X	X	X	X	X	X
Sunbury-Shamokin-Mount Carmel	X	X	X	x	x	x	x	—	X	X
Uniontown-Connellsville	X	X	X	X	X	X	X	X	X	X
Williamsport	x	x	x	—	—	—	x	x	X	—
Tennessee: La Follette-Jellico-Tazewell	X	X	X	X	X	X	X	x	X	X
Texas: Texarkana	x	x	x	x	x	x	X	x	x	x
Virginia:										
Big Stone Gap-Appalachia	X	X	X	X	X	x	x	x	X	X
Radford-Pulaski	x	X	x	x	x	x	x	x	X	x
Washington:										
Aberdeen	—	—	—	—	—	—	X	x	X	x
Anacortes	—	—	—	—	—	—	X	—	X	X
Bellingham	—	—	—	—	—	—	X	—	X	x

Degree and persistence of joblessness in smaller areas covered by S. 722—Con.

Key: x = 6 to 10 percent
X = over 10 percent
— = not available

	1954		1955		1956		1957		1958	
Washington—Continued										
Everett	—	—	—	—	—	—	X	—	X	x
Olympia	—	—	—	—	—	—	X	x	X	x
Port Angeles	—	—	—	—	—	—	X	X	X	x
West Virginia:										
Beckley	X	X	X	X	X	x	x	x	X	X
Bluefield	x	X	X	x	x	—	x	—	X	X
Clarksburg	X	x	x	—	—	—	—	x	X	X
Fairmont	X	X	X	x	x	x	x	x	X	X
Logan	X	X	X	x	x	x	x	x	X	X
Morgantown	X	X	X	—	—	—	—	x	X	X
Point Pleasant-Gallipolis	X	X	x	x	x	x	x	—	X	X
Ronceverte-White Sulphur Springs	X	X	X	x	X	x	x	x	X	X
Welch	x	X	X	x	x	x	X	X	X	X

Mr. DOUGLAS. Mr. President, about 6.3 million workers, or roughly one-tenth of the total national civilian labor force, are located in these areas. However, the same areas account for about 17 percent of total national unemployment. In addition, 12.2 percent of the work force—or one worker out of every eight—in these 112 areas is unemployed, a rate twice as high as the current national average. Thus, it becomes apparent that Senate bill 722 strikes directly at unemployment only where help is needed most. This bill also strikes at it indirectly over a much wider area.

The needs of the low-income rural areas are no less urgent than those of the industrial areas with surplus manpower. Available data indicate that some rural areas have not shared during recent decades in the growth of the country as a whole. In many rural counties in the United States, the average per capita income is as little as one-fourth that of the average person in the United States.

Under the terms of Senate bill 722, the Administrator of the program could designate "rural redevelopment areas" from among those with the largest number of low-income farm families, taking into account also "the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, and the proportion of the population of the area which has been receiving public assistance."

Mr. President, as the senior Senator from West Virginia [Mr. RANDOLPH] has stated, the Department of Agriculture has prepared lists of the 500 counties in the United States with 100 or more commercial farms which ranked, according to the 1954 Census of Agriculture, lowest in terms of level of living for farm-operated families. The Department has also prepared lists of the 500 counties with the highest proportion of the commercial farms having gross sales of farm products of less than $2,500. A total of 336 counties appeared in both lists. These areas would probably pro-

vide the core of the low-income rural areas which would be eligible for assistance under Senate bill 722.

I ask unanimous consent to have printed at this point in the RECORD a table showing the incidence of such counties in the several States.

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

Counties with lowest farm income and levels of living, by State, 1954

State	500 counties with lowest level of income		500 counties with highest percentage of commercial farms having sales of less than $2,500		336 counties appearing in both lists	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Total	500	100.0	500	100.0	336	100.0
Alabama	51	10.2	48	9.6	44	13.1
Arkansas	56	11.2	35	7.0	32	9.5
Florida	15	3.0	4	.8	4	1.2
Georgia	50	10.0	40	8.0	14	4.2
Illinois	2	.4	3	.6	2	.6
Kentucky	38	7.6	41	8.2	35	10.4
Louisiana	23	4.6	21	4.2	16	4.8
Michigan			5	1.0		
Minnesota			2	.4		
Mississippi	71	14.2	64	12.8	59	17.6
Missouri	15	3.0	15	3.0	11	3.3
New Mexico	4	.8	1	.2		
North Carolina	32	6.4	28	5.6	16	4.8
Oklahoma	16	3.2	15	3.0	11	3.3
South Carolina	20	4.0	28	5.6	11	3.3
Tennessee	43	8.6	66	13.2	39	11.6
Texas	28	5.6	20	4.0	12	3.6
Virginia	19	3.8	23	4.6	13	3.9
West Virginia	17	3.4	37	7.4	17	5.1

Source: Bureau of the Census. 1954 Census of Agriculture.

Mr. DOUGLAS. Mr. President, three revolving loan funds of $100 million each would be created by Senate bill 722. These would be devoted to loans for first, industrial areas; second, rural areas; and third, public facilities in both industrial and rural areas where such facilities would encourage economic development.

In addition to the three revolving-loan funds, the bill provides authorization for $75 million in grants for public facilities in areas which cannot repay loans.

Loans for private projects in industrial and rural areas could be used for the purchase or development of land and facilities, including machinery and equipment, for industrial purposes. Maximum Federal participation would be 65 percent of the total cost of such projects, although, of course, it is hoped that the Administrator will be able to get the new enterprises under way with less than a 65-percent loan. State or local participation must be at least 10 percent, and private participation at least 5 percent, of the total cost of the project.

Of course, I think it follows that the private groups would have to be prepared to furnish at least 25 percent of the entire amount, since the Federal Government would provide 65 percent, and the State and local governments would provide at least 10 percent. So the private groups must be ready to furnish at least 25 percent of the amounts needed for land and buildings and machinery and equipment; and of course they must, in addition, be prepared to provide all the working capital—namely, the amounts needed for the purchase of raw materials, and to finance the wage bill, and so forth.

The loans to private industry could be made for periods of up to 30 years, with possible extensions to 40 years in some cases. This period was scaled down from previous proposals in another effort to meet the criticisms of the administration. The interest rate chargeable would amount to about 4½ percent, which would be the current average yield on outstanding marketable obligations of the United States of comparable maturities, plus one-half of 1 percent. Half of this added percentage would be allocated to a sinking fund to offset losses.

I may say that in the original bill we included a loading of only one-fourth of 1 percent. But in an effort to meet the administration more than halfway, we added another one-fourth of 1 percent as a sinking fund.

I also wish to remind the Senate that we have adopted the criteria the administration laid down, and we reduced from 40 years to 30 years the period for which the loans would normally be made. So we have leaned over backward in our efforts to meet the criticisms of the President.

Under the terms of Senate bill 722, applications for loans for private projects must normally be approved by an agency of the State, and the project must be consistent with an overall area development program approved by the Administrator.

The terms of the loans for public facilities would be similar to those applicable to private loans, except that the maximum period would be 40 years instead of 30 years. The interest rate would be the same as that for private loans, except that the added percentage would be one-fourth of 1 percent instead of one-half of 1 percent, taking as its base the average interest rate on Government loans for all comparable maturities; but the loading or added percentage would be one-quarter of 1 percent instead of the one-half of 1 percent as for the loans to new private enterprises.

Now I should like to say a word, if I may, about the purposes for which these loans for public facilities would probably be used. They would be used for facilities which would help a locality to attract and to hold industry. The two purposes which would be most common would be provision for industrial water, which is an absolute necessity to attract new industry today, and also provision for what are called industrial parks, whereby buildings are constructed which are capable of subdivision for use by a number of small concerns, and which have access roads, water, sewage, electric light, and telephone service connections, so that all a small business need do is move in. In certain other cases perhaps a water or sewage system might be eligible for such a loan, but, in the main, the emphasis would be on industrial facilities rather than community amenities.

In our report we point out that a depressed area may have many assets which can be used by industry, such as labor and water facilities, but it may lack one public facility by which all the others may be utilized; for example, adequate water supply for industrial use, adequate sewage facilities, or access to a navigable river or a railroad.

Let me touch, if I may, upon the subject of loans for rural development areas. The need for new industry in such areas is quite apparent, and is admitted by all students of the problem. There is a large supply of idle time in those localities—the idle time of farmers during off seasons and the idle time of members of a farm family. In fact, the idle time of farm workers in areas of low-income probably constitutes the greatest unused resource such communities have, if that idle time could only be translated into productive effort much good would result.

It is hoped and believed that these loans will permit the establishment of small plants, many of them processing plants to handle local farm products, thereby enabling labor in those areas to be more fully employed, and hence increase off-the-farm income.

This has been a recommendation of all students of agriculture. The Department of Agriculture has set up what it calls its rural redevelopment program, but the Department has insisted that each locality must finance its own efforts and there is to be no aid from the Federal Government.

The rural redevelopment program in the South has just been surveyed by a very distinguished committee of the National Planning Association, and I should like to read what the agriculture committee of the association stated about the program of the Department of Agriculture so far as it relates to rural redevelopment:

The low-income rural problem is far too vast and deep seated to be solved by the rural development program as presently conceived. While the cautious grassroots approach of this program may have been

largely justifiable up to date, it will have to become much more sharply focused, better integrated and coordinated, much bolder in its objectives, and far better financed if it is to make significant inroads in reducing the South's widespread rural poverty. Emphasis has been placed too exclusively on only one essential ingredient of progress—local initiative and enterprise. The other essential ingredient—outside financial and technical assistance, both public and private—has been too often ignored and neglected. Such a one-sided approach—

I take it they are referring to the program of the Department of Agriculture—

(a) seriously obscures the basic fact that, given their own very limited resources, low-income rural communities cannot solve their problems with the best of local leadership and cooperation; and (b) reinforces the unfortunate cultural heritage and narrow sociopolitical outlook of many State and local leaders, thereby tending to preserve rather than to change the status quo in low-income rural areas. Particularly needed are large increases in Federal appropriations and grants-in-aid for improved general and vocational education, for a much greater amount of supervised farm credit, for more special agricultural research and extension services, for more adequate labor market information and employment services, and for better health facilities, in rural areas. Costly though such programs would be, they could be easily financed by diversion to this purpose of a relatively small part of the amounts now expended on farm price-support programs. In view of the present stupendous waste of human resources in our low-income rural areas, can we afford to do any less?

Mr. President, who do you suppose were the members who issued that report? Were they extreme radicals or left-wingers? Not at all. The chairman of the committee was Mr. Lauren K. Soth, editor of the editorial pages of the Des Moines Register and Tribune, the central newspaper of the great Cowles chain, which publishes a newspaper in Minneapolis, and has given to the world Look magazine.

Vice chairman of the committee was Donald R. Murphy, director of Editorial Research, Wallaces' Farmer and Iowa Homestead.

Another vice chairman of the committee was A. C. Hoffman, vice president of Kraft Foods Co.—a large food processor.

Other members of the committee were: John App, of the Seabrook Farming Corp.; John A. Baker, director, legislative services, National Farmers Union; Murray R. Benedict, professor of agricultural economics, University of California—an extremely conservative agricultural economist; John D. Black, professor of agricultural economics, Harvard University; Robert K. Buck, Waukee, Iowa; Harry W. Culbreth, vice president, Nationwide Insurance; John H. Davis, director, program in agriculture and business, Harvard University; Arval L. Erikson, economic adviser, Oscar Mayer & Co.—a distinguished packing firm in my own city of Chicago; Oscar Heline, Marcus, Iowa; Frank W. Hussey, vice president, Maine Potato Council—his name ought to strike a soft spot in the hearts of the representatives from Maine; E. W. Kieckhefer, farm editor, the Courier-Journal; Herschel D. Newsom, master, National Grange; R. J. Odegard, of the O. J. Odegard Potato Co.; William H. Nicholls, chairman, department of economics and business administration, Vanderbilt University; James G. Patton, president, National Farmers Union; and Theodore W. Schultz, chairman, department of economics, University of Chicago.

This is a group of trained men who are saying that the program of the Department of Agriculture is vitally defective in that it does not provide for outside national aid and financing to help improve the condition of the low-income farms and counties of the United States.

The depressed Indian reservations and communities would also be eligible for such redevelopment loans. This would help many additional groups in numerous other States.

In addition to the three revolving loan funds other services are provided by the bill. There is an outright one-shot grant of $75 million to be parceled out to communities which cannot fully repay the loans which might be made to them. This amount would be supplementary to the loans for especially hard-pressed communities. In addition, information available to the Government would be supplied to the designated areas and to Government procurement divisions, and an authorization for appropriation of $4,500,000 a year would permit the Administrator to make technical assistance grants to designated areas.

The Housing and Home Finance Agency would be enabled to give additional financial assistance to municipalities in industrial redevelopment areas, and urban planning grants would be made available to designated areas having a population of 25,000 or more.

The bill would provide for Federal assistance for vocational training in designated areas, and as has been mentioned several times, a fund of $10 million for the purpose of making subsistence payments to unemployed persons being retrained and not entitled to unemployment compensation.

THE EUROPEAN EXPERIENCE

The enactment of S. 722 would not result in a radical new program which has never been tried. As a matter of fact, the countries of Western Europe have had similar programs in effect for some time, and part of the financing for such programs has undoubtedly been made possible by U.S. foreign aid dollars. Certainly, I would never question the wisdom of such aid. Marshall plan dollars have helped the nations of Western Europe to recover their economic potential and thus stave off the onslaught of communism. Nevertheless, we can hardly blame the unemployed worker and the hard-hit businessmen in our own depressed areas if they wonder why, if we help Europe do it, we cannot help our own people.

I have always defended the program of foreign aid. I have believed in it. I have supported it. I have voted for it.

In 1954 when I was a candidate for reelection I spoke on the floor of the Senate for the foreign aid program, and voted for it on every yea and nay vote, only to be immediately attacked by my Republican opponent, who denounced me for supporting the President's program. Then the President paid me the courtesy of making a special trip to the State of Illinois to plead for my defeat. Nevertheless, I was reelected by a majority of 241,000. This may indicate why some of us feel a little pained at the pleas of the administration that we should not cut a dollar from the foreign aid program. For, when a Democrat supports the administration to the hilt on this issue, he is immediately attacked by the followers of the administration, and the national administration indeed "eggs" its followers on to attack those who have supported it. This apparently is the administration's way of cooperating in the field of foreign policy.

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

Mr. DOUGLAS. I am glad to yield.

Mr. MANSFIELD. The administration not only asked for $3.9 billion for foreign aid, but 2 days later, when the interim Draper committee report came in, an additional $400 million was asked for.

Mr. DOUGLAS. I am struggling to control myself.

I think it is a monstrous thing for an administration which demands aid for people in other countries to refuse to provide proper aid for starving people in this country and to condemn as "wild spenders" those who would feed hungry Americans and provide work for the American unemployed.

I may end up by voting for foreign aid, and if I do, I suppose the administration and its followers will once again pay me the compliment of denouncing me with all the strength they have. If so, I will welcome the denunciation.

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

Mr. DOUGLAS. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. The distinguished Senator knows I am supporting him fully with respect to the bill now under consideration.

Mr. DOUGLAS. I am well aware of that.

Mr. COOPER. I agree with every argument the Senator has made in support of the bill. Would not the distinguished Senator agree, however, that the two measures about which he has been talking are separate? One deals with support and aid for our own people, and that is closer to my own heart than aid and support for any other people. The other measure deals with our foreign policy and with the defense of this country. Those ought to be separate problems.

Would the distinguished Senator not agree that we should make our fight for this measure, which the Senator has introduced and which I have supported, and for all the measures to help our own people, because helping our people is our first concern, but that we should consider aid to other countries upon the merits of that issue?

Mr. DOUGLAS. I agree with my friend.

Mr. COOPER. Yes.

Mr. DOUGLAS. But I find it hard to understand the President of the United States, who, on the one hand, says, "You cannot give aid to the people at home," and, on the other hand, says, "You must lavish assistance on people abroad." I cannot understand an administration which puts the needs of people abroad far above the needs of people at home, and condemns equally those who try to relieve the need at home and those who think some economies could be made in expenditures abroad. I cannot understand that psychology. I cannot understand the reasoning behind it.

Mr. COOPER. I do not wish to minimize the importance of the bill we are considering today. I am in favor of it with all my heart.

Mr. DOUGLAS. I know that.

Mr. COOPER. Without question, when it comes to the point of considering whether we should take care of our own people or of the people in another country, the people of our own country come first. There can be no question about that.

I agree also with the Senator that it would be much easier, for all of us who have supported foreign aid because we believe it has a connection with the defense of our country and its security, if the administration showed more interest in the welfare of the people of our country. I must make that statement, although I am a Republican and a member of the minority party. That would make it much easier for us. For myself, though, I approach each one of these proposals upon the merits of the case for each of these great programs.

Mr. DOUGLAS. I appreciate the position of the Senator from Kentucky, which is characteristically high-minded. I do not think the Senator suffers quite as much, however, as those of us on this side of the aisle, who, when we support the administration on proposed foreign aid legislation, are immediately denounced by the followers of the administration, and who then find the administration also coming forward to attack us. For instance, I voted in favor of every foreign aid proposal in the last session. I then went back to my State of Illinois, and I found that the Republican State Committee had primed people to get up and say, "On so many rollcalls you voted against economy." I found that the rollcalls they were citing were the foreign aid rollcalls, in connection with which I had supported the administration.

In other words, the administration condemns us in Washington if we do not support it, and the Republicans condemn us at home if we do support it. I object to this schizophrenia—not on the part of the Senator from Kentucky, because he is a well-integrated, noble man—but on the part of the Republican Party, at least in the Middle West. Some of us with the best will in the world are becoming sick and tired of these tactics. Some day the cheek will turn. We cannot be expected to be Christians all the time, while the other group holds us around the neck and pummels the life out of us.

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

Mr. DOUGLAS. I yield.

Mr. COOPER. I cannot, of course, pretend to suffer the same anguish as does the Senator from Illinois.

Mr. DOUGLAS. The toad underneath the harrow knows the sharpness of the blade, whereas the man who rides in the seat does not know quite what is happening.

Mr. COOPER. I think I have had some experience with the problem, because I am a Republican from a Democratic State.

Mr. DOUGLAS. I think the people of Kentucky recognize the qualities of my good friend. But I say that the administration shows both poor judgment and hardheartedness in opposing measures for the relief of Americans.

Mr. President, I had not intended to discuss this other subject, but my emotions are very deep.

Now, may I turn to this foreign experience.

GREAT BRITAIN

Great Britain has had the longest and most rounded experience with legislation to aid depressed areas. The U.S. Department of Labor study, "Experience With Development Areas in Great Britain," by Flexner and Ritter—Monthly Labor Review, May 1957—and the article by Prof. William H. Miernyk—Industrial and Labor Relations Review, October 1958—summarize the British legislation and experience from 1934 through 1956. Mr. Sar A. Levitan, of the Legislative Reference Service of the Library of Congress, has reviewed these and other studies for me, and I am grateful for his help.

In the black 1920's and 1930's, unemployment was concentrated in the depressed areas of coal, steel, and textiles in South Wales and the industrial north. I was twice in England at that time and went through these areas. The people and the Government seemed at their wits end, not knowing what to do about the situation.

The first legislation was passed in 1934 to "facilitate the economic development and social improvement" of four areas suffering from unemployment, commissioners were empowered to make plans, to assist or start industrial projects in cooperation with local and national agencies and private groups, and to distribute grants for these purposes. Later, amendments strengthened these efforts. In 1945, the Distribution of Industry Act was adopted to apply to four large areas or, more accurately, regions.

In July 1958, following the rise of unemployment in England, the British Parliament—again under Tory control—amended the Distribution of Industry Act which has been summarized in the two articles previously referred to. Instead of designating special regions as eligible for aid, the new act qualified for preferential treatment any community having a high rate of unemployment which was likely to persist.

The amendment also widened the scope of the act by extending aid to trade establishments as well as industrial undertakings locating in the depressed localities.

In defending the amendment and the vigorous application of the distribution of industry—industrial finance—bill before the House of Commons, the spokesman for the Government asserted that the most effective means to combat unemployment is to concentrate allocation of economic resources in areas where chronic unemployment prevails, and pledged that the fight to reduce unemployment in these areas would not be frustrated for want of capital. He also pleaded for the enactment of a flexible program, which would permit the Government to "act swiftly in any locality where serious unemployment had arisen and was likely to persist"—London Times, May 1, 1958.

The amended act brings the British approach closer to the legislation proposed in S. 722. The original act specified eight regions which were qualified for assistance, while the present legislation makes assistance available on a labor-market basis, the same as S. 722. It should, however, be noted that under S. 722 only areas having an unemployment rate of over 6 percent are eligible for assistance, which is 50 percent greater than the British requirement of a 4-percent rate of unemployment, which qualifies communities for assistance.

The Labor Department study does not attempt to evaluate the effectiveness of the British Distribution of Industry Act, but Prof. Ben W. Lewis, in a study for the Twentieth Century Fund, concluded in 1952 that the British measures to aid depressed areas broadened the economic base of these areas:

> Many new industries have started in the [depressed] areas bringing a diversification which should protect them in the future from concentrated employment. This is particularly true because many of these industries are of a new lighter type for which the prospects of expansion are great. ("British Planning and Nationalization," pp. 182–3.)

Prof. William H. Miernyk in his article, "British and American Approaches to Structural Unemployment," concludes that the British experience to reduce unemployment in depressed areas has been "impressive." He argues for the adaptation of similar policies in the United States.

Finally, an excerpt from the International Labor Review briefly summarizes existing provisions to combat chronic unemployment in several European countries and in the United States.

Mr. President, I ask unanimous consent to insert these articles in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the articles may be printed as requested.

(See exhibit 1.)

SPECIFIC BRITISH PROGRAMS

Mr. DOUGLAS. In the listd areas, the Distribution of Industry Act empowered the Board of Trade to improve sites and

to build factories; to acquire land, if necessary by compulsory purchase, for industrial sites or for access thereto; to acquire and improve derelict land either for industrial sites or for community facilities; to give financial assistance to local authorities or nonprofit agencies for such work. Government grants or loans were made available for basic services and facilities, for example, transportation, power, lighting, sanitation, and housing, necessary for industrial development.

With the consent of the Treasury, the Board could also make loans to nonprofit industrial or trading estate companies to provide industrial premises. In addition, the Treasury was empowered to give annual grants or loans to enable industrial undertakings, either already established or proposed, to pay interest on borrowed capital.

The Distribution of Industry Act also vested in the Board of Trade responsibility for securing the proper distribution of new industrial development throughout the country. All persons were required to notify the Board of Trade if they intended to erect an industrial building of more than 5,000 square feet and to furnish particulars of the type of production, floor space, and the number of workers to be employed. The Board of Trade then discussed with the industrialists where it would be to their interest, as well as to the advantage of the country, to locate the proposed building. Information concerning the economic structure of a large number of districts containing possible sites, and the availability of labor, power, transportation, housing, and other relevant matters was assembled by the Location Office of the Board of Trade to facilitate planning concerning industrial sites, both with the Government agencies concerned with planning and with the industrialists.

In 1948, the triennial review required under the Distribution of Industry Act was presented to Parliament by the Board of Trade. The Board estimated that between 1939 and 1948 there had been a net increase of 250,000 jobs in the 6 areas then scheduled, of which more than 104,550 were manufacturing jobs accounted for by firms moving into or expanding in the areas, as follows: 56,600 employed by 271 firms in Government munitions factories converted to peacetime uses; 17,750 in 210 new projects—factories or extensions—financed by Government; 14,100 in 233 new projects—factories or extensions—privately financed; and 16,100 in existing premises.

At the beginning of 1955, one and a half years before the Government's assistance to factory building in these areas was discontinued, employment in the assisted factories had reached 185,900, which was one-third higher than the employment anticipated by the Board in 1948, on the basis of plans then made.

I ask unanimous consent to have printed in the RECORD at this point a table showing the progress of unemployment declines in the affected areas.

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

Percent of insured employees registered as unemployed in Great Britain and 8 development areas, by sex, 1937, 1948, and 1955 [1]

Areas	Male			Female		
	1937	1948	1955	1937	1948	1955
Great Britain	11.0	1.6	0.9	7.0	1.0	1.1
Northeastern	16.0	2.9	1.5	8.0	2.3	2.3
South Wales and Monmouthshire	22.0	4.6	1.2	12.0	6.3	2.3
Scottish	19.0	3.8	2.5	14.0	2.8	2.7
West Cumberland	28.0	3.1	2.1	10.0	2.1	1.9
Wrexham	19.0	3.3	1.1	10.0	8.6	2.3
South Lancashire	21.0	2.8	1.1	12.0	2.4	3.1
6 areas combined	19.0	3.6	1.8	12.0	3.3	2.5
Merseyside	(2)	5.3	2.5	(2)	2.0	2.0
Northeast Lancashire	(2)	1.3	2.1	(2)	.3	4.5
8 areas combined	----	3.8	1.9	----	3.0	2.5

[1] Data for 1937 relate to July; for 1948 and 1955, to June.
[2] Areas not scheduled until after World War II; separate data not available for 1937.
Source: Data for 1937 derived from Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., October 1948 (app. 4). Figures for 1948 and 1955 computed from data supplied by Ministry of Labor and National Service, London.

Mr. DOUGLAS. The table shows the rate at which unemployment was decreased in the affected areas.

I remember being in Great Britain in the 1920's and 1930's when the British were going through an industrial depression which left large areas of the country in a depressed state, similar to that in our depressed areas of the present day. I remember going into the South Wales coal fields, and into the steel towns, and into the textile sections of Yorkshire and Lancastershire, as well as into the coal, shipping, and steel sections of Northumberland. I found conditions there very similar to what they are now in this country. Yet they finally took constructive steps very similar to those which we are recommending for the United States.

ITALY

The experience of Italy in dealing with depressed conditions in the southern part of that country have been reviewed for me by Vladimir N. Pregelj, also of the legislative reference service of the Library of Congress.

During the first few years following World War II, the Italian Government was primarily concerned with the reconstruction of the war-torn economy as a whole and did not take any steps designed specifically for the development of its depressed southern sector, although this sector had—in addition to its generally depressed condition—also suffered most by the ravages of war. The Government did, however, within the framework of its existing policies, create industrial credit sections at the Banks of Naples, Sicily, and Sardinia to act as the main financing agents for the revitalization of the economies of the southern mainland, Sicily and Sardinia, respectively.

The earliest Italian legislative measure on area development was a legislative decree in late 1947, which was designed to stimulate the growth of Italian industrial capacity in southern Italy by means of various fiscal incentives, transportation subsidies, and financing facilitations granted for establishment of new industrial plants, and for reconstruction, reactivation or expansion of old ones. A few minor supplemental measures were enacted during the following few years.

By 1950, the measures put into effect by the legislation for the industrialization of the south were quite numerous. They comprised exemption from payment of customs duties and license fees on imports of construction materials, and of machinery and equipment required for construction and operation of industrial plants; 50 percent reduction of general sales tax on such materials and equipment; exemption from payment of income tax on earnings derived from new industrial investment; and reduction of fees for transfer and registration of title to real estate necessary for industrialization.

In 1950, first major advance was made in the active participation of the Government in the economic development of the Mezzogiorno—southern Italy. The Government created the fund for the south, a Government agency given the task of carrying out a large-scale plan of public works designed to create such environmental conditions as are indispensable for the formation and effective operation of new agricultural and industrial activities. This task has often been given the name of "pre-industrialization."

In 1957, the Government prepared a program of more extensive public industrialization measures designated as the provisions for the south. In addition to increasing the annual endowment payments, it authorizes a number of public grants, credits, and incentives of particular benefit to the industrial sector of the southern economy. It also extends the coverage of provisions contained in some earlier legislation, particularly to associations and consortia established for the pre-industrialization and industrialization purposes, and contains provisions especially favoring development of small industry and handicrafts.

Thus has Italy gained experience with area redevelopment programs.

Mr. President, I ask unanimous consent that Mr. Pregelj's study be inserted in full at the close of my remarks.

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

(See exhibit 2.)

Mr. DOUGLAS. I also ask unanimous consent to have printed in the RECORD at this point a statement outlining specific operations of the Italian program.

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

SPECIFIC OPERATIONS OF ITALIAN PROGRAM

The 1957 Italian law creating the "Provisions for the South" contains a large number of provisions facilitating the financing of pre-industrialization and mostly industrialization projects. Thus, up to 40 percent of expenditures for the purchase and improvement of boats and fishing gear, for the establishment of oyster and mussel beds, and for the processing, refrigeration and transportation of fish and fish products, may be covered by the fund. The fund is authorized to

pay in full for the construction of water and sewerage systems in small communes of under 10,000 population, or to assume part of such costs for larger communes. In addition, postal savings system grants credits necessary for the financing of these public works projects whenever they are carried out by the fund. The fund is further authorized to make grants for the construction of electric powerplants and distribution systems in land improvement areas, and may also undertake the restoration of tourist sites of particular historic, artistic, or archeological interest.

In small communes of under 75,000 population, lacking industrial facilities, the fund for the south is authorized to make direct grants covering up to 20 percent of cost of establishment of small and medium industry, including construction of buildings, installation of machinery, and connections to existing roads, railroads, and water and power systems. Furthermore, up to 30 percent of expenditures for transformation, modernization, and mechanization of small industries may be covered by contributions granted by the fund.

The law also provides for the covering by grants of up to one-half of expenditures incurred by local consortia, the organization of which for the purpose of creating industrial zones is also authorized by the new fund law, in carrying out their pre-industrialization and industrialization projects. Such consortia are also given access to credits granted by the various semipublic insurance and credit institutions. In addition, the Cassa depositi e prestiti is authorized to grant to southern communes loans for the purchase of real estate for purposes of industrialization or employment increase.

In order to make it possible for the southern regional medium-term credit institutions, created by an earlier law, to expand their operations, the new fund law authorizes the fund to grant to these institutions subsidies to alleviate the cost of their bond issues which exceeds the interest charges on their loans. The law also authorizes the industrial credit sections of the banks of Naples and Sicily to utilize the repayments on their earlier loans for granting certain additional credits. Such credits may be used to supplement loans granted earlier by these sections, as medium-term developmental financing, not to exceed 50 million lire, of small and medium industries, and to enable medium and small industries to acquire stocks of raw materials and finished products.

Besides direct grants, expanding the availability of industrial credit, and extending fiscal exemptions, the new fund law provides for direct public investment for public works.

ATTEMPTS TO ESTABLISH AN AREA REDEVELOPMENT PROGRAM IN THE UNITED STATES

Mr. DOUGLAS. The problems which S. 722 is designed to meet have been recognized for several years. The Joint Economic Committee in the 84th Congress called for Federal action to help chronically distressed communities. Later, in its 1955 report, that committee urged that the public works program be speeded up, and that loans and technical assistance be extended to help these distressed communities to improve their economic conditions.

Also in 1955 the Joint Economic Committee made a careful study of low-income families in the United States under the direction of Senator SPARKMAN and called attention to the persistence of low income in various rural areas in the country, as well as the problems of depressed industrial areas. The committee urged a Federal program to combat the basic causes of economic distress both in depressed industrial areas and in low-income regions.

In 1956 the committee reiterated its conclusion that a Federal depressed areas program was needed, and the majority of the committee endorsed a comprehensive program which was embodied in a bill which I introduced, S. 2663, 84th Congress. That bill was the subject of long hearings by the Committee on Labor and Public Welfare. It was passed by the Senate during the last days of the session, but the House did not have time to act upon it before the 84th Congress adjourned.

I hold the hearings on this bill in my hand. We took testimony which covered nearly 1,200 pages. The bill was passed by the Senate during the last days of the session, but the House did not have time to act upon it before the 84th Congress had adjourned.

Both major parties called for Federal legislation to aid economically depressed areas in their respective 1956 platforms.

The Democratic Party platform stated:

We pledge our party to support legislation providing for an effective program to promote industry and create jobs in depressed industrial and rural areas so that such areas might be restored to economic stability.

The Republican Party pledged to—

Provide assistance to improve the economic conditions of areas faced with persistent and substantial unemployment.

In the 85th Congress, along with 39 cosponsors, I introduced S. 3683, which was referred to the Senate Banking Committee. This bill, with modifications, was passed by both Houses of Congress last year, but did not become law because of a Presidential pocket veto.

I charge the President and his advisers with responsibility for preventing this measure from going into effect. The record shows that is just what they have done.

Again in the 86th Congress, I introduced, with 38 cosponsors, similar legislation in the bill S. 722. This bill was the subject of committee hearings not only in Washington but also in Detroit, Mich., and in Charleston, Beckley, and Morgantown, W. Va. The committee has now reported S. 722 with amendments.

We have now taken over 5 years a total of 3,500 pages of testimony, in the Senate committees alone. I have been somewhat disappointed, execept for an interjection by the distinguished junior Senator from New York [Mr. KEATING], that the opposition has not shown its hand. It has remained silent. With the exceptic n of one or two Senators, they have stayed off the floor. We do not quite know, aside from the minority views, what their objections are going to be. I have studied the objections which they have made in their minority views, indeed, I have studied them very thoroughly. I have studied the objections which have been advanced informally, and the objections which have been advanced by various financial journals. I should like to deal with some of them, before they are sprung on us on the floor on Monday.

One objection is that we are setting up a separate administration to deal with this subject. It is alleged that what we should do instead is to place it under the jurisdiction of the Department of Commerce.

Let me say that the Department of Commerce has been the determined and indeed the irreconcilable opponent of all programs for community development and adequate care for the depressed areas of the Nation. We do not confide a child to the tender care of a nurse who dislikes children. We do not use wolves to take care of sheep.

If we place the bill under the jurisdiction of the Department of Commerce, we can be certain that they will anaesthetize it, that they will refuse to administer it, that they will administer the program in the same way in which Ezra Taft Benson administers the farm program, namely, to besmirch it and to weaken it. These are harsh words, Mr. President, but I think they are truthful words. I regret to have to say them, but candor compels me to do so.

Another objection is that the criteria which we have laid down for the testing of the areas which are to be eligible are inadequate.

Mr. President, these criteria are the criteria advanced by the administration itself. Instead of taking absolute figures of unemployment, they wanted to use an absolute minimum but then to relate the unemployment in a given locality to the average for the country as a whole. That is the test which we have adopted. I am frank to say that this is a better test than the one which we originally provided. We are willing to learn from the administration when it presents something that is worthwhile. It seldom does, but when it does, we are willing to learn. Now that we have adopted their criteria, the opponents of the bill come forth and say, "Oh, those are not proper criteria."

In colloquy with the junior Senator from New York and in later discussion I believe we have made it clear that this bill is not intended to deal with all types of unemployment. By it we cannot deal with cyclical unemployment, when there is a scarcity of effective demand. It is not intended to deal with seasonal employment. It is intended, however, to deal with structural unemployment and to provide capital to start new industries in areas of substantial labor surpluses, provided the localities themselves also contribute, and provided private capital also comes forward and provides a large share of the fixed capital and all of the working capital.

I suppose that objectors will say: "Let private enterprise do it. Let the Government keep its hands off." In fact, this is about what is said in the minority views, at page 43, where it is stated:

The basic defect of the approach of this bill is this: It runs counter to the precepts of what is still essentially a private market mechanism operating within a dynamic and growing economy.

This is the kind of talk we heard on the floor of the Senate in 1930, 1931, and 1932, and which had its repudiation by the people in 1932, 1934, and 1936.

It was said of the Bourbons that they learned nothing and forgot nothing. I would say that the industrial and economic Bourbons of this country do not seem to learn anything, but they seem to forget a great deal.

The purpose of S. 722 is to help to some extent, at least, to channel some of our growth of industrial capital into areas of substantial labor surplus. This is far better than to subsidize airlines, railways, the oil industry, ship builders, and other groups, who enjoy Government largess. It is far better than a protective tariff, which is advocated by many of those who are opposing the bill.

The idea that government must be essentially sterile and negative is a very limited idea. It sometimes is sterile, but it need not be.

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

Mr. DOUGLAS. I yield.

Mr. COOPER. I have read the minority views, and I too have been struck by the fact that only objections were made to the bill and that I could find no alternative affirmative suggestions toward meeting the problems which the bill seeks to meet. Did the minority suggest any remedies for the problems the Senator has been discussing?

Mr. DOUGLAS. I wish to be charitable in what I say. I did not find any constructive suggestions. All I found was negative criticism. Undoubtedly an amendment will be proposed by the able senior Senator from Connecticut [Mr. BUSH], which will be presented under the guise of preventing a transfer of a plant from one locality to another. Let me say that we have guarded adequately against that in the text of the bill, which the Senator from West Virginia has read. I shall read it again. It is contained in section 6(a) on page 9 of the bill:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

We may quarrel about whether the language is tight enough. Certainly it is our intent to have it tight. It is spelled out on page 22 of the committee report, and I should like to read that part of the report. This report will have a persuasive influence upon the Administrator. Let me read the section of the report dealing with this subject:

> If the proposed transfer of a plant from one area to another will create as much unemployment in the area it leaves as it absorbs in the area it moves to, nothing has been gained from the point of view of the overall economy of the United States. The use of Federal funds for a transfer of this sort would not be justified. Expansion of existing firms and the creation and development of new business or new branches of firms in business elsewhere, without at the same time substantially reducing existing employment opportunities, is the aim of this Federal assistance. In an expanding economy ample opportunities can be found to develop the depressed areas without injury to other areas of the country.

The purpose of the bill is to channel economic growth, or to help channel a portion of that growth, into areas which otherwise would be neglected, not to transfer plants from one locality to another. That is the clear purpose of the present text of the bill. It is further reinforced by the report, and attempts to change the wording still further will simply be attempts to divide the forces which may be supporting the bill by conjuring up nonexistent dangers.

I understand an amendment will be offered by the very able senior Senator from New York [Mr. JAVITS], who is one of the finest Members of this body, to limit the loans which can be made to land and buildings, but to exclude machinery and equipment as bases of loans. I think I should make a statement on this point, so that it may appear in the RECORD, and so that Senators and the press may study it over the weekend and make up their minds about it.

The cost of land is relatively small in depressed areas because the area is depressed. The cost of the buildings will not be much either, because it is to be hoped that an existing old building will be taken over and rehabilitated with a relatively small amount of capital.

I think I can say, in this connection however that three- and four-story plant buildings are not very effective in modern industry, which increasingly moves into one-story buildings. But the consideration which really will make or break the deal is whether the new industry can finance the equipment and machinery which is the very heart of the whole enterprise.

It is unquestionably true that most machinery and equipment manufacturers are prepared to finance the sale of equipment on time loans with notes. But just as is the case when one buys an automobile on time over a 2-year or 3-year period through a finance company, so with the machinery and equipment: the interest rate which is charged is so very high that in many instances it will break the deal entirely, first, because of the large amount of capital equipment which is required to start the industry; and, second, because of the time payments and the notes by which it is financed carry too high a rate of interest.

As regards tying up money in specialized machines, I am certainly not an expert in the machine-tool business, but I had thought there were certain general-purpose machines, such as lathes and punch presses, and so on, which could be applied to a multitude of uses, and that, therefore, if a concern failed, such machines could be removed and either sold in the secondhand market or used by someone else.

I do not propose loans for highly specialized machines or for a steel mill requiring the investment of $50 million, or for a powerplant; but in certain industries, in which the ratio of capital to labor is not too high, generalized machines could be installed on the basis of these loans. Then if payments were not made, the machines could be repossessed.

Ordinarily, when machinery and equipment are placed in a factory building, it is done subject to someone else's mortgage. That is one reason why the interest rate is so high. When we come to this kind of situation, where there is one first mortgage, and then a second mortgage which covers the whole plant, equipment, and machinery, naturally, the interest rate will be lower. If one intends to sell a machine tool in Connecticut or Pennsylvania, he will have to place the machine subject to someone else's mortgage.

How would the Administrator determine what are reasonable terms for loans from private finance companies which would have to be refused by the financial institutions before granting such a loan? It occurs to me that he would have to use a certain amount of judgment and discretion. If the interest rate were around 12, 13, or 15 percent, as it usually is for these things, he would decide that it was not reasonable under the circumstances.

I am perfectly willing to leave this matter to his discretion. I do not think industries should be made to pay an exorbitant rate of interest.

In my judgment, the amendment to be proposed by the Senator from New York, while offered with the best motives in the world, will if it is made effective virtually kill the program.

Mr. President, I am about ready to yield the floor, but I wish to refer to one or two other matters. It is reported that another amendment may be offered which would restrict the application of the bill to so-called one-industry towns. This would miss the basic purpose of the program. Senate bill 722 is designed to help areas of persistent and substantial unemployment or areas of low income and underemployment. Areas such as the Huntington-Ashland area of West Virginia and Kentucky can be depressed by lack of work in the coal industry, although the area also has chemicals and steel. But it is still badly distressed and in need of help.

Moreover, a community could have two or more depressed industries, such as textiles, coal, and railroading. This, I think, is true of some Pennsylvania areas.

The Altoona area suffers for example not merely from a depression in the coal industry, but also from a depression in railroad repair work. The anthracite regions of Pennsylvania suffer not merely from a depression in the coal industry, but also from a depression in the textile industry.

Moreover, there are areas of general decline because of shifts of demand and shifts of plant locations. The one-industry concept would knock out these areas despite their genuine need.

In short, we aim to help distressed areas and low-income areas, not merely those with one industry, but those depressed from whatever causes. The one-industry concept would drastically restrict the program.

I have already dealt with the inflationary argument and have pointed out that

it is a very superficial argument. I have said that the use of additional capital would put idle labor to work producing commodities which otherwise would not be produced; and that hence the physical production or the physical volume of production would be increasing at the same time that the volume of the circulating medium was increasing. I have pointed out this might compensate in whole, but certainly it would compensate in part, for the increase in the circulating medium, and therefore there need not be an increase in prices.

I hope that before the session is concluded today, the opponents of the measure will take the floor and state their objections to it. I submit that on the record S. 722 should be passed by an overwhelming vote.

EXHIBIT 1

[From Monthly Labor Review, May 1957, vol. 80]

EXPERIENCE WITH DEVELOPMENT AREAS IN GREAT BRITAIN

(By Jean A. Flexner and Ann S. Ritter [1])

Areas of labor surplus persisting in certain parts of the United States during periods of high general employment have given rise to various legislative proposals, and suggest the need for a review of British assistance to distressed areas.

The British experience covers a quarter of a century. The first legislation was passed in 1934 to "facilitate the economic development and social improvement" of four areas which were suffering from exceptionally severe unemployment. Commissioners were empowered to make plans, to assist or start industrial projects in cooperation with local and national government agencies and private groups, and to distribute grants for these purposes. Later amendments provided special inducements which strengthened the commissioners' efforts to attract new industries into these areas.

After World War II, new legislation was passed incorporating much of the earlier acts. It was more comprehensive, giving the central Government a greater influence on the location of new industrial plants, in the interests of overall social, economic, and strategic planning. Government aid for these areas continued until June 1956, when, following a parliamentary inquiry, the Government announced that it would suspend grants for factory building in the development areas except in cases of special importance or emergency. The decision was protested by the Trades Union Congress, which feared that these areas had still not achieved balanced local economies although unemployment had reached a very low level.

The post-World War II period from 1945 to the present has been characterized in Great Britain by general shortages of labor, capital goods, buildings, and building materials. Industries which in the 1920's and 1930's seemed to have entered a permanent state of depression have been hard pressed to produce enough to satisfy the demands of the home and foreign markets. This transformation of the economy greatly complicates the task of evaluating effects of the Government's rehabilitation programs for the development areas.

It would be useful to know whether the plants which were steered into development areas by governmental policies have been able to operate without increasing their costs, for only if costs are truly competitive is there a likelihood of the industrial shift remaining permanent. Studies are being made by the National Institute of Economic and Social Research of Cambridge University on the economics of establishing branch factories, but those published thus far have not yielded definitive conclusions, partially because of the difficulty of making cost comparisons and partially because, during the entire postwar period, costs—both at branch plants and main works—were affected by shortages and bottlenecks of various kinds.[2]

Reviewing the period from 1934 to 1956, the British started with a limited program in respect to funds, assistance powers, and size of the areas. They ended with a much more sweeping program than was required to deal with the postwar state of unemployment. Meanwhile, the depression which had set the program in motion disappeared, even in the most depressed areas. However, dread of an eventual return to lower levels of economic activity kept the program going, although the danger of inflation had supplanted the danger of depression.

ORIGINS OF THE PROBLEM

During the 1920's and 1930's, basic industries such as coal mining, shipbuilding, and iron and steel, which were highly dependent upon export markets, suffered severely from depression. Areas where these industries constituted the chief source of employment suffered from severe and prolonged unemployment. In northeast England, particularly Durham and parts of neighboring counties, in western Cumberland, in South Wales and Monmouthshire, and in western and central Scotland, coal mining, iron and steel, shipbuilding, and marine machinery employed about half of the total labor force in the interwar years. The plight of these four areas was worsened by a scarcity of jobs for women. Lack of other work opportunities for those discharged from the principal industries reduced workers' spending power and, in turn, led to layoffs in other employment, including the service industries. In July 1932, unemployment ranged from 35 to 46 percent in the 4 areas, compared with 22.5 percent for all of Great Britain. (See table 1.) The unemployment rate in these areas was about twice the national average during the entire period 1929–39. The plight of these areas led to special investigations by the government in early 1934, which resulted in legislation.

Meanwhile, industries were expanding and new industries were starting in other parts of the country. Between 1932 and 1938, only 235 new factories opened in the 4 special areas and these were balanced by the closing of others. In Greater London and in the Midlands, on the other hand, there was a net gain. The result was migration from the north and Wales to the Midlands and the south. Between 1921 and 1937, half a million people migrated to the London area alone, and 300,000 left Wales and the northeastern counties, although the exodus was not sufficient to remove all the surplus workers.

PREWAR MEASURES

Under the 1934 act for development and improvement of the four depressed areas mentioned previously, Commissioners were appointed, one for Scotland and one for England and Wales, responsible to the Minister of Labor. Funds were placed at their disposal, and they were given a free hand in coordinated existing economic and social programs of national and local government and private agencies, or in initiating new ones. The Commissioner for England and Wales appointed district commissioners for each of his three areas, consulted with local government bodies, and with national associations of employers. Several ministries lent him staff and gave assistance, in particular those dealing with labor, health, unemployment relief, and agriculture.

Among the numerous projects aided by the commissioners were local public works for the long-range economic or social improvement of the areas and the settlement of unemployed persons on small farms or cooperative groups of farms. They also assisted in obtaining preference for the areas in the award of government contracts and, after 1936, of defense contracts, and in locating arsenals and munitions plants in the areas.

TABLE 1.—*Geographic area and number of insured employees, 1955, and percentage of insured employees unemployed, 8 development areas, 1932, 1937, and 1955*

Development area	Year designated	Size of area (square) miles)	Estimated insured employees,[1] 1955		Percent unemployed [2]		
			Number	Percent of total for Great Britain	1932	1937	1955
Northeastern [3]	1934	1,247	1,013,700	5	38	15	2
West Cumberland [3]	1934	767	57,200	(4)	46	26	2
South Wales and Monmouthshire [3]	1934	1,406	693,900	3	41	21	2
Scottish [3]	1934	3,849	1,197,200	6	35	18	3
Wrexham	1946	79	35,500	(4)	36	18	1
South Lancashire	1946	108	148,600	1	32	19	2
6 areas combined	----------	7,456	3,146,100	15	38	18	2
Merseyside	1949	113	613,100	3	(5)	(5)	2
Northeast Lancashire	1953	67	94,300	(4)	(5)	(5)	3
8 areas combined	----------	7,636	3,853,500	18	(5)	(5)	2

[1] The national insurance system covers the whole working yopulation, including all employees.
[2] Data for 1932 and 1937 relate to July; for 1955, to June.
[3] Pre-World War II special areas which in 1945 were designated as development areas, with larger boundaries. The size in square miles is the 1945 area.
[4] Less than 0.5 percent.
[5] Not available.

Source: Data for 1932 and 1937 from Board of Trade, Distribution of Industry, Cmd. 7540, London, H. M. S. O., October 1948 (p. 41). Data for 1955 supplied by Ministry of Labor and National Service, London.

[1] Of the Bureau of Labor Statistics' Office of Labor Economics and Division of Foreign Labor Conditions, respectively. The authors wish to acknowledge the assistance of Mr. Joseph Godson, Labor Attaché, American Embassy, London, in securing unpublished data used in the article from the Ministry of Labor and National Service London.

[2] W. F. Luttrell, The Cost of Industrial Movement, Occasional Paper XIV, and D. C. Hague and P. K. Newman, Costs in Alternative Locations: The Clothing Industry, Occasional Paper XV, National Institute of Economic and Social Research, Cambridge University Press, 1952; D. C. Hague and J. H. Dunning, Costs in Alternative Locations: The Radio Industry (in Review of Economic Studies, 1954–55, vol. XXII (3), No. 59, Cambridge, England, pp. 203–213).

The commissioners wished to attract to these areas some of the expanding industries of the types that were developing in the Midlands and in the south of England, but they were handicapped by the lack of industrial premises in these regions and, in certain places, even by a lack of land suitable for building—e.g., in the narrow Welsh coal valleys where old underground workings had caused some of the land to cave in or to threaten to do so.

Outside the depressed areas, a type of industrial development called a "trading estate" had been set up with private funds. These estates bought land, erected or remodeled buildings, provided utilities, and rented premises to manufacturing firms. Thus, industrial enterprises were attracted to planned communities such as Welywn Garden City (near London). Benefiting by the experience of the private companies, the commissioners, with Government funds, organized public nonprofit corporations to operate trading estates in the special areas.[3] Several large tracts were purchased, railroad sidings and roads built, power lines installed, and buildings erected, each designed for lease to several light manufacturing industries. Later, single sites for individual factories were prepared at Government expense and leased by the trading estate companies.

The first efforts to persuade industries to locate in the special areas met with almost complete failure.[4] In a period when raising industrial capital was not easy, banks and investors were particularly diffident about investing in the depressed areas. The need for more direct Government assistance was emphasized in the first three annual reports of the Commissioners for England and Wales. In 1936 and 1937, Parliament passed a series of amending acts, and under one of these, the Special Areas Reconstruction Association was formed in 1936 to make loans, for a maximum of 5 years, of up to £10,000 each to firms which had reasonable prospects of succeeding; shares in the association were subscribed by investment trusts, insurance companies, industrial undertakings, and the banks, headed by the Bank of England. The British Treasury agreed to guarantee a fourth of any losses the association might suffer and to reimburse it for administrative expenses. In 1936, also, the Nuffield Trust was established with private philanthropic funds to assist the development areas. The trustees decided to supplement the work of the association and the Treasury by subscribing to shares of capital stock in firms that intended to operate in these areas.

The Special Areas (Amendment) Act of 1937, enabled the Treasury to make direct loans to firms in the special areas, as well as in other areas of severe unemployment. In practice, the Nuffield Trust and the Treasury combined to assist large undertakings in the coal utilization and metalworking industries. The association assisted smaller firms.[5] The Commissioners were further empowered by the 1937 act to contribute toward rent and rates (local taxes) and to adjust income taxes of industrial undertakings for periods up to 5 years. The rent and rate contributions were varied in accordance with the needs of the area and the type of industry. The income tax provision was interpreted to exempt profits up to an average annual return of 4 percent on capital for a certain number of years. The Treasury, also, was authorized to exempt firms moving into the special areas from the special national tax on defense profits, in whole or in part.

The various sources described made the following expenditures for the establishment of new industry in the four development areas during the years 1934–40:

	Pounds	Dollars [1]
All sources	9,665,500	47,360,950
Government funds	6,715,500	32,905,950
Factory sites and buildings	5,500,000	26,950,000
Loans to manufacturing firms	1,160,500	5,686,450
Contributions to rent and rates	55,000	269,500
Private funds	2,950,000	14,455,000
Special Areas Reconstruction Association loans	750,000	3,675,000
Nuffield Trust, industrial capital	2,200,000	10,780,000

[1] Converted to dollars at exchange rate of £1=$4.90.

Source: Board of Trade, Distribution of Industry, Cmd. 7540, London, H. M. S. O., October 1948 (pp. 8–9).

TABLE 2.—*Percentage distribution of estimated number of insured employees in six development areas, by industry,[1] 1939 and 1955*

[Percent]

Industry	1939		1955	
	Male	Female	Male	Female
Total	100.0	100.0	100.0	100.0
Agriculture, forestry, and fishing	2.2	1.0	1.6	0.6
Mining and quarrying	24.9	1.6	16.0	.8
Manufacturing industries	28.8	36.2	43.0	40.2
Chemical and allied trades	2.3	1.2	3.6	2.1
Primary metal manufacture	7.3	.9	7.6	1.4
Shipbuilding, machinery, and electrical goods	8.6	2.7	14.4	6.7
Vehicles	1.3	.4	4.3	1.3
Fabricated metal products	1.4	1.3	1.8	1.8
Textiles	1.7	12.0	2.0	7.1
Clothing	.6	6.1	.6	7.0
Food, drink, and tobacco	2.2	6.6	2.7	6.2
Other manufacturing industries	3.4	5.0	6.1	6.6
Building and contracting	11.1	.6	9.0	.7
Transport, public utilities, and communications	10.9	2.2	12.5	4.8
Distributive trades	10.0	27.3	6.1	18.0
Professional and Government services	8.5	14.0	8.7	19.7
Miscellaneous services, including finance and banking	3.6	17.1	3.0	15.2

[1] Excluding Merseyside and Northeast Lancashire.

Source: Data for 1939 for men and women estimated from Employment for Women in the Development Areas, 1939–51, by J. H. Dunning (in the Manchester School of Economic and Social Studies, Manchester, September 1953, vol. XXI, No. 3, table III, p. 274). Data for 1955 provided by Ministry of Labor and National Service, London.

Beginning in 1936–37, Government expenditures for munitions factories in those areas greatly exceeded the subsidies for civilian factory sites and buildings.

Ministry of Labor manpower transference schemes helped young men and women to train for and to find jobs in other parts of the country. Between January 1936 and July 1939, 124,337 trainees and others were assisted in transferring from the special areas. The Government also paid for moving dependents of transferees and their household goods in 25,538 cases.

The Commissioners' report for 1938 noted as a new development that the Ministry of Labor had started training schemes to meet local needs as a result of progress in providing new employment opportunities. However, the Ministry's powers in respect to education were limited to courses for unemployed persons aged 18 or over. The Commissioners pointed out that training for 16- and 17-year-olds was needed and that it would be reasonable to require recipients of unemployment assistance (not insurance) to attend the Ministry's instructional centers or physical fitness classes.

At the outbreak of World War II, the special areas were more prosperous than at any time during the previous decade; however, their unemployment rate was still 13 percent—almost twice the national average. At that time, only 12,000 workers were employed in civilian factories built and leased by the Commissioners. The construction of many factories was still in progress. The improvement in the employment situation in these areas can be ascribed chiefly to the placement of Government contracts and the location of munitions plants and to the revival in basic industries caused by rearmament.

During the war, further employment opportunities were provided as additional war plants began operating in these areas; shipyards, coal mines, and agriculture were also straining to produce the maximum possible output. Moreover, industries were dispersed to these areas from more congested or more vulnerable regions. Employment rose to a peak in 1943, when it was about 200,000 above the 1939 level. A large part of the male population was in the Armed Forces.

POSTWAR MEASURES

The prewar programs for the rehabilitation of the chronically depressed areas merged after World War II into a broader policy aimed at obtaining a more rational distribution of industry and population. The resolve to deal effectively with the unemployment problems which had eluded solution during the interwar period crystallized during World War II and was implemented in a series of acts passed by the Labor Government in 1945 and subsequent years.

Planning for the location of industry and for a redistribution of population on a national scale, for economic, social, and strategic reasons, had been recommended by the Royal Commission on Distribution of the Industrial Population appointed in 1937. Its 1940 report stressed the disadvantages of "allowing the heavy influx of new industry into London and the Midlands to continue at the expense of the rest of the country."[6] In 1944, the wartime coalition Government announced its proposals for maintaining a future high and stable level of employment in the economy as a whole, and its intention to take special measures for the diversification of areas that had been too dependent on certain industries and were, therefore, particularly vulnerable to unemployment.[7] It promised (1) to steer new industries into these areas; (2) to remove obstacles to the transfer of workers from one area, or one occupation, to another; and (3) to provide facilities to train workers employed in declining industries for work in expanding industries.

The Distribution of Industry Act (1945) embodied recommendations from both reports and some features of the earlier legislation on special areas. However, the special-areas Commissioners were dropped and the Board of Trade became the Administrator. The term "development area" was substituted for "special area." The act ap-

[3] Trading estate companies were formed in the northeast and South Wales in 1936, in Cumberland in 1937, and in Scotland in 1937 and 1938. The 1934 act permitted Government assistance only on a nonprofit basis.

[4] Report of the Commissioner for Special Areas for 1937, Cmd. 5595, London, H.M.S.O., 1937 (pars. 58 and 231).

[5] See R. O. Roberts, Special Financial Facilities for Industry in the Depressed Areas with particular reference to the Experience of South Wales. (In the Manchester School of Economic and Social Studies, Manchester, January 1953, vol XXI, No. 1, pp. 39–61.)

[6] Report of Royal Commission on Distribution of the Industrial Population (Barlow), Cmd. 6153, London, H.M.S.O., 1940.

[7] Minister of Reconstruction, Employment Policy, Cmd. 6527, London, H.M.S.O., 1944.

plied to the four prewar special areas and redefined them to include districts large enough for economic and social development; it could also be applied, subject to the approval of both Houses of Parliament, to any area in which the Board of Trade found, after consultation with the local authorities, there "is likely to be a special danger of unemployment." The Board of Trade was directed to reconsider the list of areas within 3 years.

In the listed areas, the Distribution of Industry Act empowered the Board of Trade to improve sites and to build factories; to acquire land, if necessary by compulsory purchase, for industrial sites or for access thereto; to acquire and improve derelict land either for industrial sites or for community facilities; to give financial assistance to local authorities or nonprofit agencies for such work. Government grants or loans were made available for basic services and facilities, e.g., transportation, power, lighting, sanitation, and housing, necessary for industrial development.

With the consent of the Treasury, the Board could also make loans to nonprofit industrial or trading estate companies to provide industrial premises. In addition, the Treasury was empowered to give annual grants or loans to enable industrial undertakings, either already established or proposed, to pay interest on borrowed capital. The provision of the Special Areas (Amendment) Act of 1937 for subsidies on account of rent, income taxes, and local taxes was omitted. An amendment in 1950 enabled the Board of Trade to contribute to removal costs of firms going to development areas.

The Distribution of Industry Act also vested in the Board of Trade responsibility for securing the proper distribution of new industrial development throughout the country. All persons were required to notify the Board of Trade if they intended to erect an industrial building of more than 5,000 square feet [8] and to furnish particulars of the type of production, floor space, and the number of workers to be employed. The Board of Trade then discussed with the industrialists where it would be to their interest, as well as to the advantage of the country, to locate the proposed building. Information concerning the economic structure of a large number of districts containing possible sites, and the availability of labor, power, transportation, housing, and other relevant matters were assembled by the Location Office of the Board of Trade to facilitate planning concerning industrial sites, both with the Government agencies concerned with planning and with the industrialists.

The Town and Country Planning Act (1947) provided for coordination of the industrial planning activities of the Board of Trade with the control functions vested in local planning authorities, which were under the direction of the Ministry of Town and Country Planning. Regulations made under the Town and Country Planning Act (1947) required that, with minor exceptions all applications for licenses to erect or extend industrial buildings be supported by certificates from the Board of Trade stating that the development could be carried out consistently with the proper distribution of industry. Once a certificate was issued, a building license for developing a particular site was issued by a local government authority provided the project was in accordance with plans for the locality. (These locality plans were similar to zoning regulations in United States cities except that they could be reviewed by the Minister of Town and Country Planning, at his discretion.)

[8] Changed from 10,000 to 5,000 square feet by the Town and Country Planning Act (1947).

Operation of the postwar program: In 1946, two areas were added to the original four—both dependent on coal mining and on wartime munitions plants which had closed down: Wrexham in Wales, and the Wigan-St. Helens area in South Lancashire. In 1949, the Scottish Highlands (dependent on small farms and cottage industries) were added to the Scottish development area, and Merseyside, a port and shipbuilding district around Liverpool, was scheduled. In 1953, a small area was added; it consisted of several northeast Lancashire towns specializing in cotton weaving, where older mills had closed.

In 1948, the triennial review required under the Distribution of Industry Act was presented to Parliament by the Board of Trade.[9] The Board estimated that between 1939 and 1948 there had been a net increase of 250,000 jobs in the 6 areas then scheduled, of which 104,550 were manufacturing jobs accounted for by firms moving into or expanding in the areas, as follows: 56,600 employed by 271 firms in Government munitions factories converted to peacetime uses; 17,750 in 210 new projects (factories or extensions) financed by Government; 14,100 in 223 new projects (factories or extensions) privately financed; 16,100 in existing premises.

During 1948, many factories were still under construction or in the blueprint stage, and those completed were not yet fully staffed.

The other 150,000 jobs which had been added between 1939 and 1948 resulted from construction activities, expansion in Government services, and from a rise in service trades brought about by the higher consumer spending and the general revival of industries.

Included among the factories built by the Government in South Wales were 10 standard factories of 25,000 square feet each, called Grenfell factories,[10] which were rented to firms that agreed to employ a quota of men suffering from pneumoconiosis or other partial disability, equal to at least half of the total number of their employees. The firms received a rebate of half the normal rent. Sheltered workshops, called "reemploy" factories, were also operated by a Government corporation for men whose disability did not permit them to enter normal employment.

At the beginning of 1955 (1½ years before the Government's assistance to factory building in these areas was discontinued), employment in the assisted factories had reached 185,900, which was one-third higher than the employment anticipated by the Board in 1948, on the basis of plans then made. These were employed by 1,086 tenant firms, occupying 41.3 million square feet of factory space; 22.8 million square feet of space had been built since 1945; 13.3 million square feet was in converted munitions factories; and 5.2 million square feet represented war and prewar building by the trading estate companies.[11] A total of $158 million (at the current rate of exchange) had been spent by the Government since 1945 on this space. Most of the factory space, tenants, and employees were in three of the older areas (Northeastern, South Wales, and Scottish). Employment in assisted factories, constituted about 16 percent of all manufacturing employment in 1955 in these three areas.

[9] Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., 1948 (p. 19).

[10] Named for the chairman of the Working Party which made the recommendation, D. R. Grenfell, Member of Parliament.

[11] House of Commons Select Committee on Estimates 1955–56, Report on Development Areas, No. 139, session 1955–56 (p. 2). The conversion to dollars was made at the rate of £1=$2.80.

TABLE 3.—*Percent of insured employees registered as unemployed in Great Britain and 8 development areas, by sex, 1937, 1948, and 1955* [1]

Areas	Male			Female		
	1937	1948	1955	1937	1948	1955
Great Britain	11.0	1.6	0.9	7.0	1.0	1.1
Northeastern	16.0	2.9	1.5	8.0	2.3	2.3
South Wales and Monmouthshire	22.0	4.6	1.2	12.0	6.3	2.3
Scottish	19.0	3.8	2.5	14.0	2.8	2.7
West Cumberland	28.0	3.1	2.1	10.0	2.1	1.9
Wrexham	19.0	3.3	1.1	10.0	8.6	2.3
South Lancashire	21.0	2.8	1.1	12.0	2.4	3.1
6 areas combined	19.0	3.6	1.8	12.0	3.3	2.5
Merseyside	(2)	5.3	2.5	(2)	2.0	2.0
Northeast Lancashire	(2)	1.3	2.1	(2)	.3	4.5
8 areas combined	----	3.8	1.9	----	3.0	2.5

[1] Data for 1937 relate to July; for 1948 and 1955, to June.
[2] Areas not scheduled until after World War II; separate data not available for 1937.

Source: Data for 1937 derived from Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., October 1948 (app. 4). Figures for 1948 and 1955 computed from data supplied by Ministry of Labor and National Service, London.

Discontinuance of the program: In mid-1956, the Government decided to discontinue aid to factories in the development areas except in very special cases, on the grounds that restraints on investment were being imposed, that employment in the areas had reached satisfactory levels, and that private building, with a volume 3 times that of Government building since 1945, could be relied on to continue the rehabilitation program.

In criticizing the Government's decision, the British Trades Union Congress (TUC) noted that although unemployment ratios were low throughout Great Britain, in the development areas they still exceeded the national average. In addition, the TUC claimed that even though local industry in these areas is more diversified now than in the 1930's, they can still be considered particularly vulnerable to cyclical depression.

EMPLOYMENT AND UNEMPLOYMENT TRENDS

During the years 1934 to 1956, when Government programs for development areas were in operation, the employed labor force increased, the heavy dependence of these areas on certain basic industries lessened, employment opportunities both for men and women became more diversified, and the basic industries revived. Unemployment declined sharply in the development areas and throughout the country, but in 1955, almost 40 percent of all unemployed workers were in the 8 development areas.

In assessing the significance of the changes that occurred, the different industrial distributions of men and women must be taken into account.

EMPLOYMENT OPPORTUNITIES FOR MEN

The earliest year for which a comparable series of data on the insured population of six development areas has been estimated is 1939.[12] By that time, a considerable shift in

[12] British statistics show: (1) the insured employees, (2) those actually employed (including those on temporary layoffs), and (3) the registered unemployed (including those temporarily laid off, casuals, and wholly unemployed). We shall deal here primarily with the insured population—a measure of the wage-and-salary-earning labor force—and with the unemployed, both temporarily laid off and wholly unemployed. Data on age and duration of unemployment relate to the wholly unemployed.

A change in the statistical series on labor force and employment in 1948, resulting

male employment had already occurred. However, mining and quarrying (chiefly coal mining) still accounted for one-fourth of the insured male workers in six development areas;[13] in 1955, the proportion employed in mining and quarrying in these areas had declined to 16.0 percent, representing undoubtedly the most significant change that occurred in the employment of men in these areas. (See table 2.) Outmigration from the coalfields accounted for a considerable portion of the drop. In other parts of Great Britain, the number of men engaged in coal mining also declined, but not so steeply as in the development areas. The chief factor in the general decline was the diversion of young men and boys to other industries, either in the same area or in other parts of the country. The development areas did not succeed in attracting the type of industry which could offer many jobs to the older ex-miners.

Since the early years of World War II, efforts to rebuild the coal mine labor force have conflicted, to some extent, with development area policy. However, the Government was unwilling to sacrifice its industry diversification program. Instead of relying upon unemployment to recruit miners, it improved the miners' conditions of employment in order to attract recruits, and it planned to develop production in the better seams, which were mostly in other areas. Many of the poorer mines and exhausted seams were in the development areas.

TABLE 4.—*Unemployment in Great Britain and 8 development areas combined, by duration, age, and sex, June 1955*

Labor force status	Great Britain (number)	8 development areas combined	
		Number	Percent of total for Great Britain
MEN			
Insured employees	13,960,000	2,610,600	19
Unemployed, total	130,334	49,378	38
26 weeks or more, all ages	32,319	15,188	47
26 weeks or more, age 40 and over	26,888	12,076	45
WOMEN			
Insured employees	7,500,000	1,242,800	17
Unemployed, total	80,209	31,015	39
26 weeks or more, all ages	10,518	5,736	54
26 weeks or more, age 40 and over	5,834	2,871	49

Source: Ministry of Labor and National Service, London.

Manufacturing industries employed 28.8 percent of the insured male workers in 1939, and 43.0 percent in 1955. Shipbuilding, machinery, and electrical manufacturing constituted an important area of growth, with 8.6 percent of the insured male workers in 1939 and 14.4 percent in 1955. It would be revealing if the total for this group could be broken down; the increase for the whole group certainly meant an influx of new plants and considerable diversification of product. However, major credit for increased employment must go to the revival in shipbuilding. And for this, the world economic situation, and not the development area program was responsible.

Other industry groups in which employment of insured men increased over the entire period were: Primary metal manufacture; vehicles; miscellaneous metal fabricated products; food, drink, and tobacco; and textiles. In the nonindustrial sectors, gains occurred in professional services and government, and in transport, utilities, and communications.

From 1939 to 1955, the number of insured men in the six development areas increased by about 50,000, or almost 3 percent. Most of the increase occurred in the postwar years. During the entire period 1939–55, registered unemployment among men decreased almost 60 percent.

EMPLOYMENT OPPORTUNITIES FOR WOMEN

Opportunities for insured women workers showed more substantial gains than those for men. The net gain in the number of insured women from 1939 to 1955 in six areas was more than 300,000, or about 50 percent. (However, insured men in these areas still outnumbered women 3½ to 1 in 1955, whereas for the whole country the ratio was not quite 2 to 1.) Before World War II, industries employing large numbers of insured women were underrepresented in these areas, compared with all of Britain. This was, in fact, an important cause of distress because, if the men were laid off, there were no other breadwinners in the family.

The insured women's gains occurred in manufacturing industries, particularly in chemicals, metalworking industries, electrical products, vehicles, clothing, and other manufacturing. Very few manufacturing industries failed to show increases in the employment of women—among the exceptions was the textile industry. Many of the firms which were induced by government policies to open factories or branch plants in the development areas employed women as an important part of their work forces, for example, clothing, radio assembly, and fabrication of small metal products.

There were also large gain for insured women in communications, public utilities, and transportation, and in professional services and government. The striking increase in insured women's opportunties outside of manufacturing must be related to the general revival in the local economies. Unemployment among insured women was more than halved (from 56,000 prewar to 25,000 in 1955 in six areas).

UNEMPLOYMENT IN DEVELOPMENT AREAS

In June 1955, the average unemployment rate for Great Britain was 0.9 percent of all insured male wage and salary earners, and 1.1 percent of all femaie. In the eight development areas combined, the rates were 1.9 and 2.5 percent for men and women, respectively (table 3). However, at these low levels, the difference between the rates shrinks to insignificance. Realistically, the labor market in 1955 was generally so tight as to drain even the local pockets of unemployment in areas where it had been at its worst.

The hard core of unemployment (individuals reported as continuously out of work for 26 weeks or more), of which much was heard before World War II, remained larger in the development areas than in the rest of the country. (See table 4.) With 19 percent of the country's insured male workers in 1955, the eight development areas accounted for 47 percent of all of the unemployed men in Great Britain who had been out of work for 26 weeks or longer, most of them 40 years old or over. And, with 17 percent of the insured women workers, these areas had 54 percent of the long-jobless women, of whom half were 40 years or more of age.

Migration away from the hard-hit areas involved chiefly the younger workers, boys and young men, rather than women. If, in spite of the decline in available younger workers, and in spite of rising new industries and revival of trade, the older workers continued a vain search for work (and eventually many of them may have ceased to register as unemployed), this points to a problem which resisted solution.

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from expanded coverage under social security, hampers comparisons with earlier years. However, estimates for 6 areas for 1939 have been used here, derived from the studies of a British economist, J. H. Dunning, on the development areas. Data for 8 development areas were supplied by the Ministry of Labor and National Service for 1948, 1951, and 1955. It was not possible to obtain data for the development areas on employment and unemployment for the same prewar year. In some tables, 1937 data had to be used, in others, 1939.

[13] Excluding Merseyside and Northeast Lancashire, for which 1939 data are not available.

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BRITISH AND AMERICAN APPROACHES TO STRUCTURAL UNEMPLOYMENT

(By William H. Miernyk)

(In the continuing controversy in this country over the approach which should be taken to combat chronic unemployment in depressed industrial areas, little reference has been made to the experience of other countries in dealing with this problem. Yet, as early as 1934, the British Government was investigating the causes and extent of structural unemployment and since that time has enacted a series of measures which have proved highly successful in reducing this type of unemployment to relatively low levels. This article describes and compares the very different approaches taken to this problem by British and American policymakers and concludes that British experience has demonstrated that this country could and should take more effective steps to solve what the author calls "the most intractable unemployment problem of the post-war period."

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It has been more than a decade since the nations of the free world pledged themselves, separately and jointly, to the task of maintaining full employment.[1] In spite of this pledge, unemployment and underemployment remain serious problems in many undeveloped countries. While there is general agreement that the developed countries of the Western World have been largely successful in their efforts to maintain high and relatively stable levels of employment, many of these countries have nevertheless been confronted with the persistence of structural or chronic, localized unemployment.

There is no single and universally accepted definition of "full employment."[2] But whatever definition is accepted, no one expects every worker in an unplanned economy to be employed at a full-time job all the time. In free market economies, and even in those which are partially controlled, there is always a certain amount of frictional unemployment. This unemployment stems from job changes, temporary shutdowns, and according to some definitions, seasonal variations in the demand for labor. The distinguishing feature of frictional unemployment is that it is temporary. In an economy

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[1] In Articles 55 and 56 of the United Nations Charter. See "National and International Measures for Full Employment" (New York: United Nations, 1949), p. 5.

[2] For a discussion of various concepts, see Albert Rees, "The Meaning and Measurement of Full Employment," in "The Measurement and Behavior of Unemployment" (National Bureau of Economic Research: Princeton University Press, 1957), pp. 13–55.

as large as that of the United States, more than a million workers might be frictionally unemployed even under conditions of full employment. But if this unemployment is truly frictional, the same individuals will not remain out of work for any significant length of time.

The full employment policies of Great Britain and the United States are compared in this article. In making such a comparison a number of questions arise: Does the concept of full employment have the same meaning on both sides of the Atlantic? What positive steps were contemplated in the two countries to achieve and maintain full employment? Are any steps being contemplated to reduce further the level of unemployment? Particular emphasis, however, is placed upon an analysis of what has been done in each country to combat structural unemployment, for this has been without doubt the most intractable unemployment problem of the postwar period.

DIFFERING CONCEPTS AND POLICIES

The American full employment policy was embodied in the Employment Act of 1946.[3] This act is brief and quite general. The declaration of policy states that:

"It is the continuing policy and responsibility of the Federal Government to use all practicable means * * * to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power." [4]

The remainder of the act deals with provisions for the establishment of the Council of Economic Advisers and the Joint Committee on the Economic Report, detailing their respective duties and functions. There is no discussion in the act of the causes, magnitude, or nature of the problems which it seeks to solve or avoid.

By way of contrast, the British white paper of May 1944 [5] discusses the causes of large-scale, chronic unemployment and spells out in considerable detail the policies which the coalition government at that time proposed to follow. There was explicit recognition of chronic, localized unemployment, which the Government proposed to attack in three ways:

(a) By so influencing the location of new enterprises as to diversify the industrial composition of areas which are particularly vulnerable to unemployment;

(b) By removing obstacles to the transfer of workers from one area to another, and from one occupation to another; and

(c) By providing training facilities to fit workers from declining industries for jobs in expanding industries.[6]

The program which evolved in Great Britain to combat localized unemployment will be discussed in considerable detail in a later section of this article. As indicated, no such program was proposed in the American Full Employment Act. The declaration of policy of the act contains only broad principles to which legislators with widely varying political philosophies could subscribe. In practice, monetary and fiscal policies and various built-in stabilizers have helped maintain the aggregate demand for labor at a high level during the postwar period. Also, not the least important among the factors contributing to full employment in the United States in recent years has been the steadily rising level of defense spending.

We turn now to some of the questions raised in an earlier paragraph. Does the concept of full employment have the same meaning in Great Britain and the United States? Speaking generally, full employment in any country means that the number of jobs, filled and open, is approximately equal to the number of workers employed or seeking work. There are various approaches to this ideal goal. One approach is to maximize the number of jobs by maintaining an adequate demand for the products and services of labor, and thus for labor itself, without intervention in the labor market, which is expected to match up idle workers and open jobs. This is the approach to full employment which has been followed in the United States. A second approach goes beyond the maintenance of a high demand for labor and includes positive measures to create new jobs in places where unemployment is high. The object of this approach, which has been followed in Great Britain, is to minimize unemployment. Under either approach there will be some residual unemployment, but the second approach will reduce unemployment to a lower level than the first.

Early discussions of full employment policy assumed a minimum level of frictional unemployment ranging somewhere between 4 and 5 percent of the labor force.[7] This still appears to be the generally acceptable minimum level of unemployment in the United States.[8] In Great Britain, however, there is widespread support of a more literal interpretation of full employment which would keep frictional unemployment between 1 and 2 percent of the labor force.[9]

If the best year in both countries during the decade preceding World War II is taken as a basis for comparison we find that in 1937 the rate of unemployment for insured male workers in Great Britain was 11 percent, and for females it was 7 percent. In the United States that year, unemployment averaged 14.3 percent of the labor force.[10] In 1955, a decade after the British full employment policy was adopted, unemployment of insured males in Great Britain had dropped to 0.9 percent, and for insured females it was 1.1 percent. In the United States, 1955 was a year in which employment, production, and incomes reached new record levels, but unemployment that year averaged 4 percent of the labor force.[11] In terms of the acceptable minimums of the two countries, there was full employment in both,[12] but unemployment rates obviously differed markedly. In part at least, this is due to differences in the two full employment policies and programs. In Great Britain there has been a coordinated, and largely successful, attack on structural or chronic, localized unemployment, while in the United States efforts to develop such a program have been frustrated by resistance to the concept of Federal aid to depressed areas.

THE BRITISH EXPERIENCE

As early as 1934, the British Government was investigating the causes and extent of unemployment in certain depressed areas.[13] These areas, which were dependent upon iron and steel production, coal mining, shipbuilding, and tin plate, were experiencing a higher level of unemployment than other areas with a more diversified industrial base. During the interwar period, an average of more than half of the insured labor force of the areas was tied to these exporting, raw material, and capital goods industries,[14] and these were the industries which suffered most during the depression. In certain communities in these areas, unemployment reached crisis proportions. In the town of Jarrow, in Durham, and in Methyr Tydfil, South Wales, unemployment at times totaled between 70 and 80 percent of the insured workers.[15]

The investigations into the plight of these areas led to enactment of the Special Areas Development and Improvement Act of 1934. Six of the seven areas investigated were designated as special areas, and commissioners were appointed to undertake the initiation, organization, prosecution and assistance of measures designated to facilitate the economic development and social improvement of the areas.[16] Two Commissioners were appointed, one for England and Wales, one for Scotland. Subsequently, the Commissioner for England and Wales appointed three district commissioners for the areas under his jurisdiction.

The Commissioners were able to aid the depressed areas in a number of ways, including public works and assistance in the settlement of the unemployed on farms. They were also able to obtain preference in the award of Government contracts and to attract some arsenals and munitions plants to the special areas. During this period the Government worked through "trading estates" operated by private, nonprofit companies, to aid in industrial development. These estates, which were similar to the local industrial development organizations currently operating in this country, were active both within and outside the depressed areas. However, under the prevailing conditions of a high level of national unemployment, "the first efforts to persuade industries

[3] See "Economic Report of the President" (Washington: GPO, January 1954), pp. 129–138 for a statement of the act as amended by the 83d Congress.

[4] Ibid., p. 129.

[5] "Employment Policy," Cmd. 6527, H.M.S.O. May 1944, published by the Macmillan Co. in 1945.

[6] Ibid., p. 11.

[7] See S. Please, "Structural Unemployment and Government Policy," International Labor Review, vol. 75, No. 2 (February 1957), p. 119.

[8] Although Robert S. Weinberg has suggested "a minimum acceptable level of frictional unemployment of 2.5 percent." See his article, "Full Employment 1955–60—A Feasibility Test," American Economic Review, vol. 43, December 1953, p. 863.

[9] Please, loc. cit. In the United States estimated unemployment is expressed as a percentage of the civilian labor force, while in Great Britain it is expressed as a percentage of the insured labor force. Since most workers in Great Britain are insured, however, discrepancies between the two measurements, if they exist, will be small.

[10] Jean A. Flexner and Ann S. Ritter, "Experience With Development Areas in Great Britain," Monthly Labor Review, May 1957, p. 6; and "Productivity, Prices, and Incomes," materials prepared for the joint committee by the committee staff (Washington: GPO, 1957), p. 87.

[11] Ibid.

[12] The difference in acceptable minimums is not an artificial distinction. In the United States when unemployment in a labor market area falls to less than 1.5 percent, it is classified as a "critical labor shortage area." See the Labor Market and Employment Security (Washington: U.S. Department of Labor, Bureau of Employment Security, February 1957), p. 10.

[13] See "Reports of Investigations in the Industrial Conditions in Certain Depressed Areas of: I—West Cumberland and Haltwhistle; II—Durham and Tyneside; III—South Wales and Monmouthshire, and IV—Scotland," Cmd. 4728, 1934. For an excellent discussion of the economic characteristics of these areas, see J. L. Fyot and J. Y. Calvez, Politique Economique Régionale en Grande-Bretagne (Paris: Librarie Armand Colin, 1956), pp. 46–239.

[14] Ben W. Lewis, British Planning and Nationalization (New York: The Twentieth Century Fund, 1952), pp. 167–168.

[15] Ibid, p. 167.

[16] Ibid, pp. 168–169.

to locate in the special areas met with almost complete failure." [17]

In 1936 the Special Areas Reconstruction Agreement Act was passed to provide financial assistance to companies which would locate in the special areas. Such assistance was limited to "firms which had reasonable prospects of succeeding." [18] A Special Areas Reconstruction Association was formed to administer the program, and the Treasury guaranteed approximately one-fourth of any losses which the association might incur. In the same year the Nuffield Trust was established through private philanthropy to aid in the rehabilitation of the special areas. Because this was a private agency it enjoyed more freedom of action than the Commissioners. It was able to assist directly in such ways as the purchase of shares in companies which located plants in the areas. The trust operated with a fund of £2 million.[19] The following year an equal amount was provided under the Special Areas (amendment) Act of 1937 to establish a fund to be used by the Treasury to provide financial aid to firms located in the areas. In addition, under this act the Commissioners were authorized to make limited contributions toward the rent and local taxes of these firms and to "adjust income taxes of industrial undertakings for periods up to 5 years." [20]

There was another significant development in 1937. In that year the Royal Commission on the Distribution of the Industrial Population, better known as the Barlow Commission, was appointed to "inquire into the causes which have influenced the present geographical distribution of the industrial population of Great Britain and the probable direction of any change in that distribution in the future." After exhaustive study the members of the Commission reported that the existing distribution of industry was one of the causes of localized unemployment. They also reached the significant conclusion that the problems thus engendered were national in character, and that solutions to the problems "must be sought along the lines of national inquiry and national guidance." [21]

After 1936, Government expenditures for munitions factories in the special areas increased. Also, the Ministry of Labor was empowered to assist in the retraining and transfer of unemployed workers from the depressed areas to more prosperous parts of the country. Almost 125,000 trainees were thus encouraged to move from the special areas to new jobs elsewhere during the period 1936–1939.[22]

Conditions in the special areas continued to show improvement as Great Britain moved ahead with its rearmament program. At the beginning of World War II these areas were "more prosperous than at any time during the previous decade; however, their unemployment rate was still 13 percent—almost twice the national average." [23] The principal causes of improvement, however, were not basic changes in the structural characteristics of the depressed areas. Only a limited number of new civilian job opportunities had been created as a result of the various activities pursued under legislation enacted to solve the problem of localized unemployment in Great Britain. Most of the new employment was directly or indirectly dependent upon the rearmament program, although it must be pointed out that the Commissioners were successful in obtaining preferential treatment for these areas in this respect. During the war years, of course, employment in the special areas rose further as war production increased, and unemployment continued to decline as young male workers entered the armed forces from these areas.

After the war there was again an upsurge of unemployment in the depressed areas. In 1946 two new areas dependent upon coal mining and munitions, Wrexham (Wales) and Wigan-St. Helens (South Lancashire), were added to the original special areas under standing board of trade powers conferred by earlier legislation. In 1949 the Scottish Highlands and Merseyside were also added to the list of areas to receive special assistance. In 1953, a number of communities in northeast Lancashire, heavily dependent upon cotton weaving, were also included, as textile mills in this area were liquidated.[24]

POSTWAR LEGISLATION

But while localized unemployment was rising during the early postwar period, the Government was not idle. In 1945 the Labor government passed the Distribution of Industry Act based in large part on the 1944 white paper on employment policy and the earlier Barlow report. This act was to provide the administrative machinery required to carry out the white paper's proposals for attacking the problem of localized unemployment. The commissioners who had administered the program during the prewar period were eliminated, and the board of trade took over administration of the new program.[25] In this legislation, too, the term "special area" was replaced by the more positive designation of "development area."

The Distribution of Industry Act gave the board of trade authority to construct factories, improve sites, acquire land on its own initiative, and also to provide financial assistance to local authorities for such activities. Grants and loans were made available to communities to assist in industrial development and in the procurement of basic facilities such as improved transportation, power, lighting, sanitation, and housing. An amendment to the Special Areas Act of 1937, passed in 1950, permitted the board of trade to contribute toward the moving expenses of firms locating in the development areas. In carrying out this program, the board of trade relied heavily on regional boards for industry for advice and consultation.[26]

Following the recommendations of the Barlow report and the white paper on employment policy, the Board of Trade was given a measure of responsibility for directing the location of new industry in an effort to achieve an optimum distribution throughout the country. A special location office was established by the board to collect and analyze information about industrial sites, labor supply, availability of power, housing, transportation, and other factors relevant to location decisions. All firms planning to construct new industrial buildings above a minimum size were required to register this information with the Board. Initially this minimum was 5,000 square feet, but this was later raised to 10,000 square feet.

The authority of the Board of Trade was considerably strengthened by enactment of the Town and Country Planning Act of 1947. Under this law, applications for industrial development certificates, which were required for the construction or expansion of industrial buildings, were granted only if approved by the Board. This again was consistent with the policies developed in the white paper which said: "On the one hand, power will be taken to prohibit the establishment of a new factory in a district where serious disadvantage would arise from further industrial development. On the other hand, the Government will be able to use their influence to steer new factory development into areas which call most urgently for further industrial diversification." [27]

A special committee, the Development Areas Treasury Advisory Committee, was established to review requests for financial aid. Members were drawn from banking, labor, management, and public administration. In all cases, Board of Trade approval was required before aid was granted, and there had to be a showing that any project aided would, in due course, be able to stand on its own feet as a successful business venture.[28]

In addition to the negative control over the location of industry granted the Board of Trade by the Town and Country Planning Act of 1947, various positive measures were taken to encourage or direct the location of new industry in development areas. In South Wales, for example, 10 Grenfell factories were built by the Government and leased to firms which agreed to fill at least half of their jobs with workers suffering from partial disability.[29] Other shops, called "reemploy factories," were operated by the Government to employ workers whose health did not permit them to accept normal employment.[30]

It is apparent that during the postwar period the British Government launched a many-sided attack on localized unemployment. The objective was not to provide palliatives, but rather to initiate a long-term program of development. This involved a planned redirection of earlier locational trends and both positive and negative measures to insure that the distribution of industry would conform to a pattern which would eliminate pockets of persistent unemployment. To do this the Government directed the location of industry to development areas through compulsory certification of new factory construction. The Government, on its own, constructed some factory space and made this available to private enterprise on a lease basis. Loans and grants were made to businesses which located in the development areas. A program of retraining for the unemployed was launched, and some unemployed workers were given financial assistance to migrate to other areas. In general, the Government followed Lord Beveridge's dictum that it is better to bring jobs to workers than to force workers to leave their homes in search of new employment. But it was not doctrinaire in this respect. In the main, new jobs were brought to the

[17] Flexner and Ritter, loc. cit., p. 3.

[18] Lewis, op. cit., pp. 170–171.

[19] In terms of the 1937 exchange rate, this amounted to $9.9 million.

[20] Flexner and Ritter, loc. cit., p. 3.

[21] Report of the Royal Commission on the Distribution of the Industrial Population, Cmd. 6153, 1940, p. 201. See also William H. Beveridge, Full Employment in a Free Society (New York: W. W. Norton & Co., 1945), pp. 166–169.

[22] Flexner and Ritter, loc. cit., p. 4.

[23] Ibid.

[24] For a discussion of the economic characteristics of these areas and the causes of their unemployment, see Fyot and Calvez, op. cit., especially pp. 51–55, 126–131, 182–188, 234–235, and 146–148.

[25] The Board of Trade is the British counterpart of the U.S. Department of Commerce. It has, however, more administrative power than the American agency.

[26] For a discussion of the relationship between the Board of Trade and the regional boards, see Fyot and Calvez, op. cit., pp. 29–37.

[27] "Employment Policy," p. 12. Even prior to 1947 there was some direction of new industry to the development areas through the activities of the Capital Issues Committee of the Treasury. A number of capital issues were used to finance new plant construction in the areas especially in the immediate postwar period.

[28] Lewis, op. cit., p. 181.

[29] These factories were named after the Member of Parliament, D. R. Grenfell, who first suggested their construction. They were of standardized design and covered an area of 25,000 square feet.

[30] Cf. Flexner and Ritter, loc cit., also Fyot and Calvez, op. cit., ch. II.

workers, but some workers were aided and encouraged to move to new jobs.[31]

In the earliest statement of its full employment policy, the British Government recognized that if the problem of localized unemployment was to be dealt with effectively, it must be attacked at the national level. This is not to say that there was complete acceptance of this principle from the outset. As steps were taken to put this policy into practice, opposition to the principle had to be overcome. During the debate in 1945 on the distribution of industry bill, for example, the opposition contended that the proposed legislation represented sectional rather than national interests, and the bill which finally became law was considerably modified over the original version.[32] Gradually, however, the view that such legislation was sectionalist in character waned, and by 1947 a majority of Members of Parliament accepted the nation that an effective national full employment policy must be concerned with the problems of persistent unemployment in local areas.

EVALUATION OF THE BRITISH APPROACH

How successful was this program of rehabilitating depressed areas? Was it possible for the Board of Trade, through persuasion, coupled with authority to deny permission for the construction of factories wherever builders might choose, to steer new industry to the development areas? The record shows that the overall program of the redevelopment of depressed areas was impressive. Lewis reports that more than half the new factories established in Great Britain between 1945 and 1950 were located in development areas. "By August 1950," he reports, "1,122 new factories and extensions had been built in the areas * * * and 249 were then under construction."[33] Government factories accounted for about 42 percent of the completed structures. The number of new jobs provided by factory employment alone up to that time was in excess of 200,000. "Whereas in 1932 the number of unemployed in the areas constituted 38 percent of the insured workers, the figure in February 1950 had fallen to 4 percent of a much larger insured population."[34] This, it is worth repeating, was the level suggested in early discussions of full employment as an acceptable measure of frictional unemployment.

But the program did not stop once unemployment had been reduced to this level. The Board of Trade continued to direct new industry to the development areas and, by the end of 1955, unemployment in the eight areas then classified as development areas had fallen to 1.9 percent of the insured male labor force and 2.5 percent of the female work force. This compares with national figures for that year of 0.9 percent (male) and 1.1 percent (female).[35]

By mid-1955, the Conservative government decided that unemployment in the development areas had been reduced to satisfactory levels, and the program of aid was discontinued. In support of this decision the Government reported that private building, with a volume 3 times that of Government building since 1945, could be relied on to continue the rehabilitation program.[36]

The Trades Union Congress criticized the Government for this action, but on the whole there was satisfaction with the progress which had been made up to that time. Not only was unemployment reduced to relatively low levels, but the industrial structure of most of the development areas had been altered. They were now more diversified industrial communities less susceptible to mass unemployment in the event of a downturn in activity in a single industry. There were, of course, other forces at work in Great Britain which contributed to the reduction of unemployment in the development areas. In addition to the growth of new, diversified industries in these areas, there was a revival of some of the basic industries upon which these communities had formerly depended for employment.

The rehabilitation of the depressed areas could not have been accomplished without a high level of employment in the nation as a whole. It does not follow, however, that the depressed areas would have recovered as they did even in the absence of the Government measures described above. Before these measures were enacted, a substantial shift in the location of British industry was under way. The third report of the commissioner for England and Wales had pointed out that "the drift to London was gaining in volume—while 213 new factories were established in London in 1935, only 2 new factories and 6 extensions were reported in the whole of the special areas."[37] It was this uneven growth of industry which led to the appointment of the Barlow Commission in 1937 and subsequently to an effective program for creating new jobs in the depressed areas of Great Britain.

There can be no doubt that many workers would have followed geographical shifts in industry if the earlier trends had been allowed to continue. But as Beveridge has pointed out, beyond a point there are obstacles to the geographic mobility of labor which cannot be overcome.[38] It is extremely unlikely that in the absence of steps to control the location of industry, unemployment in the development areas would have been reduced to the relatively low levels achieved in recent years.

The problem of localized unemployment in Great Britain has not been completely solved. In 1958 unemployment in some areas was as much as four times the national average. In Greenock and Port Glasgow, both tidewater communities on the south bank of the Clyde, unemployment rose sharply as the result of layoffs in shipbuilding and sugar refining and the displacement of dockers by mechanical unloading devices. The Board of Trade has already moved, however, to create new job opportunities in this area. The expansion of a business machines factory has been authorized, and a new drydock and ship repair facilities at Greenock are under consideration.[39]

Unemployment has also increased in south Wales due to the closing of more than 20 older tinplate and sheet-steel works and to the introduction of automatic processes in others. Trade union leaders have called for vigorous action to eliminate this unemployment and have urged that a proposed new integrated strip mill be located in this area.[40] Members of Parliament from this region are also urging Government action to revive industrial growth in south Wales. In the face of these pressures it is quite likely that the Government will participate more actively than it has since 1955 in the direction of new industry to areas with a substantial volume of unemployment.

One final question must be considered, if only briefly. Has the direction of manufacturing plants to the depressed areas of Great Britain led to the "uneconomic" location of industry? In other words, are the costs of operating these plants at their present locations higher than they would have been if market forces had been permitted to determine the selection of sites? These questions canot be answered definitively. Studies are currently under way in England which should shed some light on these important issues, but they have yielded no final results as yet.[41] Even if it should be found, however, that the direction of industry to the development areas has resulted in somewhat higher costs for individual plants, these must be set against the social gains produced by the reduction of structural unemployment. From the point of view of the economy as a whole, the added product and income and the savings in unemployment compensation payments resulting from these various government measures could outweigh by a considerable margin any net additions to manufacturing costs due to deviations from least-cost locations as determined by market forces.

THE AMERICAN EXPERIENCE

The British full employment program has included measures to deal specifically with the problem of chronic, localized unemployment. In the United States, however, there has been a different emphasis. We have depended upon built-in stabilizers and upon monetary and fiscal policies to help maintain a climate conducive to a high level of employment. We have not developed a national policy which would create new jobs for workers in areas of above average unemployment or to assist workers to move from such areas to other places with more promising job opportunities. Thus, while we have committed ourselves to the maintenance of a high level of employment in the aggregate, we have retained a strong faith that the market mechanism is the appropriate means to bring together idle workers and open jobs—on the assumption that job openings somewhere exist.

It would be unfair to leave the impression that the Federal Government has done nothing to bolster employment in surplus labor areas. Government contracts have been placed with firms in these areas,[42] and rapid tax amortization privileges have encouraged some firms to expand plant facilities in some of the areas.[43] What is lacking, however, is a coordinated Federal program designed to encourage the growth of new economic activities in the Nation's depressed industrial areas.

There are no statistical data to show the relative distribution of unemployment among local labor market areas prior to 1940, but there is no doubt that even during the depression some areas experienced greater unemployment than others. Unemployment was unusually severe in such communities as Providence, R.I., and Lawrence, Mass., where the exodus of textiles from New England had already begun. Also, the anthracite coal

[31] See Flexner and Ritter, loc. cit., p. 7.

[32] The original bill, for example, would have given the Board of Trade negative control over the location of industry via the power to prohibit new factory construction in certain areas. It was not until the Town and Country Planning Act was passed in 1947 that the board was given this authority. See Lewis, op. cit., p. 177. Cf. also, Fyot and Calvez, op. cit., p. 30.

[33] Lewis, op. cit., p. 181.

[34] Ibid., p. 182. Further evidence of the success of this program is given in a statement by the British Trades Union Congress in area redevelopment hearings before the Subcommittee on Labor, Committee on Labor and Public Welfare, U.S. Senate, 84th Cong., 2d sess., pt. 2, pp. 794–796.

[35] Flexner and Ritter, loc. cit., p. 6.

[36] Ibid.

[37] Lewis, op. cit., p. 172.

[38] Op. cit., p. 86. See also his discussion of earlier efforts to increase the mobility of labor on pp. 86–87.

[39] The Times (London), March 10, 1958.

[40] Ibid., March 3, 1958.

[41] Flexner and Ritter, loc. cit., p. 1.

[42] It has been reported that defense contracts amounting to more than $400 million were awarded to firms in 97 labor surplus areas in fiscal 1957. See the Manchester (N.H.) Union Leader, December 29, 1957.

[43] For a discussion of these and other Federal activities, see William H. Miernyk, "Depressed Industrial Areas—A National Problem" (Washington: National Planning Association, Planning Pamphlet No. 98, 1957), pp. 37–40.

areas of Pennsylvania were in particular distress during the depression. At that time, however, our concern was with the broader problem of nationwide mass unemployment.

During the war, labor shortages disappeared in most places, and during the "catching up" phase of the postwar period unemployment in the Nation remained below 4 percent of the labor force. With the recession of 1948–1949, the problem of localized unemployment reappeared. Between 1947 and 1951, for example, unemployment in the Nation ranged from 3 to 5.5 percent of the civilian labor force, but a study of 87 labor market areas in New England revealed that during that period 44 of these areas had an unemployment rate of 10 percent or more.[44] Much but not all of this unemployment was due to the secular decline of textile employment in the region. There were similar pockets of unemployment at that time in Pennsylvania, southern Illinois, the coal fields of West Virginia, and other areas scattered among a number of States.[45]

The Council of Economic Advisers recognized the existence of such structural or "spot" unemployment in its report of January 1955, but at that time the council eschewed measures to deal with the specific problems of the communities affected. Instead, its members concluded, "a large part of the adjustment of depressed areas to new economic conditions both can and should be carried out by the local citizens themselves."[46] The Council felt that the most effective contribution which the Federal Government could make to this problem was to pursue those policies "that promise a high and stable level of employment in the Nation at large."[47] This was a restatement of the view that if the aggregate demand for labor could be maintained at a sufficiently high level, unemployed workers and open jobs would be matched up through the operation of the labor market.

The Joint Congressional Committee on the Economic Report did not agree, however. In their report of 1955, the committee called for Federal action to aid depressed areas. In the same year, the committee conducted comprehensive hearings on low-income families in the United States which included an investigation of the causes and magnitude of localized unemployment in industrial and mining areas.[48] Somewhat earlier that year, the Committee on Labor and Public Welfare had held hearings on the causes of unemployment in specific industries and, in the course of these hearings, had touched upon the problem of depressed areas.[49]

In the election of 1956 the depressed area problem became a campaign issue. Both parties promised action to alleviate persistent, local unemployment. By January 1956 the Council of Economic Advisers had also come to the conclusion that the fate of depressed areas was "a matter of national as well as local concern."[50] It proposed a program of Federal assistance to depressed communities built upon four basic principles:

(a) Federal assistance should aim at helping communities to help themselves.

(b) The program should aim at lasting improvement of job opportunities by the establishment or expansion of productive industries.

(c) Federal assistance should be contingent on the active participation of governmental authorities who are close to the troubled community.

(d) Federal aid must not be extended to the community if the proposed project will create unemployment in some other area.[51]

The Council further suggested that an Area Assistance Administration be established in the Department of Commerce to administer a program of aid to depressed areas. This program, it was suggested, would include grants for the improvement of facilities, loans to firms which would locate in surplus labor areas, and technical assistance to communities qualifying for such aid.

THE DOUGLAS AND SMITH BILLS

A number of bills were introduced into the 84th Congress to provide Federal aid to depressed areas. One bill which embodied the suggestions made by the Council of Economic Advisers, and which was approved by the Eisenhower administration, was introduced by Senator H. Alexander Smith of New Jersey. Under this bill the Secretary of Commerce would have been authorized to make loans from a fund of $50 million for the construction of new factory buildings and the improvement of existing facilities in depressed areas. It also would have provided a fund of $1.5 million to support a proposed program of technical assistance.[52] The Secretary of Labor, had this bill become law, would have been authorized to assist local communities in establishing vocational retraining programs for unemployed workers, but no provision was made for payments to the workers while undergoing retraining.

A second bill was introduced by Senator PAUL H. DOUGLAS, of Illinois. This bill called for a separate agency under the executive branch of the Government to administer the entire program of Federal aid to depressed areas. It called for a revolving fund of $100 million to provide loans for the construction of new industrial facilities, and an additional $100 million to be used for loans and grants for public works. This bill would have provided supplementary unemployment compensation to workers undergoing vocational retraining. It also would have granted accelerated tax amortization privileges to firms locating in depressed areas and urged that Federal procurement contracts be granted to firms in these areas to the extent that this would not conflict with other procurement objectives.[53]

After these bills had been introduced, further hearings were held by a subcommittee of the Committee on Labor and Public Welfare under the chairmanship of Senator DOUGLAS. The report of these hearings was the most comprehensive discussion of the causes of chronic, localized unemployment published up to that time.[54] A majority of witnesses testified to the need for a program of Federal aid to revitalize the economies of surplus labor areas. Following this investigation the original bill introduced by Senator DOUGLAS was amended in a number of respects. The original bill, for example, had been concerned with depressed industrial areas only; the amended bill was broadened to include depressed rural areas as well. Total loan funds under the revised bill were raised to $275 million, with an additional $50 million to be used for grants for the improvement of public facilities. The revised bill did not contain provisions for rapid tax amortization, and the references to Federal procurement contracts contained in the original bill were also deleted.

A compromise version of the Douglas bill was passed in the Senate during the closing days of the 84th Congress, but administration leaders successfully prevented a vote in the House of Representatives. Undaunted, however, proponents of Federal aid to depressed areas (now called redevelopment areas) introduced new bills into the first session of the 85th Congress. Again there was one bill, similar to the earlier Smith bill, which had administrattion approval, and another introduced by Senator DOUGLAS. The latter was similar in its essential outlines to the Douglas bill introduced into the prior Congress.

Extensive hearings were once again held. Senators and Representatives from States with surplus labor areas, labor leaders, spokesmen for Indian tribes, State and local officials, and various others appeared before the committee in support of a program of Federal aid to communities with substantial local unemployment.[55] At the time of the hearing employment in the Nation was high; we had not yet entered the recession which started later in 1957. These are the conditions that would be most propitious for the launching of a successful attack on localized unemployment, but under such conditions it appears to be most difficult to enlist the required congressional support. As one business magazine put it, depressed area legislation in the 85th Congress became "lost in the economy shuffle."[56]

This does not mean that the problem of chronic, localized unemployment had been solved, nor has it been solved to the present day. In March 1957, the month which marks the beginning of the recession of 1957–58, 20 major labor market areas were still classified as substantial labor surplus areas. In that month there were also 59 minor labor market areas in the same category.[57]

It is true that there had been some improvement prior to the onset of the recession. In December 1956 a spokesman for the U.S. Chamber of Commerce could report jubilantly that no major continental labor market now suffers unemployment in excess

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[44] Chronic Unemployment in New England from 1947 to 1951, Committee of New England of the National Planning Association, Staff Memorandum No. 2, May 1952, pp. 21–25.

[45] See Miernyk, op. cit., pp. 9–11; Sar A. Levitan, Federal Assistance to Labor Surplus Areas (Washington: GPO., 1957), pp. 9–13, and Louis Levine, "Unemployment by Locality and Industry," in the Measurement and Behavior of Unemployment (National Bureau of Economic Research: Princeton University Press, 1957), pp. 345–352.

[46] Economic Report of the President (Washington: GPO), January 1955, p. 57.

[47] Ibid.

[48] "Low-Income Families," hearings before the Subcommittee on Low-Income Families of the Joint Committee on the Economic Report, 84th Cong., 1st sess., November 1955.

[49] "Causes of Unemployment in the Coal and Other Domestic Industries," hearings before the Subcommittee to Investigate Unemployment of the Committee on Labor and Public Welfare, 84th Cong., 1st sess., March–April 1955.

[50] "Economic Report of the President," January 1956, p. 61.

[51] Ibid., pp. 61–62.

[52] Technical assistance includes such activities as market surveys and advice by specialists in the economics of location, cost accountants, engineers, and others who could assist local organizations in the redevelopment of depressed areas. For a more complete discussion, see Miernyk, op. cit., pp. 58–61.

[53] For further discussion of the two major bills introduced into the 84th Congress, see Miernyk, op. cit., pp. 43–50; Levitan, op. cit., passim; and Guy Waterman, "Federal Aid to Depressed Areas?" in American Economic Security, March–April 1956.

[54] "Area Redevelopment," hearings before the Subcommittee on Labor of the Committee on Labor and Public Welfare, 84th Cong., 2d sess., January-April 1956.

[55] For a report of these hearings see Area Redevelopment, Hearings before a Subcommittee of the Committee on Banking and Currency, 85th Cong., 1st sess., March–May 1957.

[56] Business Week, June 15, 1957, p. 79.

[57] "The Labor Market and Employment Security," U.S. Department of Labor, Bureau of Employment Security, April 1957, pp. 38–39. Areas with 6 percent or more of the total labor force unemployed are classified as areas of substantial labor surplus.

of 12 percent.[58] He might have pointed out, however, that nearly a score of the Nation's major labor market areas, had unemployment ranging from 9 to 12 percent, and more than two score of the minor areas in the country had this much or more unemployment at a time when unemployment in the Nation averaged only 3.7 percent. It is clear that a disproportionate share of the Nation's unemployed were concentrated in the depressed areas.[59]

These areas are also extremely sensitive to a cyclical downturn in employment. Since they begin with a fairly large base of unemployed, even a fairly modest downturn in economic activity is enough to move them into the surplus labor category. In March 1958, 70 major labor market areas were classified as substantial labor surplus areas. A number of these, including some of the textile areas of New England and the coal communities of Pennsylvania, have a history of persistent unemployment extending back for a decade.[60]

THE OPPOSING VIEWS

A coordinated program of Federal aid to depressed areas has thus far been rejected in this country.[61] To some this has appeared as a repudiation of our full employment policy. Indeed it can be argued that, the automatic stabilizers excepted, there has been little positive action to maintain full employment per se. To some extent monetary and fiscal policies have been directed to this end, but we should not ignore other policy ends which undoubtedly have been of far greater influence in determining the size of the Federal budget, tax policies, and other Government measures which have helped sustain the demand for labor at a high level. Our position of world leadership and the scientific and technological competition with the Soviet Union have called for a tremendous military budget. Also, since the end of World War II we have witnessed an enormous upsurge in private capital formation which to no small degree has resulted from technological changes, many of an exogenous character. The result has been a high level of employment nationally throughout most of the period since the adoption of our full employment policy.

The one challenge to what many would consider as effective full employment has been that of chronic, localized unemployment and we have chosen, as a matter of national policy, to ignore that challenge. As mentioned earlier, some defense contracts have been placed with firms in depressed areas, and a modest amount of plant expansion has been stimulated by the rapid tax amortization program. Also, the Area Development Office in the Department of Commerce and the Bureau of Employment Security of the Department of Labor have been able to provide some technical assistance to labor surplus areas. As Levitan has pointed out, however, "special assistance offered the labor surplus areas is a byproduct of broader programs."[62] A coordinated program designed specifically to aid depressed areas has not been acceptable thus far to our lawmakers.

Although opponents of Federal aid to depressed areas have recognized that many communities are faced with serious employment problems, they have insisted that these problems can and should be solved at the local level by the age-old standby of the market mechanism plus local industrial development programs.[63] Such opposition has come from local development groups, some local chambers of commerce,[64] the U.S. Chamber of Commerce, and the American Farm Bureau Federation. Some of the opposition has come from the areas affected. For example, the New England Council, a region-wide promotional and development organization, has publicly gone on record as opposing Federal aid to labor surplus areas.[65]

Instead of Federal aid, most of these groups or organizations argue that the rehabilitation of depressed areas should come through local industrial development activities. It has been estimated that there are about 3,000 community industrial development corporations in the Nation.[66] The vast majority of these are in communities which are not classified as surplus labor areas. A growing number of such organizations have been established in depressed areas, however, and in some cases have been quite successful. In others, their records have been less than impressive. Industrial development agencies in depressed areas are in competition with their counterparts in expanding areas, and often the latter have much more to offer in the way of locational advantages than many of the depressed areas can without developing new compensating advantages. The causes of chronic, localized unemployment are varied and complex.[67] They are often beyond the control of the citizens of a community. In spite of the best intentions, local action might not always be enough to solve localized unemployment problems.[68] Some communities lack the financial and technical resources required. The object of proposed Federal aid is to compensate for these deficiencies in an effort to assist the local communities to help themselves. Not even the most ardent advocate of Federal aid has suggested that it is the responsibility of the Federal Government to create jobs at any cost for all unemployed workers in depressed areas, nor has anyone suggested that it should be the sole responsibility of the Federal Government to rehabilitate these communities. This has often been implied, however, by opponents of proposed Federal assistance to depressed areas.[69]

SUMMARY AND CONCLUSIONS

The full employment policy of the United States may be described as one which attempts to maximize the demand for labor; that of Great Britain as one which attempts to minimize unemployment. Although the goal of each is to achieve full employment, as defined earlier in this article, the two policies are not identical.[70] The American policy strives to maintain an "adequate" demand for goods and services to insure a high level of derived demand for labor; it is up to the labor market to see that unemployed workers are directed to job openings. The British policy, however, goes beyond the maintenance of adequate demand; it includes the use of measures, when necessary, to direct the location of new private enterprises to areas of above average unemployment and to direct Government participation in the long-term economic development of such areas.

The British experience has shown that a high level of structural unemployment need not be tolerated in a free society. As the result of a concerted attack on this problem, the British have revised downward their estimates of what constitutes "frictional" unemployment. Indeed, as one eminent British economist, Colin Clark, has said: "We are likely to achieve much better results, both in knowledge and in action, if we make no claim about any supposed 'necessary minimum of unemployment,' but confine our efforts to gage the degree of overemployment to measuring it in a converse manner, by studying the number of unfilled vacancies recorded at labor exchanges."[71] It is also worth noting that Clark does not consider overemployment as a primary cause of inflation. While, in his opinion, overemployment "may be a persistent menace, we cannot blame it as the outstanding factor in forcing up prices and wages."[72]

It scarcely needs to be said that the difference between the full employment policies of the United States and Great Britain is a reflection of the different political philosophies in the two countries. Despite the increased importance of the Federal Government in the United States, ours remains essentially a free market economy, and this applies to labor as well as product markets. The price we pay for this is a relatively high level of unemployment even under conditions of "full employment." The British Government is committed to a greater amount of central planning in both product and labor markets. "Ten years' experience of rates of unemployment of around

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[58] Guy Waterman, "Adjustment to Localized Unemployment," American Economic Security, November–December 1956, p. 27.

[59] Elsewhere I have estimated that in March 1955 surplus labor areas accounted for 10 percent of the Nation's labor force and 19 percent of national unemployment. See Miernyk, op. cit., p. 9.

[60] See ibid., pp. 10–11, and "The Labor Market and Employment Security," April 1958, pp. 7–8.

[61] Interest in the problems of these areas remains high, however. For the results of recent investigations, see Richard C. Wilcock, "Employment Effects of a Plant Shutdown in a Depressed Area," Monthly Labor Review, September 1957, pp. 1047–1052; and Vincent F. Gegan and Samuel H. Thompson, "Worker Mobility in a Labor Surplus Area," ibid., December 1957, pp. 1451–1456.

[62] Federal Assistance to Labor Surplus Areas, p. 2. For further discussion of Federal activities which have provided aid to depressed area, see Miernyk, op. cit., pp. 37–42.

[63] For typical expressions of this viewpoint, see Guy Waterman, "Federal Aid to Depressed Areas?" American Economic Security, March–April 1956; "Depressed Areas and Facts," ibid., July–August 1956; and "Adjustment to Localized Unemployment," ibid., November–December 1956. See also the statement of Robert P. Lee, representing the Chamber of Commerce of the United States, in Area Redevelopment, March–May 1957, pp. 613–642.

[64] Some local chambers of commerce, however, have supported a program of Federal aid to depressed areas. See, for example, Area Redevelopment, March–May 1957, passim.

[65] See William H. Miernyk, "The Problem of Depressed Areas," Monthly Labor Review, March 1957, p. 305.

[66] Waterman, loc. cit., p. 55.

[67] On this, see my testimony before the Subcommittee on Low-Income Families, in Low-Income Families, especially pp. 597–598.

[68] See the remarks of Senator DOUGLAS in Area Redevelopment, March–May 1957, pp. 624–625.

[69] For example, even the relatively moderate Committee for Economic Development has recently stated that "leaving area development to Washington would be wrong, expensive, and an abdication of private responsibility." Economic Developments, July 1957, p. 5.

[70] Nor are these terms used in the same sense as the "maximum employment" and "minimum unemployment" approaches described by Rees. In his study, Rees was concerned with the statistical measurement of full employment rather than with policy goals which are the subject of discussion in the present paper. Cf. Rees, loc, cit., pp. 16 and 29.

[71] Colin Clark, "The Cost of Living" (London: Hollis & Carter, 1957), p. 10. Some American economists, by way of contrast, might think that even the early estimates of fractional unemployment were too low. Clark Kerr, for example, has stated that a 5-percent level of unemployment appears to be "normal" for the American economy. See American Economic Review, vol. 41, May 1956, p. 221.

[72] Op. cit., p. 12.

1 and 2 percent have led, it seems, to a widespread belief that it is undesirable for the rate ever to rise above this very low level—a belief which both the major political parties in the United Kingdom would probably find it suicidal to repudiate."[73]

The proposals that have been made thus far for Federal aid to depressed areas in the United States are nevertheless entirely consistent with our present political philosophy. They envisage no government action which we have not seen before either on a temporary or continuing basis. The Federal Government has provided loans to business in the past, through the Reconstruction Finance Corporation. Technical advice and assistance is regularly provided to business by a number of Federal agencies. Loans and grants for public facilities are certainly not a novel suggestion. Vocational retraining would be carried on through established agencies and institutions. The nonrecoverable expenditures contemplated, incidentally, would represent only a slight fraction of the amounts we have spent to provide for an orderly decline in the agricultural sector of our economy.

In many ways the thinking of proponents of Federal aid to depressed areas has been comparable to that of the advocates of "pump-priming" measures during the early days of the New Deal. The thought has been that if the Government could stimulate a revival in these areas through loans, technical assistance, and vocational retraining, private investment could be counted on to complete the recovery.[74] While it is unlikely that this approach would reduce structural unemployment to the levels achieved in Great Britain, there can be no doubt that it would lead to improved conditions in the depressed areas of this country.

Why has Congress until recently failed to accept the relatively modest proposals for Federal aid to depressed areas advanced thus far?[75] For one thing, most of the surplus labor areas in the United States are concentrated in a small number of States. To many Senators and Congressmen the proposed legislation has undoubtedly appeared to be "sectionalist" in character.[76] Also, while our policymakers have accepted the principle of maintaining an adequate demand for goods and services, and thus a high level of demand for labor, they have been unwilling to experiment with a national policy designed to minimize unemployment.

[From International Labour Review, v. 74, July 1956:1–22]

EMPLOYMENT AND UNEMPLOYMENT: GOVERNMENT POLICIES SINCE 1950

UNEMPLOYMENT IN DEPRESSED AREAS

Unemployment in depressed areas is best considered separately from other types of unemployment. A part of the remedy for such unemployment may be found in measures to facilitate the movement of labor away from the depressed area. Many workers are, however, reluctant to uproot themselves and to disrupt family and social ties. Moreover, such measures may involve the heavy social costs of abandoning schools, land development, powerplants and other community facilities in depressed areas and expanding these facilities in the areas into which unemployed workers are moved. In many cases it is a better remedy to move capital into the depressed area rather than to encourage workers to move away from it, unless of course the area is considered hopeless for further development at a reasonable social cost even if more capital is moved into it.[1]

Especially in countries where unemployment is otherwise at a low level, interest in the problem of depressed areas has increased considerably in recent years. In the United States attention was called to this problem in the report of a joint committee of Congress. In testimony before the committee it was shown that unemployment was often substantial in textile-producing areas of New England and in coal-mining areas, especially in Pennsylvania. Unemployment is also high in some communities where railroad work is important. In his latest annual economic report the President of the United States recommended the organization of a new Area Assistance Administration for aiding communities that have persistent and substantial unemployment. This body would extend capital improvement loans for projects that promise to improve a community's longrun economic outlook but for which financing cannot be obtained on reasonable terms from private sources. The loans should be made in participation with the State or local government, acting either directly or through a proper community agency. The Federal loan should not exceed, say, 25 percent of the cost of the project, while the State or local share must not fall short of, say 15 percent. This loan program should be confined to communities that have had an unemployment rate of around 8 percent, or more during the greater part of the preceding 2 years. But the loans should be available for a wide range of projects, such as the construction of industrial facilities, the purchase and alteration of existing facilities, or the consolidation and development of tracts for industrial sites.[2]

In addition to this proposal there are a number of laws and administrative practices in the United States that provide for assistance to depressed areas. The Office of Defense Mobilization in the administration of the Defense Mobilization Act of 1950 is authorized to grant permission for rapid depreciation to firms engaged in defense work in areas that are certificated by the Secretary of Labor to have a "current or imminent surplus of labor." In the rules governing the procurement of supplies for Government agencies there are also provisions for assistance to areas with substantial unemployment. Where there are no differences in prices charged for supplies between areas of substantial unemployment and other areas, orders are required, if possible, to be placed in the former areas. When contracts for Government work are let out by competitive bidding, in case of tie bids between a firm in an area of substantial unemployment and some other firm the contract should be awarded to the former. In an executive order of the President issued on December 17, 1954, under the so-called Buy-American Act of 1933, the President has authorized the rejection of a foreign bid "in any situation in which the domestic supplier offering the lowest price for furnishing the desired materials undertakes to produce substantially all of such materials in areas of substantial unemployment." In a regulation of June 29, 1955, issued by the Secretary of Labor, criteria for the determination of areas of substantial unemployment were set out as follows:[3]

"1. The number of workers seeking employment in the area is in excess of currently available job opportunities, and this situation is expected to continue through the next 2- and 4-month period.

"2. Unemployment is 6 percent or more of the total labor force.

"3. Net nonagricultural labor requirements for 2 and 4 months hence indicate declining employment levels or no significant increase in labor requirements.

"4. The current or anticipated labor surplus is not due primarily to seasonal or temporary factors."

Special attention was given to depressed areas in Europe in the United Nations Economic Survey of Europe in 1954.[4] This survey pointed out that in some countries with a relatively high level of income and employment there were nevertheless some regions with substantial unemployment or a low level of income. These included Brittany and Massif Central of France; the Grisons and Valais in Switzerland; Northern Ireland in the United Kingdom; Schleswig-Holstein in Germany; Groeningen and Friesland in the Netherlands; and the northern parts of Norway, Finland, and Sweden. In Italy there is a great difference in the level of income and employment between the northern and southern provinces. This problem is, however, on such a scale that it may be considered a problem of economic development rather than a depressed area problem.[5]

Some of the measures taken in Europe against depressed areas may be summarized briefly. In the United Kingdom under the Distribution of Industry Acts of 1945 and 1950, the Government is empowered to gain possession of land and construct factories to be leased for private use and to extend financial assistance to industrial undertakings setting up or already established in so-called "development areas," which, among other things, are areas of high unemployment. The Town and Country Planning Acts of 1947 provide that any firm, before it can build a factory above a certain size, must obtain approval of the Board of Trade.[6] In practice these laws have been used to promote the growth of developments areas, of which there are eight in Great Britain, and to prevent further development of already overexpanded industrial areas. These development areas, in addition to having an initially high degree of unemployment, were selected with the requirement in view that they should be of sufficient size to provide

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[73] Please, loc. cit., pp. 119–120.

[74] The revised Douglas bill called for termination of Government assistance when an area no longer met the requirements for original aid. In practice, this would mean that if unemployment could be reduced to less than 6 percent, the area would no longer be eligible for further Federal aid. See S. 964, 85th Cong., 1st sess., secs. 5 and 15, pp. 4–5 and 22–23.

[75] After this article had gone to press, Congress passed and sent to the President the Area Redevelopment Act (S. 3683) which calls for $279 million in loans and grants to surplus labor areas. At this writing, it is uncertain whether the President will sign this bill. While passage of the bill does not mean that our policymakers have fully accepted the principle of minimizing unemployment, this is an important step in that direction.

[76] We have long since recognized, however, that many allegedly sectionalist measures, the Tennessee Valley Authority, for example, have benefited the entire economy.

[1] In principle the problem of depressed areas differs from the problem of underdevelopment in that, within countries with depressed areas, unemployment can be overcome by reallocating some of the available supply of capital to the depressed area. In underdeveloped countries, per se, there is not enough capital to provide full employment even if capital is reallocated in the best possible way.

[2] Economic Report of the President, January 24, 1956 (Washington, 1956), pp. 61–62.

[3] U.S. Federal Register (Washington), Document 55–5419, July 6, 1955.

[4] Geneva, 1955, Ch. 6. See also Economic Survey of Europe in 1955, op. ct., pp. 148–150.

[5] There may be an overall shortage of capital rather than a problem of reallocating the existing supply of capital.

[6] These acts are based to a great extent on the reports of the Barlow Commission and the Uthwatt Committee. For a summary of these reports see Sir William Beverage: "Full Employment in a Free Society" (London, George Allen and Unwin, 1944), pp. 166–170.

an employment market large and diversified enough to enable the simultaneous development of several complementary industries. Special stress has been laid on avoiding overspecialization in any one industry in these areas. For Northern Ireland, where unemployment is considerably higher than in the rest of the United Kingdom, the Government has granted special subsidies for house building, and for the fuel and transport costs of agricultural produce.[7] Grants have also been made available by the Northern Ireland Government to finance part (usually one-fourth) of the cost of privately built factories and the reequipment of existing industries.

Since 1952 there has been in the Netherlands a regional development plan for eight development areas. The general aim of this development plan is similar to that of the development areas scheme in the United Kingdom. Development areas are selected regions where unemployment cannot be easily overcome by migration and where the costs of industrialization of the region are not unreasonable. The Government provides subsidies to local governments in development areas for investment in industrial land. Special stress is placed on the provision of necessary transport facilities, for which subsidies are also provided. The Government, for example, has paid 75 percent of the costs of building or improving certain roads, bridges, and wharfs and two-thirds of the cost of improving a number of canals and harbors. For new industrial establishments setting up in locations designated as "industrial nuclei" the Government provides, subject to certain conditions regarding size and construction costs, subsidies of 25 percent of the building costs provided that (a) at least 10 persons are hired in the new establishment, and (b) 1 unemployed worker is hired for every 50 square meters of floor space.

With respect to the Scandinavian countries reference has already been made to measures to aid the wood pulp industry in northern Finland. In Norway an 8-year plan for the northern part of the country was adopted in 1952. A development fund of 225 million kroner was set up, from which loans are granted or guaranteed under very favorable terms for the modernization and expansion of industry. Of special importance to the economic development of northern Norway is the expansion program of the Mo I Rana iron works.[8] The steel mill in Luleå in northern Sweden also contributed to the development of that area. In addition to the direct operations of the development plan, northern Norway has benefited from special tax privileges. As in the United Kingdom and the Netherlands, building licenses are used to influence the location of industry.[9]

In France the Commissariat du Plan has listed six regions that may be considered depressed areas. In the Durance region in the French Alps a combined power and irrigation scheme entailing heavy expenditure has been set up by a special regional committee.[10] A development plan is also being worked out by a regional committee for the Bas-Rhone-Languedoc area. In other parts of France less has been done to combat local unemployment and underemployment. The Government has, however, certain powers that enable it to act to overcome unemployment in depressed areas. For example, it may draw on the national land development fund in order to acquire land on which new industries may be established. By the decree of September 14, 1954, subsidies from this fund are provided for the establishment of new factories in depressed areas and to encourage the moving (or extension) to depressed areas of firms or plants that are now located in areas where industry is overconcentrated. In depressed areas new plants or extensions to existing plants are exempt from certain local taxes and from part of the taxes on property transfers. In order to encourage the expansion of industry in depressed areas rather than in the very heavily industrialized Paris area, a decree of January 6, 1955, provided that the building or extension of industrial firms above a certain size must be approved by the Ministry of Housing and Reconstruction.

In the Federal Republic of Germany during the years following the Second World War unemployment was aggravated by a very large influx of refugees. In recent years the situation has much improved but unemployment is still substantial in Schleswig-Holstein and the eastern parts of the Federal Republic. The West German Act of March 10, 1952, provided for the establishment of a tripartite Federal Institution for Placement and Unemployment Insurance.[11] At first the institution appears to have been intended to deal only with the administration of the unemployment insurance program and the improvement of the organization of the employment market. On August 4, 1953, however, the law was amended to provide that the powers of the institution might be broadened to include the extending of loans and subsidies. These funds are to be used for the development of regions of the country—mainly those with large numbers of refugees—where unemployment remains substantial. Financial assistance from the institution is required to be matched by at least equal contributions from the state governments involved.[12] Under this program aid has been extended to the Länder of Schleswig-Holstein, Bavaria, Hesse and Lower Saxony. The Federal Government also gives priority to depressed areas in the placing of public contracts. Another source of aid to areas in the Federal Republic with substantial unemployment is a special tax on property not damaged by war, the proceeds of which are used to aid those who have suffered war losses. Loans have been made in this way to firms that undertake to engage a certain number of unemployed workers, and by April 1955 a total of 280 million deutsche marks had been advanced to employers who agreed to provide about 82,000 new jobs.

In Ireland a special Government corporation known as An Fóras Tionscal was set up in January 1952. The Minister for Industry and Commerce with the approval of the Ministry of Finance may make grants not exceeding 2 million Irish pounds to the corporation. The corporation may make land available and provide half the cost of machinery and equipment for new enterprises in depressed areas. It may also recommend that the Minister of Industry and Commerce fix special rates for these enterprises on electricity and other public services. As in the United Kingdom, the Government of Ireland has used its licensing powers to encourage the establishment of new industries in depressed areas.

EXHIBIT 2

DEPRESSED AREAS IN WESTERN EUROPE—IL MEZZOGIORNO (SOUTHERN ITALY)

(By Vladimir N. Pregelj, Economics Division, Library of Congress, March 11, 1959)

SETTING OF THE PROBLEM

The unification which, in 1860, joined into a single Italian state the several kingdoms and principalities of the Apennine Peninsula, also gave the economy of this new state a headache which has plagued it ever since—the economically underdeveloped and chronically depressed Mezzogiorno (the south). The Mezzogiorno comprises the regions of Abruzzi and Molise, Campania, Puglie, Basilicata, Calabria, and the Provinces of Frosinone and Latina in the Lazio, as well as the islands of Sicily, Sardinia, and Elba, and covers, on the mainland, the area south of a line crossing the peninsula slightly above its narrowest part.

Through the centuries, the Mezzogiorno has been almost exclusively—and essentially still is—an agricultural economy. Its depressed condition is primarily due to physical causes, but was intensified by politico-economic factors. The predominance of mountainous terrain restricts the available arable land to 14 percent of the land areas as a whole, and to almost negligible proportions in some regions (Calabria). The growing demand for food has pushed cultivation to marginal lands, often denuded of their original forest vegetation. This deforestation has, in turn, had serious consequences for the already precarious condition of water resources.

The mountains of the south follow irregular courses and are very rugged, thus making construction of surface transportation routes difficult and expensive as well as giving a torrential character to the water streams of the region. The latter, coupled with concentration of precipitation during relatively short periods of the year, intensifies the erosion of high-lying lands and facilitates the depositing of detritus and mud by torrential waters in the plains.

Another natural factor, which makes agriculture in the south the more difficult, is the general lack of permanent surface streams aggravated by scarcity of precipitation and its seasonal concentration in the autumn and winter with its consequent erosive force. Lack of water is accentuated by the high summer temperatures, both resulting in extreme droughts limiting the growth of vegetation to early and late spring and late autumn. Thus intensive cultivation of pastures is impossible, and consequently, the number of livestock, sorely needed in an agricultural economy so lacking in mechanized equipment as that of the Mezzogiorno, is far from sufficient. The exigencies of extensive agriculture have also been one of the important factors in the establishment, years ago, of the feudal-like system of large, mostly absentee-owned "latifondi," which has in part persisted to this day, and substantially contributed to the exploitative nature of southern Italian agriculture.

Historically and politically the south has been, for many centuries, part of non-Italian states ruled by the Angevins, who decisively curtailed its financial autonomy, and by the Spanish Bourbons who treated Naples and Sicily more like colonies to be exploited than like Provinces to be governed with enlightenment. Foreign rule has also brought with it feudalism which left its mark in the form of the "latifondi." Although the Bourbon state had a fairly well balanced budget and a relatively low public debt, this equilibrium was one of poverty and scarcity.

The unification made the situation even worse, at least in a relative sense. The introduction of the Piedmontese system of personal taxation instead of that of real taxation in effect under the Kingdom of Naples placed on the south a burden disproportionately heavy in comparison with the wealth of the region, and the assumption by the new state of the public debts of the former principalities weighed much more upon the south, since, for example, the public debt of Piedmont, a region much smaller in area and population than the south, was almost 2½ times that of the former Bourbon Kingdom.

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[7] "Economic Survey of Europe in 1954," op. cit., p. 162.

[8] See Iron and Coal Trades Review (London), Oct. 28, 1955, pp. 1007–1010.

[9] Economic Survey of Europe in 1954, op. cit., p. 163.

[10] Ibid., pp. 163–164.

[11] See I.L.O. Legislative Series, 1952 (Ger. F.R. 3).

[12] Bundesgesetzblatt, pt. I, Aug. 5, 1953, No. 43, p. 719.

In contrast, the per capita ratios of national revenues to expenditures which in some regions of the north were about 1 to 1, reached in the south 2 to 1 or even less favorable proportions, representing thus a constant drain on the wealth of the already depressed south.

Despite the fact that the economic misery of the south revealed itself in its earliest contacts with the other regions of the new state, long years had passed before any attempts were made to remedy the situation. In most cases, they did not go beyond the study stage; in some instances, where tangible results were achieved, these were too localized to have any significance for the general economic development of the south. Thus, despite some natural, though slow, progress the south found itself after World War II in essentially the same depressed condition which had plagued it through the centuries: Low-yield agriculture, lack of industry, inadequate transportation, widespread unemployment and underemployment and, in general, a very low living standard. As a result, over one-third of the natural growth of population migrated to other countries.

World War II brought greater disaster to the south than to the north and widened the spread between the economy of the south and that of the north.

GOVERNMENT MEASURES

During the first few years following World War II the Italian Government was primarily concerned with the reconstruction of the war-torn economy as a whole and did not take any steps designed specifically for the development of its southern sector, although this sector had—in addition to its generally depressed condition—also suffered most by the ravages of war. The Government did, however, within the framework of its existing policies, create industrial credit sections at the banks of Naples, Sicily, and Sardinia to act as the main financing agents for the revitalization of the economies of the southern mainland, Sicily, and Sardinia, respectively.

The earliest legislative measure limited the economic development of the Mezzogiorno was the legislative decree 1598 of December 14, 1947, which was designed to stimulate the growth of southern industrial capacity by means of various fiscal incentives, transportation subsidies, and financing facilitations granted for establishment of new industrial plants, and for reconstruction, reactivation, or expansion of old ones. A few minor supplemental measures were enacted during the following few years.

By 1950, the measures put into effect by the legislation for the industrialization of the south were quite numerous, although for the most part characterized by a rather passive nature of governmental intervention. In the fiscal field they comprised exemption from payment of customs duties and license fees on imports of construction materials, and of machinery and equipment required for construction and operation of industrial plants; 50-percent reduction of general sales tax on such materials and equipment; exemption from payment of income tax on earnings derived from new industrial investment; and reduction of fees for transfer and registration of title to real estate necessary for industrialization to a fixed rate of 200 lire.

In the field of transportation, the subsidies consisted of 10 to 50 percent reductions of low-speed freight charges on state railways for construction materials and machinery needed for industrialization of the south; and of 20-percent reduction of freight charges for such cargo on subsidized maritime lines servicing the island of Sardinia.

In the field of financing, industrialization credits totaling 10 billion lire were made available through the industrial credit sections of the banks of Naples, Sicily, and Sardinia, and guaranteed in full by the state treasury. These credits could not be used for reconstruction of industry damaged by the war, and borrowers had to provide at least one-third of the needed capital from their own resources. The interest rate on these loans was set at 3.5 percent above the official discount rate. However, the treasury was authorized to assume part of the interest charge up to a point where the burden on the borrower could be as low as .5 percent below the discount rate.

In addition, some sundry measures were enacted providing for exemption of southern industrialization projects from any other regulations applicable to new industrial plants; and giving such projects the power of expropriation over real estate needed for industrialization.

In 1950, first major advance was made in the active participation of the Government in the economic development of the Mezzogiorno. Law 646 of August 10, 1950, created the Cassa per opere straordinarie di pubblico interesse nell Italia meridionale (fund for extraordinary works of public interest in southern Italy), or with its shorter title Cassa per il Mezzogiorno (fund for the south), a Government agency given the task of carrying out a large-scale plan of public works designed to create such environmental conditions as are indispensable for the formation and effective operation of new agricultural and industrial activities. This task has often been given the name of "pre-industrialization."

Specifically, it involves such projects as regulation of river basins and courses, land improvement, irrigation, agrarian changes, including those falling under the land reform programs, construction of non-State ordinary roads, aqueducts and sewerage systems, establishing of plants for processing and marketing of agricultural products, and promotion of tourism. In fulfilling its task, the fund may delegate the execution of individual projects to appropriate governmental or local agencies, or—in specified fields—create subsidiaries for this purpose.

The financial means of the fund are derived primarily from annual endowments consisting principally of Treasury appropriations, but also of various earmarked revenues. Annual endowments, originally set at 100 billion lire, have been gradually increased to 180 billion lire, and aggregate endowment for the duration of the program rose from 1,000 billion lire for the originally planned 10-year term to 2,040 billion lire for the 15-year term based on a later extension of the program until June 30, 1965. The fund is also authorized to acquire additional funds necessary for the execution of its projects by issuing obligations or borrowing at home and abroad.

The fund is administered by a board of directors, and its activities are planned in general lines and supervised by the committee of ministers for the south, created by the organic law of the fund. This committee is responsible to the Parliament for the functioning of the fund and has been given considerable discretionary authority in regard to its operations.

In 1957, after the first phase of the industrialization program—the pre-industrialization—launched by the fund law had been, with more or less success, in operation for 7 years, the necessity of giving further impetus to the work of developing the economy of the south led the Government to prepare a program of more extensive public industrialization measures. This program was enacted as law 634 of July 29, 1957, designated as the "provisions for the south." This law is not an organic law, but primarily amends, extends, and above all supplements in great detail the existing legislation, especially the fund law of 1950. In addition to extending the life of the fund through June 1965 and increasing the annual endowment payments, it authorizes a number of public grants, credits, and incentives of particular benefit to the industrial sector of the southern economy. It also extends the coverage of provisions contained in some earlier legislation, particularly to associations and consortia established for the pre-industrialization and industrialization purposes, and contains provisions especially favoring development of small industry and handicrafts.

In the field of fiscal measures the new fund law provides for extension of all fiscal reductions and exemptions favoring the fund to all agencies acting on its behalf; for exemption of all materials used in the execution of the fund's programs from payment of the consumption tax (imposta di consumo); for partial or total exemption from industry and other taxes, including consumption taxes, of firms establishing or improving their plants in communes of less than 75,000 population; for limited exemption from income tax (class b imposta di richezza mobile) of profits reinvested in agricultural or industrial improvements; for the extension of the reduced 200 lire registry and mortgage fees to cover also instruments of incorporation of industrial companies and mortgages contracted in connection with transfer of real estate for the purpose of industrialization as well as industrialization capital increases, relative bond issues, and instruments connected therewith, reorganization of companies and normalization of irregular firms.

The new law contains a large number of provisions facilitating the financing of pre-industrialization and mostly industrialization projects. Thus, up to 40 percent of expenditures for the purchase and improvement of boats and fishing gear, for the establishment of oyster and mussel beds, and for the processing, refrigeration and transportation of fish and fish products, may be covered by the fund. The fund is authorized to pay in full for the construction of water and sewerage systems in small communes of under 10,000 population, or to assume part of such costs for larger communes. In addition, the Cassa depositi e prestiti (Postal Savings System) is obliged to grant credits necessary for the financing of these public works projects whenever they are carried out by the fund. The fund is further authorized to make grants for the construction of electric powerplants and distribution systems in land improvement areas, and may also undertake the restoration of tourist sites of particular historic, artistic, or archeological interest.

In small communes of under 75,000 population, lacking industrial facilities, the fund is authorized to make direct grants covering up to 20 percent of cost of establishment of small and medium industry, including construction of buildings, installation of machinery, and connections to existing roads, railroads, and water and power systems. Furthermore, up to 30 percent of expenditures for transformation, modernization and mechanization of small industries may be covered by contributions granted by the fund.

The law also provides for the covering by grants of up to one-half of expenditures incurred by local consortia, the organization of which for the purpose of creating industrial zones is also authorized by the new fund law, in carrying out their preindustrialization and industrialization projects. Such consortia are also given access to credits granted by the various semipublic insurance and credit institutions. In addition the Cassa depositi e prestiti is authorized to grant to southern communes loans for the purchase of real estate for purposes of industrialization or employment increase.

In order to make it possible for the southern regional medium-term credit institutions, created by an earlier law, to expand their operations, the new fund law authorizes the fund to grant to these institutions subsidies to alleviate the cost of their bond

issues which exceeds the interest charges on their loans. The law also authorizes the industrial credit sections of the Banks of Naples and Sicily to utilize the repayment on their earlier loans for granting certain additional credits. Such credits may be used to supplement loans granted earlier by these section, as medium-term development financing, not to exceed 50 million lire, of small and medium industries, and to enable medium and small industries to acquire stocks of raw materials and finished products.

In addition to making direct grants, expanding the availability of industrial credit, and extending fiscal exemptions, the new fund law includes some provisions for the direct public investment in the south. It stipulates that for the duration of the fund law the expenditures of the individual ministries for public works in the south must be in proportion with the population strength of the south. In addition, the agencies under the supervision of the Minister of Government Holdings (Ministro per le partecipazioni statali) are required to allocate to the south at least 60 percent of investment intended for the creation of new plants and at least 40 percent of their total investment.

Some general measures tending to regulate the economic progress of the south conclude the series of provisions for the south. Great emphasis is placed in the role of industrialization consortia, and many of the provisions applicable to the fund itself have been extended to apply to these associations, including the power of expropriation. For better efficiency, the development programs for the south of the fund and of the various Ministries are coordinated through the Committee of Ministers for the South; those applicable to the islands of Sicily and Sardinia must, in addition, be drawn up in agreement with the administrations of these islands. A final provision, a rider attached because of the pressure exerted by organized labor, requires all beneficiaries of provisions of the new fund law to grant their employees conditions not less favorable than those stipulated in collective bargaining agreements for identical types of work in the same area.

MEASURES TAKEN BY PRIVATE BUSINESS

Although the task of developing the economy of the Mezzogiorno is of such proportions that it cannot be solved without the direct and vigorous intervention of the Government, the private sector of the economy has not stood by idly expecting the solution of the problem to come solely through public action. As a matter of fact, it was the private business that undertook the first major program—even before any direct Government measures were taken on behalf of the south—designed to foster the economic development of the area.

On December 2, 1946, a group of 45 Italian enterprises established the Associazione per lo sviluppo dell'industria nel Mezzogiorno-Svimez (Association for the Industrial Development of the South). The purpose of the association is to promote and conduct specialized studies of the economic conditions in the south and thereby provide the background for concrete programs and projects designed to create and develop industrial activities which would, in view of ascertained needs, provide the best remedy for the economic ills of the Mezzogiorno.

The membership in the association is open to all domestic and foreign firms and individuals interested in the economic development of the south. Each member contributes an annual quota varying according to its business capital. Originally, the quotas ranged from 250,000 lire for members with capital under 50 million lire to 3 million lire for those with over 1 billion lire of capital. In order to make the membership in the association possible for smaller firms and thereby increase the overall revenue, the annual quotas were successively reduced, and, since 1953, have ranged from 100,000 lire for individuals and firms with capital under 100 million lire to 1 million lire for those with capital over 5 billion. In addition to this regular membership, supporting membership with annual contributions of 3 million lire was established.

By the end of 1955 the membership of the Svimez had increased from 45 to 99 members, representing every sector of the national economy, and its revenue from annual contributions from 48,250,000 lire to 88,800,000 lire. Almost one-half of these funds was contributed by enterprises with national scope, slightly over one-fourth by those operating primarily in the north, and slightly under one-fourth by firms active predominantly in the south.

The association is strictly a research organization and is enjoined by its constitution from engaging in industrial or commercial activities. Its research and studies, the results of which have been widely drawn upon also by the public agencies, especially the fund for the south, follow two main directions. One is concerned with the general economic, and especially industrial, development of the south as a whole, the other with activation or reactivation of those individual economic sectors which appear to be best suited for the economy of the Mezzogiorno. While the studies of the former type take into account and, indeed, count upon outside aid, the studies of and expansion plans of the latter type are based primarily on locally available resources.

In practical terms, regional studies comprise essentially pre-industrialization projects, such as organic planning of public works (railroads, highways, transportation and communication lines, power and fuel distribution systems, water supply and sewerage systems, reclamation, regulation of streams, irrigation, reforestation, and many others), vocational training, enhancement of the position of the southern entrepreneur in relation to his northern counterpart through public subsidies, and similar. These studies involve not only the economic and social justification of the projects, but also the expenditures involved, the problems of investment and financing and their possible solutions.

The studies of economic sectors have been concentrated primarily in the field of agriculture, the traditional source of southern livelihood; they have, however, included also other sectors such as mining, manufacturing, commerce and tourism. Specifically, detailed analyses have been made of wine industry, production of olive and essential oils, fruit and vegetable growing and canning, and production of cork, wood, cellulose, and raw silk. The association also conducted extensive studies in regard to handicrafts and small industry as well as mineral prospecting and manufacturing of machinery.

In these studies the association utilized its own field research facilities as well as locally and nationally available sources of information, such as census data, chambers of commerce, associations of industrial firms, agencies of provincial administrations, and similar. The wealth and variety of collected information has prompted the association to publish not only voluminous reports on its industrialization studies, but also works about the south containing statistical and general information, such as statistical yearbooks and selected industrial statistics, and several editions of commentaries on legislative provisions in favor of the south. Monographic or annually published material is being kept up to date by weekly bulletins with monthly supplements dealing with problems of underdevelopment.

In addition to industrialization studies, the association has investigated other economic aspects of the south, such as regional and family incomes, required level of investment and its multiplier effect, and socioeconomic factors and effects of the industrialization program.

The association also acts as a clearing house for information on the south, runs a technical counseling and general information service, and participates in regional, national, and international conferences on the development of underdeveloped areas.

Although the Svimez is prohibited from engaging directly in industrial and commercial activities, it may organize and own stock in subsidiary corporations established for the promotion of industrial, technical, or experimental activities. Such a subsidiary, the Società per l'industrializzazione delle regioni meridionali—Sudindustria (Society for the Industrialization of Southern Regions), was established on July 22, 1947, with capital stock of 10 million lire, over half of which is owned by the parent organization. The field of activities of Sudindustria includes establishing experiment centers and industrial plants, preparing plant projects and submitting them to private enterprises for eventual materialization, fostering international agreements for the development of technical and commercial activities of the southern industry, assisting third parties engaged in activities falling within the scope of the society; in short, approaching the task of industrialization from the standpoint of action rather than study. After the launching of the governmental program for the industrialization of the south through the fund for the south, which coincided with and greatly expanded that of the Sudindustria, the society was liquidated in 1953.

During the years of its operation, the Sudindustria was instrumental primarily in setting up a network of fruit and vegetable growing and processing stations, in modernizing the olive oil industry, in establishing the mining company of Calabria for the purpose of mineral prospecting and exploitation, and in organizing the Southern Fishing Co., a fishermen's consortium.

Another subsidiary organized by the Svimez is the Unione Aziende Meccaniche Meridionali—UNAM (Union of Southern Machinery Enterprises). The purpose of this consortium is to increase production and sales of its members through technical and commercial measures designed to widen the markets, to strengthen technical cadres of the industry, and coordinate the activities within the industry.

Sources: Associazione per lo sviluppo dell'industria nel Mezzogiorno: Agevolazioni per l'industrializzazione e lo sviluppo economico del Mezzogiorno. 2d ed., Rome, 1950; Aggiornamenti al 1° Luglio 1952, 3d edition, Rome, 1952.

Associazione per lo sviluppo dell'industria nel Mezzogiorno: Relazione del consiglio di amministrazione al bilancio, 1947–55, Rome, 1948–56.

Banco di Napoli: Sezione Credito Industriale. Raccolta dei provvedimenti di legge e delle disposizioni ministeriali concernenti la ricostruzione industriale, la media e piccola industria e l'industrializzazione del Mezzogiorno. Naples, 1949.

Cassa per il Mezzogiorno: Bilancio, 1950–51 to 1956–57.

Cassa per il Mezzogiorno: La Cassa per il Mezzogiorno; primo quinquennio: 1950–55, Rome, 1955.

Italy: Laws, statutes, etc., Gazetta ufficiale della Repubblica Italiana, part 1, vol. 91, No. 200 (Sept. 1, 1950), pp. 2490–2494; vol. 98, No. 193 (Aug. 3, 1957), pp. 2912–2919.

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

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I regret that I was not in the Chamber to hear the Senator's comments on the section of the bill

which relates to rural development areas, as I believe they are called.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Does this section of the bill tie in with the current program of the Department of Agriculture, which is known as the rural development program?

Mr. DOUGLAS. It does, but it makes a big improvement in that program, because the present program of the Department of Agriculture is based on the theory that there shall be no outside aid given to hard-pressed localities; that they must sink or swim themselves.

As the Senator from Minnesota well knows, the National Planning Association has said the Department of Agriculture program is grossly inadequate on this very point. Our bill aims to provide outside capital and outside technical assistance to help the hard-pressed areas to keep going and to help them provide for farm employment.

Mr. HUMPHREY. The situation with respect to rural development has been discussed in the Committee on Agriculture and Forestry, of which I am a member, and I have had considerable interest in it. As the Senator from Illinois knows, this program has been limited primarily, under the present administration, to a few pilot plants or pilot projects in selected counties. Actually, it has been, at best, a sort of "noble experiment" in the coordination of existing facilities.

Mr. DOUGLAS. I would say it is really a timid experiment.

Mr. HUMPHREY. Yes, it is. I used the words "noble experiment" in quotation marks. Certainly, the words "timid experiment" are better.

However, the program under this bill will tie in with the limited efforts which are being undertaken.

Mr. DOUGLAS. The bill will provide a revolving loan fund of $100 million with which to start new industries in underdeveloped rural areas.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield further to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I am wondering whether the Senator from Illinois noticed, in last evening's Washington Star, an article entitled "Warning—Get Your Loan Now." The article was written by Miss Sylvia Porter.

Mr. DOUGLAS. No; I regret that I did not notice it.

Mr. HUMPHREY. I hold the article in my hand. In the article, Miss Porter states that the cost of borrowing money has once again risen, and no easing of credit is expected. She also makes some very interesting comments on the inflation in the money market, as a result of the administration's monetary policy. For example, the yields of Government bonds have risen, since 1952, by 44 percent; and the yields of top-grade corporate bonds have increased by 40 percent; and the yields of prime commercial paper, for 4 to 6 months, have increased by 43 percent; and the yields of 91-day Government bills have increased by 55 percent.

The general theme of Miss Porter's article is that in the case of a "fair-sized loan extending over a period of years, a rise of even a small fraction of a percent can run into real cash."

I read further from her article:

> On June 30, 1958, on August 21, and again on January 6, 1959, I reported that the cost of borrowing money was on the rise. And this has been the trend through all these months.

In the article, Miss Porter points out that a high borrowing charge is "in the cards" for the remainder of this year. She also writes that:

> If you're going to need a loan in the near future—to buy or improve your house, to expand or modernize your business, to finance a variety of personal activities—get that loan now.

Let me ask this question: With these rising interest costs, is it not true that in the case of the areas which are suffering from chronic unemployment or underemployment or in which industries have suffered because of trade practices or technological changes or advances, the rising interest rates, with no easing of credit, literally make it very difficult, if not impossible, for labor in those areas to be employed adequately?

Mr. DOUGLAS. That is correct; and also in those areas the interest rate is higher than in the rest of the country.

Mr. HUMPHREY. So there is a double effect.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. On the one hand, there is restriction of credit, because of the high interest rates. On the other hand, because in these areas risk is involved, chronic unemployment exists, and there are difficult economic problems, the private lending agencies expect to receive much higher interest rates on greatly reduced terms—all of which, in turn, makes it literally impossible for investments to be made and for job opportunities to be created.

Mr. DOUGLAS. Yes, Mr. President; the Senator from Minnesota, with his usual prescience, goes directly to the heart of the matter.

Our aim is to provide revolving loan funds, so as to enable the loans to be made at cost to the Government, plus a loading charge for administration and for risk, so that more credit will be available on terms which will enable new industry to start and to go forward.

Mr. HUMPHREY. Let me add that although it is possibly true that such a program as this one will result in some cost to the taxpayers, on the other hand the loss in property values, inventory values, and commercial values in the so-called depressed areas will be far in excess of any cost of such a rehabilitation or redevelopment program in these areas.

Mr. DOUGLAS. Furthermore, we believe that by giving this assistance to the people of these areas, we shall reduce relief costs, unemployment compensation costs, and crime costs; and we shall really put economic health into the communities, raise the tax revenues of the communities, and permit the communities to move forward.

Mr. HUMPHREY. As the Senator from Illinois knows, one of the areas listed in the committee report as being among the areas of substantial labor surplus is the Duluth-Superior area, in Minnesota.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Presently, considerably more than 14 percent of the total work force in that area is unemployed. In fact, I think the figure for the month of February is somewhat greater, according to the Minnesota Division of Employment and Security.

If one wishes to see what happens to property values and to municipal costs, which in turn have to be met by those who can pay taxes, one needs only visit one of these areas.

I have served in local government, as has the Senator from Illinois; and we know that the minute there is chronic unemployment in an area, the value of the real estate in the area falls sharply, and the value of tools and equipment falls sharply; and the whole area is depressed, not only economically, but also psychologically.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. And the cost of such depression is really very, very great—far beyond what rehabilitation generally costs.

So I am very happy to be associated with the Senator from Illinois [Mr. DOUGLAS], the Senator from Kentucky [Mr. COOPER], and all other Senators who have joined in sponsoring this bill, because it represents very thoughtful planning for economic rehabilitation. The bill does not call for a WPA, a PWA, or a giveaway. The program under the bill amounts to a supplementation of the private sources of credit and coordination of the technical facilities of government and of private agencies; and the bill offers a ray of hope to industrious people and to communities and to individuals who are willing to take a little extra risk in order to rehabilitate their areas.

On that basis, I associate myself with the Senator from Illinois.

It would be interesting to hear what the opposition has to say. I gather that, following reasonably short sorties, based on both verbal response and the response of conscience, the opposition will fade away.

I should like to ask unanimous consent to have printed at this point in the RECORD the article by Miss Sylvia Porter, if that will meet with the pleasure of the Senator from Illinois.

Mr. DOUGLAS. Certainly.

The PRESIDING OFFICER. Is there objection?

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

[From the Washington Star, Mar. 19, 1959]

WARNING—GET YOUR LOAN NOW

(By Sylvia Porter)

If you're going to need a loan in the near future—to buy or improve your house, to expand or modernize your business, to finance a variety of personal activities—get that loan now.

Arrange for the details as soon as feasible for you. Do your shopping without delay for the most favorable terms to you among the various financial institutions.

For the cost of borrowing money is rising again on a broad front and borrowers, from the biggest and most established to the small and new, are going to feel the change. But the pressures of demand for money are still not so strong that they bar concessions to a credit-worthy and alert applicant.

The pressures could become quite formidable, though, as the year goes on. Then, there'll be no doubt that you'll be required to pay a higher rate to get money. On a fair-sized loan extending over a period of years a rise of even a small fraction of a percent can run into real cash.

On June 30, on August 21, 1958, and again on January 6, 1959, I reported that the cost of borrowing money was on the rise. And this has been the trend through all these months.

CREDIT TIGHTENING

Now once more, a move toward tighter credit is clearly underway. While against the interest rate level of last June loan costs are comparatively expensive today, they're likely to become more so.

What is happening is this:

A new burst of inflation remains the key fear of the Federal Reserve System. To combat the psychology and the inflationary forces, it is therefore using the one great anti-inflation weapon it has—its control over credit. By a series of maneuvers in the money markets it has been cutting the availability of money in the banking system. It also has just raised the discount rate and has thus given the signal to banks to raise their rates on loans to us. The theory is that as credit tightens and loans become more costly, inflation-breeding borrowing and spending programs will be postponed and pressures on prices will be curtailed.

MONEY DEMAND RISING

Simultaneously, the demand for money is slated to rise—from the Treasury, States, cities, businessmen, individual consumers. There are new indications that corporations will be increasing their spending on plant expansion later this year and if so, they'll be increasing their demands for credit. If buying of the new compact cars is heavy this fall, the demand for installment loans certainly will rise.

In short, the supply of credit in the banking system is being restricted; the demand for loans is heading upward; the Federal Reserve System is encouraging caution among lenders. It's a traditional combination for higher borrowing costs.

A higher borrowing charge is obvious when a lender simply asks you to pay an interest rate above what you would have had to pay on a loan a year ago. It is not so obvious when the lender offers the loan at no higher rate but asks you to keep some of the loan on deposit or takes out the interest due in advance. Either way, though, the cost is up.

For the fourth time since June 1958, I repeat—arrange now for that loan you know you'll need or want soon.

Mr. DOUGLAS. Mr. President, I wish to thank the Senator from Minnesota for his comments.

I, too, have waited for the opposition to come into the Chamber and offer its objections to the bill. But, aside from one shot which was fired here, the opposition has been silent. I shall await with keen expectation the presentation of the views of the opposition. I hope I may have a chance today to answer the opponents face to face, and not merely have to deal with their arguments when they are away.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, I speak in support of Senate bill 722, the area redevelopment bill, reported by the Senate Committee on Banking and Currency. The bill will provide assistance and will give hope and encouragement to the thousands of people living in the areas of our Nation which are suffering from chronic unemployment and underemployment. In 1958, I supported the area redevelopment bill sponsored by Senators DOUGLAS and PAYNE; and I am glad to be a cosponsor of Senate bill 722.

At the beginning of my remarks I must pay tribute to the distinguished senior Senator from Illinois [Mr. DOUGLAS] whose untiring efforts have been largely responsible for the proposed legislation we are discussing today. His name is identified in the public mind with the concept of assisting the people of the country's depressed areas in their efforts to achieve economic recovery and stability. He has done superb work, and he deserves our gratitude for his perseverance and his humane spirit.

I am proud to be associated with him in this endeavor. I pay tribute also to many others in this body, members of both parties, who have labored in this cause.

The committee report presents clearly the objectives of the bill, and its provisions.

Other speakers have explained its details, notably the Senator from West Virginia [Mr. BYRD] in an outstanding speech made yesterday, and just now we have heard the Senator from Illinois [Mr. DOUGLAS], who is the moving spirit behind this bill, give compelling arguments for its passage by the Senate.

Little can be added to these statements, but I have selected some points for discussion which hold significance to me.

It may appear unusual that as a member of the minority party, I am cosponsoring and supporting the committee bill, S. 722, rather than S. 1064, proposed by the administration. In my remarks I intend to develop the reasons which lead me to believe that S. 722 will meet more realistically and adequately the problems of the Nation's depressed areas.

To those who may oppose S. 722 and cry out against its expenditures, I will say that the need for a national legislative program of assistance to economically depressed areas has been recognized and admitted by the Congress and the President of the United States. In 1958 the Congress passed the Douglas-Payne bill, which was similar to S. 722, but which was later vetoed by the President.

The President of the United States on several occasions in the past few years has stated his agreement that Federal assistance is required. In his "Economic Report" to the Congress, submitted on January 20, 1959 the President stated:

Despite the forward economic strides of the Nation since the war, some communities have suffered substantial and persistent unemployment, when measured against national experience. Federal assistance to these communities is required not only to mitigate the hardships of individuals and families but also to provide for the use of underutilized resources, to the enhancement of the national welfare.

The issue before the Senate, therefore, is not whether there is need for a program of Federal assistance to these areas. It is whether the program we enact will work, whether it will actually provide assistance to hundreds of needy industrial communities and needy rural areas throughout the Nation.

I digress for a moment to say that the minority views on the bill did not even mention the principle that the President of the United States has stated, which is that there is a need for Federal assistance if this problem is to be met.

I support S. 722, rather than S. 1064, because I believe it will more likely give assistance to these depressed areas than will the administration bill. I support S. 722 because I want my vote to help our needy fellow countrymen.

The first reason for my support of S. 722 is that the $379½ million it would authorize for loans, grants, and technical assistance is a reasonable amount, even the minimum amount required to stimulate new economic activity in depressed areas.

The Department of Labor has declared that 76 major and 183 minor labor surplus areas existed on January 1, 1959. All of these would not qualify for assistance under S. 722 as areas of persistent underemployment, but these figures show the gravity of the problem with which we deal. Again, the Department of Agriculture has submitted a list of 500 counties in the United States with the lowest level of living standards for farm families, and of the 500 counties with the highest proportion of farms whose gross sales do not exceed $2,500 annually. Three hundred and thirty-six counties appear on both lists. It has been determined also that persistent, continued unemployment and underemployment is the rule in these areas. The level of unemployment in these areas is twice the average in other parts of the country.

These facts—documented and supported by the Departments of our Government, the Department of Labor, the Department of Agriculture, and I assume we have information from the Department of Commerce—lead me to believe that $379½ million, chiefly loans, is not an exorbitant undertaking by the U.S. Government to help these areas to help themselves.

Conversely, it is apparent to me that the $53 million authorized by the administration bill is wholly inadequate.

I give the second reason for my support of S. 722 in preference to S. 1064: In my judgment it is necessary, as provided in the Douglas bill to permit Federal participation to a maximum of 65 percent in loans for local economic undertakings. The limit of 35 percent imposed by S. 1064 would, in my judgment, make the bill ineffective.

I agree wholeheartedly with the principle that no Federal program is likely to be successful if it does not have the support and the active participation of

the local community. But I do not believe it can work, or that it will even get off the ground, if Federal participation is limited to 35 percent, and 65 percent participation is required of local communities. I say this because I know there are many communities in my State, Kentucky, and I am sure in other States, that simply do not have the local capital, public or private, to supply 65 percent of the necessary funds. The very deterioration of these communities has diminished local private capital, and local tax revenues which might otherwise be available. Furthermore, conditions in these areas have become so unattractive that risk capital from outside sources is unavailable. It follows that no new industries are likely to come to these depressed areas, and no new economic activities will be undertaken, if Federal participation in loans is limited to 35 percent.

It is unreasonable to expect a community whose tax revenues are steadily diminishing because of unemployment, whose people are out of work, whose businesses are suffering, to provide such a large proportion of the necessary capital. If the Congress passes this bill—and it will—it must be in a form that will enable the program to go into operation; otherwise, what we do will be a nullity.

A third reason why I support S. 722 is that it authorizes $75 million in grants to local communities for public facilities necessary for their industrial development. The administration bill has no provision for grants for public facilities. It has been pointed out to the Banking and Currency Committee that many communities seeking industrial development have been severely handicapped by their lack of adequate public facilities, such as water supplies, sewage disposal, and access to roads and railroads.

The arguments I have adduced in support of a maximum 65-percent loan participation by the Federal Government in local efforts are equally applicable to the necessity of including a provision for grants.

If a community is so poor and so beset by continuous unemployment that it is unable to provide any capital for public facilities essential to its development, shall the Congress, by refusing to make grants, deny it any possibility of advancement? Will we help the more fortunate communities and deny aid and hope to those in greatest need? It would be unconscionable to have a program which would leave out of its scope the neediest of all areas in the United States.

These are reasons which demand that grants be available. The grant provision of S. 722 will give the agency responsible for administering the redevelopment program sufficient authority and means to provide workable and successful programs. I have no doubt that the Administrator and his advisers will establish sound rules and criteria for the administration of such a program of grants for public facilities.

Mr. President, I believe even the legislation we consider today, if enacted, will not meet fully the problems of the areas of persistent unemployment. These regions can be called, appropriately, the underdeveloped areas of the United States. Their needs are for fundamental road systems, adequate water supplies, protection from floods, better housing, and vastly improved educational facilities. Federal-State programs for roads, river, airport, and housing development are now available, but large geographical areas, many of which are the same as the distressed areas with which S. 722 is concerned, are lagging far behind in the Nation's progress.

We should enact longer range comprehensive plans for these underdeveloped areas. Such an approach can be undertaken by joint Federal-State action, or by State compacts. If plans can be developed to define the basic minimum needs of the underdeveloped areas of the United States, perhaps the Congress will see fit to set aside a larger fraction of the total funds it appropriates for highway improvements, river development, airports, and the like, to bring these backward areas toward the level of other parts of our country.

I digress to say that although the Federal-State programs are valuable in dealing with problems of highways, river development, and airports, inevitably the greater portion of the funds is channeled into the more highly developed areas. The areas we are considering today are generally bypassed, and are left behind.

I point out as an example of Federal aid programs the great Interstate Highway System. There are certain criteria to be met, which inevitably lead those great roads into the better developed sections of our country.

Our programs for river development must meet standards such as the well-known cost-to-benefit ratios, which presuppose a higher industrial development or higher agricultural development than we find in many of the areas with which the bill presently under consideration would deal.

That is also true with respect to the airport program, and with respect to many other programs.

I therefore point out that the bill which the Senator from Illinois has developed so skillfully and with such perseverance is the only program before the Congress, or which is likely to be before the Congress, which will begin to assist areas of persistent unemployment and underemployment.

What I have been saying about the underdeveloped areas of Kentucky was clearly presented to the committee during the hearings by Mr. B. F. Reed and Mr. John Whisman, representing the Eastern Kentucky Regional Planning Commission. Their testimony should be read by everyone. It impressed the committee so much that there is embodied in the report a section entitled, "Proposal for Development of Underdeveloped Regions."

Mr. President, I ask unanimous consent to have the section printed in the RECORD.

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

During the hearings, the committee received testimony from the Eastern Kentucky Regional Planning Commission favoring the designation of "underdeveloped regions" for assistance as well as depressed areas. It was pointed out that in some instances, basic developmental needs are regional and multistate in character, including such regional facilities as highways, water transportation, flood control, and water supply.

While the committee feels that the principles embodied in the proposed amendments are too broad and far reaching to permit inclusion in the bill, it is also felt that the suggestions deserve careful consideration and study in relation to future treatment of the national economy.

Mr. COOPER. Mr. President, we hear at times criticism to the effect that there should be a greater self-effort in the depressed areas. I should like to point out that in my own State—and I am sure this is true in many other States—the local communities and their citizens are devoting almost their full energies and resources to economic recovery.

The State of Kentucky has a department of economic development, with an industrial development division, concerned with and vigorously attacking these problems.

In eastern Kentucky, a regional commission, composed of some of our State's leading citizens, has been created and is doing an excellent job in charting the needs of the region, and a program of action.

The pending bill would authorize two $100 million revolving funds: one for industrial projects in industrial redevelopment areas, the other for such projects in rural development areas. It would also provide a revolving fund of $100 million for loans, for public facilities needed for the location of industry. As I have pointed out, it would authorize appropriations of $75 million for grants for public facilities, and $4½ million for technical assistance.

I know the passage of this bill will increase budget expenditures for fiscal year 1960—even though $300 million of the total authorized are revolving loan funds, a great part of which will eventually be repaid with interest.

I support the President in his objective that we exercise discipline and not make unnecessary expenditures. I do not include in the term "indispensable need" every desire of the Congress, or the people of the Nation. But I know the Congress will not permit the budget to restrict funds for national defense if we deem additional funds are needed.

The funds authorized by S. 722 would not in my opinion place an unbearable burden on our total economy. But I will go even further, Mr. President. Even if the program should place an additional burden on some segment of the national economy and even if it should unbalance our budget, I believe it is justified.

During the last 6 years the country on the whole has enjoyed unusual prosperity. Gross national product, individual income, wages and profits, have risen to new heights. Yet the very nature of our economy, its vitality and expansion, the rapid changes in technology, the shift of industry from one area of our country to another, international trade policies and other factors beyond the control of the people of the depressed areas, have left them behind, unem-

ployed, without money, without proper housing—and thousands are without sufficient food. Perhaps the most disturbing fact of all is that a general resurgence or growth in our national economy will not help these areas quickly, if at all.

I have great faith in our Nation's system of private enterprise, but when it is demonstrated in a time of great prosperity that whole areas of our Nation are excluded even from minimum living standards, there is need to examine the causes and to attack the problem with all the resources of private industry, local resources, State resources, and certainly with the reasonable Federal assistance which this bill would offer.

Our country is rich and its economy will continue to surge ahead. For myself, I do not want to admit that our economy must leave unsolved the problems of the depressed and underdeveloped areas.

A few minutes ago I heard the distinguished Senator from Illinois ask the question, "Are these areas to be left to the operations of our private enterprise system?" It is that system which has made our country rich and great. I know that we never contemplate an equal distribution of wealth in this country. It is not possible. On the other hand, there may come a time when we begin to question the nature of an economy which, in a period of high prosperity, leaves hundreds of thousands of people without money, without jobs, cold, hungry, and in need.

So I believe that this reasonable effort on the part of the Federal Government, participating with local communities and private enterprise in an attempt to redress some of the imbalance, is certainly justified. And I believe the modest expenditure contemplated is also justified.

Mr. President, the continued unemployment, the underdevelopment with which this bill deals, are not restricted to any single State. I am glad that the committee has approached the problem from a national basis. Naturally, however, I am concerned by the situation existing in my own State of Kentucky. It is as desperate in the coal mining areas of eastern Kentucky, and even in other sections of my State, as during the depression of the 1930's.

Yesterday, I heard the graphic and moving speech of the Senator from West Virginia [Mr. BYRD] describing conditions in the mining areas of his State. I am familiar with these conditions—with the hunger, the want, the hopelessness of the people, which he so eloquently portrayed.

I live in the eastern section of Kentucky, near the coal mining sections of that part of my State. I have been in those sections again and again, and I know that the conditions which the Senator from West Virginia portrayed are the conditions which exist in my own State.

I make this personal comment from my own experience.

During the years from 1930 to 1937 I served as county judge of Pulaski County in Kentucky. It is my home county and is located in the southeastern section of the State. It was the time of the depression. For 8 years I talked and dealt daily with hundreds of people—heard their pleas—knew their needs—needs which thousands of people, perhaps millions of our countrymen, have never experienced and would hardly understand.

Last fall, and in the months that followed I visited again and again counties in Kentucky, particularly in eastern Kentucky, where the need for work, for housing, for clothing, and for food is as great as during the depression. The State, the county governments, charitable agencies, people from other States, have given them help—but it is not enough.

As the Senator from West Virginia said yesterday, those who live in this part of the country are fine, patriotic people. They are always the first to respond in time of war. I remember that in World War I, Breathitt County, in eastern Kentucky was the only county in the Union from which no soldier was drafted. Everyone was a volunteer; and the tradition continues.

Mr. President, Senate bill 722 offers honorable assistance to the people of Kentucky and other States. Many of us are fortunate. We can work, and at least we do not have to worry about food and clothing.

In closing, all I can say is that the spirit of humanity and common justice demands that our country make the effort which Senate bill 722 would make possible.

We must begin the work of developing the backward areas of our own country, and of lifting the living standards and hopes of the people who live in such areas—for they are our countrymen.

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

Mr. COOPER. I yield.

Mr. DOUGLAS. I congratulate the Senator from Kentucky for the very excellent speech he has delivered, and for the magnificent cooperation he has accorded in the drafting of the bill and getting it to the floor of the Senate. The Senator from Kentucky dignifies, makes lucid, and ennobles everything he touches. He has done the same in connection with the pending measure.

Those of us on this side of the aisle who are interested in the pending bill have sought the cooperation of all men of good will, regardless of party. We are delighted that the Senator from Kentucky has become the second cosponsor of this measure. His name should appear in connection with the bill as high as that of the name of any other Senator. His concern is real. His help has been great; and I think it is really a fine experience when men of different political parties, believing in a common cause, can work together across party lines.

One of the main problems we have now is to be able to unite on all issues with respect to which we believe in a common cause, and dividing, in good spirit, on the issues with respect to which we differ.

The Senator from Kentucky has rendered exceedingly great help to us, and we are grateful to him. The country is very grateful to him. I thank him from the bottom of my heart.

Mr. COOPER. I thank the Senator for his very generous remarks. It is a great privilege to be associated with him in this common cause. I hope the bill will pass substantially in its present form.

One of the reasons why I wished to speak briefly on the bill was to distinguish, if I could, between the provisions of this bill and those of the bill which has been proposed by the administration. I speak also in the hope that after the passage of the bill it will be signed and become law.

Mr. DOUGLAS. I join the Senator in that hope.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll,

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE SOVIET SYSTEM OF POWER

Mr. HUMPHREY. Mr. President, one of the leading students of communism Bertram D. Wolfe, has written an excellent article on the Soviet system of power entitled "The Deadly Enemy We Face," which appeared in the January 26 issue of the New Leader magazine. This is the finest article I have ever read on Soviet strategy, activities and tactics.

I ask unanimous consent that this analysis of the nature of the Soviet system be printed at this point in the RECORD.

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

THE DEADLY ENEMY WE FACE

(By Bertram D. Wolfe)

The Soviet system of power, which is the enemy we face, can only be understood properly with the help of certain theoretical criteria of a socio-historical nature. Very briefly, we may say that the Soviet system is a closed, single-centered, modern totalitarian society, as distinguished from an open, multicentered society. A closed society is one with built-in staying powers which enable it to endure for a very long period of time; it is a self-conserving society, in that any changes that occur are within-system changes that leave the basic structure of power untouched. A single-centered society is one in which there is only one focus of power, the state, which does not tolerate the diffusion of power among any other relatively independent social institutions or groups. Finally, a modern totalitarian society, as distinguished even from an old-fashioned despotism, is one in which the state seeks to be coextensive with the whole of society and the whole of life, a society that is perpetually at war with its own people and with the rest of the world, and which uses modern technology and widespread literacy as weapons in that war.

Now, the Soviet Union is truly a great power—great in population, great in resources, great in technology, and great in military strength. Secondly, it has a great state machine which is in a condition of permanent semi-mobilization, and which attempts to keep its people mobilized. Finally, it is an enemy which is resourceful enough, wealthy enough, and determined enough to do what we have not had the determination to do (although we have had the resources

in the West in much greater abundance): namely, to keep simultaneously an atomic striking power and a massive conventional striking power in being. It has a definite advantage over us at this moment because it is geared to both types of warfare. It believes that both types are necessary and that they must be integrated into a single plan.

At the beginning of the 19th century, one European in seven was a Russian, or under Moscow rule. At the beginning of the 20th century, one European in four was under Moscow rule. At the middle of the 20th century, approximately one European in two is under Russian rule. This in itself is enough to give us pause—especially if we remember that there are 125 divisions in being in Russia, while we have approximately 15 and are engaged in cutting our forces further.

It is a deadly enemy. It is a deadly enemy because never for a moment does it abandon its two basic aims: To remake man, and to conquer the world. It is particularly our enemy—not because we so choose, but because it has chosen. It regards the strength and the way of life of the United States as the chief obstacle to its plan to remake its own people and to remake the world in the image of its blueprint. We have been picked as enemy No. 1.

No matter what Eisenhower says or does, no matter whether Dulles conducts himself with tact or tactlessness, no matter how well the tourist behaves when he goes to the Soviet Union for his 3 weeks—we will still be enemy No. 1. Whether our working class is prosperous, or hungry and jobless, or jobless and not hungry, we will still be enemy No. 1. Whether we treat American Negroes decently, or indecently—or somewhere in between, as we are doing at present—we will still be enemy No. 1. Whether we pull out of Berlin or Quemoy or do not pull out of Berlin or Quemoy, we cannot disengage ourselves from this enemy.

Let us not listen to the siren song of those who tell us that we can get a release of tensions and a little peace in our time if we only disengage ourselves. If we disengage ourselves, we leave another strip to be occupied, a new place from which battle will begin.

They know, to be sure, that they cannot conquer us. They know something about our strength. They do not covet for a moment the risks of all-out war with us. There are two things that they are determined with all of their might to avoid: One is all-out war, the other is all-out peace. They will keep us in between as long as they have the power to do so. They do not wish all-out war because they believe that time and history are on their side. When they consider how their system has been expanding, I must say it seems to them that they have some empirical confirmation for their belief that time is on their side.

Of course, they do not want all-out peace, for their two fundamental aims do not permit them to be at peace either with their own people or with the rest of the world. If our statesmen and experts wish to make a test of any fresh proposal of theirs to see whether it really intends peace, there is a simple test. When they are ready to make peace with their own people, then we will know—and only then—that they are ready for real peace with their neighbors and with us. Otherwise, when they use the word "peace" it is just one of the gimmicks in their waging of war. It is well to remember that Soviet Premier Nikita Khrushchev is said to have two sets of teeth, one to smile with and one to bite with. And the more dangerous of the two is the set with which he smiles.

My next point is that by the enemy we face, I do not mean the Russian people. The Russian people are not and have never been our enemies. They have not chosen and they do not choose their Government. They do not control its policies—except by their mute and silent pressure. And those who tell us that when the Russian people mature they will be able to control their Government and its policies, are deceiving themselves and us. No mere maturing of the Russian people will change their system, nor does their system allow them the organizational scope and independent activity, the genuine information and the right to judge which alone permit of maturing.

The Russian people are not unfriendly to us, only ill-informed, deeply curious, well-disposed toward us, and a little envious. If the gates were opened, they would vote with their feet by the millions in favor of our system. In fact, wherever they have had a chance to cross the line, they have crossed by the millions. Two-thirds of all the Chinese volunteers whom we took as prisoners during the Korean war refused to return to their native scenes, families, and lands, preferring the half-world of barbed-wire camps to returning to a country where their government makes unending war upon them.

The real reason for the Kremlin's endless hostility toward the United States, regardless of what we do, is that they regard us, and rightly, as the main obstacle to their underlying plan. This will not be changed if Khrushchev should come to New York and see our skyscrapers, or if he should then go to Detroit and see how many automobiles our workingmen have. The Russian leaders are ruthlessly friendly. They talk of easing of tensions. In our society, "tension" is a bad word. We can thank the Freudians for that, I suppose, for they talk of the age of anxiety and the age of tension. To anybody who comes with a panacea for easing tensions, we open our arms and our hearts. However, if every time they speak of easing of tensions you would substitute for the word "tension" the word "concern" (which is a more neutrally or differently colored word), you would see that what they are asking us to do is to stop concerning ourselves with the freedom of the world and with our own freedom. Then you would realize that we must hug our tensions to our breasts as long as the dangers exist which have caused the concern.

When I say that nothing we can do will change this, I do not mean to say that it makes no difference whether our workingmen are prosperous and employed or not, or that it makes no difference how we treat our colored population, for it does make a difference. But the difference is in the winning of allies, not alienating them; in winning the secret support of the Russian people; in strengthening our prestige with neutrals. However, we will not disarm or change the philosophy or the goals of a mortal enemy. Nor do I believe with those who think that if we but disarmed everything would be easy (of course that sentence is not complete: It would be easy for the men in the Kremlin). I have never believed that the best way to get thieves to reform is to remove the locks from our doors.

The world is in serious and even mortal danger now, as it was in Hitler's day. Every country in the East is in mortal danger from China, with its huge population. Every country in Western Europe, the cradle of modern thought and liberty, is in mortal danger. Every country on the Mediterranean, which was the cradle of western civilization and culture, is in mortal danger. The Near East, which was the cradle of our faiths, is in mortal danger at the present moment.

We have tried the gesture of "Let's be friends and see if that won't work"—we have tried it more often than our historical memories permit us to recall. I remember when Franklin Roosevelt said to Frances Perkins: "I really believe that I can get Uncle Joe to go along with me." Well, we tried it. So, at the end of the war, it turned out that there were three kinds of occupation zones. There were countries which Russia occupied (liberated) exclusively—they lost their freedom and were sucked behind the Iron Curtain. There were the countries which were jointly occupied—all of those except one have been partitioned, and the Soviet-occupied half of each is behind the Iron Curtain (North Korea, East Germany, and so on). One country was occupied exclusively by us, Japan, and there the occupied country is free to criticize and disagree with its occupiers and liberators. If the experience of those three types of occupation does not teach us not to play this costly game of seeing if we cannot hypnotize the men in the Kremlin into abandoning their blueprint or into just being nice, then nothing will ever teach us. In the end we will perish, and deserve to perish, for being fools incapable of learning.

They are now proposing (and have been proposing for some time) a unification of Germany. Unification consists, as they have made abundantly clear, in having the two Germanys linked together and then in seeing how Communist Germany can gradually take possession of West Germany as well. We tried that before, too. We tried it with the two Chinas during World War II, and we see how it turned out. We tried it with the two Koreas, and we also see how that worked out. Some poor fellows tried earnestly to cooperate with them in Eastern Europe. But the Communists took the key posts in the cabinets and popular-front governments; they took the Ministry of War, the Ministry of Interior and the Ministry of Propaganda (Education); and, in the end, they took the country, by what former Hungarian Communist boss Mathias Rakosi called "salami tactics," in which you slice off one slice, then another slice, and then another slice, until you have the whole salami sliced up.

If we are still tempted by poisoned semantics (one of their deadliest weapons) to believe that the word "peaceful" means "peace," and that "coexistence" means "mutual tolerance" and "live and let live," I don't know at this late date what I can say, except perhaps that I might offer a homely metaphor: The farmer is perfectly willing for the turkey to coexist with him until Thanksgiving Day. If we keep that in mind, we will have a general notion of what they mean by peaceful existence.

The mistakes which our public figures have made, our statesmen, experts, journalists, diplomats—and our military men as well when we were in a joint military effort with Russia—have all sprung from the same thing: the virtual incapacity of a people brought up in an open society to understand the nature of the system we have been examining, and the aims and plans of its rulers. I could illustrate that with errors made throughout the last 41 years, since 1917. But let us start with World War II and the "Grand Alliance." Not understanding that our ally of the moment had been, was then, and at the war's end would be also our enemy, we did not plan the peace during the war. We did not make it a self-enforcing peace, which we could only have done by planning our military conduct of the war to insure a decent peace by the position of our armies at the war's end. Therefore there has been no peace.

We have failed to understand that agreements with such an unrelenting and continuing foe are carried out only if there are deliberate provisions to make them self-enforcing. Such provisions involve the proper disposition of our military forces to insure enforcement.

Thus, when we say free elections for Germany, and they say free elections, it behooves us to remember that the elections they have in the Soviet Union are what they call free elections. We must spell out any agreement on free elections so as to include multiple

parties, a press owned by individuals, associations and parties not controlled by the government, empty prisons and closed concentration camps, and the like, and joint occupying troops in quantity in all sectors, to enforce the rights and liberties we mean by the thus-defined free elections.

When they say peaceful unification arranged between the East and West German Governments, we must remember that that is what they said of Korea, of Vietnam, of wartime China. Agreements that are not spelled out and self-enforcing are merely semantic poison to prepare and justify conquest.

Above all, we are not giving our own people a clear vision of this opponent, and the nature of our struggle. How often have I sat down in taxicab or train and been asked: "What is your racket?" I answer, "Russia." Invariably the taxi driver or traveling companion follows up with: "Tell me, is Russia really as bad as our newspapers say it is?" Always I must answer, "Much worse, man. Our newspapers are not doing a good job." That depressing and forever recurring question shows how our leaders have failed to make our people understand—because they do not really understand themselves—the nature of our self-appointed opponent. Since both our political parties must appeal and do appeal recklessly and demagogically to a people to whom they have not given decent leadership and proper political education, each party poses as the party of peace, while the enemy chooses to continue to make war on us. This is the most dangerous feature in our political life.

At the war's end, we demobilized our troops too soon, because we had not prepared our own minds or our people to remain mobilized until a decent peace was assured. We failed to make effective use of our then monopoly of atomic weapons in ways which would have furthered a decent peace and effective and controlled disarmament, not because this could not have been done—it probably could—but because we were not sufficiently aware of the need to do so, and too frightened by our awful preponderance of power to make wise and restrained use of it for bringing about genuine peace and genuine liberation of the liberated countries.

We left Korea without adequate defenses because we were afraid that the Koreans might use our arms to unify their country, and we did not have the understanding to realize that the puppet Government of North Korea would surely use Russian and Chinese Communist arms and forces for the peaceful unification of Korea, and the liberation of Korea from its independence. We even withdrew our troops and made the fatuous and inviting statement that Korea was not part of our essential defense perimeter. What could be expected from such a foe under such circumstances? When we finally had to fight to save Korea, we did an inspiring job. But under such self-imposed limitations that it was easy for Communist China to reconquer the northern half of the country, and restore the same impossible conditions that had brought us into war.

Our policy of containment has not contained; and our policy of liberation has not liberated; as our acceptance of the poison semantics of peaceful coexistence and the propaganda circus of summit conferences has given us neither genuine conferences for agreement on anything, nor peace, nor coexistence.

All these errors—and, alas, I could enumerate many more like them—come from a failure to understand the difficulties and intricacies of the problems, because of a failure to understand the nature of our enemy, his system, his power, his ruthlessness and unscrupulousness in negotiation and action, his aims, his determination, and the role of his ideology in his efforts to conquer the world and remake man. This failure of vision or understanding is at the root of our failures in action and omission and negotiation.

I have used the word "enemy" and I should like to explain my choice of this word. I recognize that it is not a nice or a pleasant word. But we ought not be afraid of it. We did not pick the men in the Kremlin as enemies; they picked us. We have tried not to believe their statement of their aims. They said "world revolution," but we preferred not to believe they meant it. We have tried many times to show our good will and friendship. We offered to help them with arms in 1918 to reestablish a front against the invading Germans, but all that came of it were the misunderstandings of intervention. During the so-called intervention, we helped them to get back Siberia after they had lost it, and we forced the Japanese by our pressure to give up their occupation of Siberia. When war and civil war and the follies of their socialization of every grain of wheat and every inkpot brought on universal famine, we helped to save millions of Russians from starvation by our generous famine relief. In the period of their forced industrialization, we sent them technicians and engineers, whole factories and machinery, and helped them to build dams and powerhouses.

In World War II, after they had made their pact with Hitler to divide Europe, and Hitler turned on them, our help was generous and unstinting. Instantly, not after Pearl Harbor, but as early as June 1941, Harry Hopkins flew to Stalin to offer planes and tanks and trucks and guns, and wool and meat and fuel and bread. When Stalin asked Harry Hopkins quite naturally: "What do you want in return for all this?" Again came the failure of vision and understanding. Harry Hopkins boasted: "I told him we were not interested in conditions. All we were interested in was getting them the planes, the guns, the tanks, and the other things they needed."

They have picked us as the enemy of the things they are trying to do to their people and to their neighbors. If we forget that for a moment, in any one of their maneuvers, we fail in leadership. Yet always, with each maneuver, we are prone to forget afresh. We have failed to learn from a monotonous multitude of repetitions. We have failed in understanding. We have failed in leadership and enlightenment of our own people and other peoples. We have failed in political courage. Above all, we have failed in vision—and here, truly, where there is no vision the people perish.

I would not have you understand that we have done nothing right in these 40 years, or recently. We have done many fine things. I do not count generosity among our errors, only the generosity which defeats and undoes itself.

A power which wishes to preserve peace and prevent an upsetting of the status quo by force is always at a disadvantage when dealing with a revolutionary power. I recognize that. Moreover, our life in this recent period has had its great moments: The first stage of the Korean war; the Berlin airlift; the Marshall plan—in which we even offered to include Russia if she would use it for genuine healing of the wounds of war. These have been noble moments, and there have been others like them.

But our vision is faltering, our understanding blurred; we are too easily deceived and too ready to deceive ourselves, to the world's detriment. My purpose in this analysis has been only a single one: to give such awareness of the nature of the Soviet system that the hand can be steadier, the vision clearer and more unflinching, so that each new maneuver of a tactical nature which the Soviet Government undertakes can be appraised in the light of a deeper, overall understanding of the nature of the system that torments its own people and is vowed to our destruction.

U.S. NUCLEAR TESTS AT HIGH ALTITUDES

Mr. HUMPHREY. Mr. President, this week the press carried extensive and highly interesting and informative articles regarding the nuclear tests of the United States carried out at altitudes of some 300 miles. These tests have tremendous implications for science both in technology for peaceful exploration of outer space and for military purposes. The tests also have given us valuable information about the detection of nuclear tests at high altitudes, something that must be included in any international agreement on the cessation of nuclear weapons tests.

I am endeavoring to learn more about the results of the tests particularly as they apply to the control system for detection and identification purposes in any test ban agreement. We do know that Explorer IV and rockets sent up by the United States detected the tests and identified their nature. This confirms testimony submitted to the Subcommittee on Disarmament by Dr. Hans Bethe, given in April 1958, and again in more detail on February 2, 1959. Dr. Bethe, on the basis of both theoretical calculations and experiments of Project Argus, testified that earth satellites in various orbits could detect and identify nuclear explosions at very high altitudes—much higher than experiments to date.

It will be necessary for the nuclear powers which are in the process of attempting to negotiate an agreement to end all nuclear weapons tests to agree to incorporate into the treaty methods for the detection and identification of nuclear tests conducted at high altitudes. The subject of high altitude tests was rather thoroughly discussed at the Experts Conference at Geneva and the Soviet scientists suggested and approved using earth satellites for detection purposes. Furthermore, the problems of detection of high altitude tests have been explored and studied by the Senate Disarmament Subcommittee.

Although the Geneva Conference of Experts did not recommend specific methods to be included in the control system for detection of high altitude nuclear tests, it did reach conclusions based on theoretical considerations as well as data gathered from the satellites put into orbit by the United States and the Soviet Union. I ask unanimous consent, Mr. President, to insert into the RECORD, the conclusions of the Geneva Conference on the detection of high altitude tests.

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

CONCLUSIONS OF THE GENEVA CONFERENCE OF EXPERTS ON THE METHODS OF DETECTION OF NUCLEAR EXPLOSIONS CARRIED OUT AT HIGH ALTITUDE (MORE THAN 30 TO 50 KILOMETERS) ABOVE THE EARTH, 1958

The Conference of Experts has given theoretical consideration to the gamma radiation and neutrons resulting from a nuclear explosion and the conditions of recording them from earth satellites; and to optical phenomena and ionization of the air in the upper layers of the atmosphere in the case of a high-altitude explosion (altitudes above

30–50 kilometers) and has arrived at the following conclusions:

1. A kiloton nuclear explosion produces at its source delayed gamma rays from fission products, and prompt gamma rays and neutrons. The number of prompt gamma rays and neutrons depends upon the construction of the device and upon the materials surrounding it. The delayed gamma rays are insignificantly affected by these factors. At a distance of 10^4 kilometers in vacuo, typical quantities of radiation from a 1 kiloton fission explosion are: (a) Delayed gamma rays, 10^4 quanta/cm.^{2} during the first second; (b) prompt gamma rays,[1] 10^2 quanta/cm.^{2}, distributed over a time of about 10^{-7} second; (c) neutrons, 10^4 neutrons/cm.^{2}, distributed over a time of a few seconds.

The cosmic background at the height at which earth satellites orbit is under study at the present time, attention being paid to the quantity, nature, and energy of the particles; however, on the basis of preliminary data, it can be considered that the detection of an explosion from an earth satellite is possible, by means of registering the gamma rays accompanying the nuclear reaction, neglecting shielding, and also by means of registering the gamma rays of the fission products and the neutrons. If both prompt gamma rays and neutrons are registered, it is possible to get some idea of the distance to the explosion. The use of gamma rays from a nuclear explosion will make it possible to detect the explosion in cosmic space at a distance of the order of hundreds of thousands of kilometers from the earth. Estimate of the maximum distance for the detection requires data concerning the magnitude of the cosmic radiation at the orbit of the earth satellite. If there is an explosion at a height of 30–50 kilometers and above, and if the height at which the earth satellite orbits is some thousands of kilometers, one can neglect the absorption of gamma quanta in the upper layers of the atmosphere. The Conference of Experts considers that it is possible to use for the detection of nuclear explosions at high altitudes the registration of gamma radiation and neutrons with properly instrumented earth satellites.

2. In the case of an explosion at a great height light will be emitted at the point of the explosion and there will be luminescence in the upper layers of the atmosphere under the action of X-rays and fast atoms from the materials in the device. Light phenomena may be detectable from the surface of the earth in clear weather at night with the help of simple apparatus; in day time with the help of more sensitive apparatus. In cloudy weather the detection of optical phenomena from stations on the earth's surface would probably be extremely difficult.

The radiation from a nuclear explosion creates in the upper layers of the atmosphere a region of increased ionization which is detectable by the absorption of cosmic radio signals or by anomalies in the propagation of radio waves.

Our knowledge of the absorption of cosmic noise by ionospheric phenomena is not sufficient to determine the number of natural events similar to those resulting from a nuclear explosion.

The Conference of Experts considers that it is possible to use the recording of ionospheric phenomena, using appropriate radio techniques, and of optical phenomena for the detection of nuclear explosions at high altitudes.

3. The Conference of Experts has not considered the problem of the detection of nuclear explosions which might be conducted in cosmic space at distances of millions of kilometers from the earth.

F. The Conference has recommended the inclusion of the first four of those methods in the number of basic methods for detecting nuclear explosions by means of a network of control posts, and considers it possible to use several methods for detection of nuclear explosions at high altitudes as stated in IIE1 and IIE2.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to insert into the RECORD the papers on detection of high altitude tests presented by the scientists from the United States and the Soviet Union.

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

STATEMENTS BY SCIENTISTS ON DETECTION OF NUCLEAR EXPLOSIONS AT HIGH ALTITUDES MADE AT GENEVA CONFERENCE OF EXPERTS ON DETECTION OF VIOLATIONS FOR A POSSIBLE AGREEMENT ON SUSPENSION OF NUCLEAR WEAPONS TESTS, 1958

STATEMENT BY DR. LEIPUNSKI OF THE U.S.S.R., JULY 22, 1958

Mr. LEIPUNSKI (interpretation from Russian). We examined yesterday, and are again examining today, the radiation which occurs following explosions in the troposphere. We have heard a theory and we have heard of experimental results which have enabled us to note that the mechanism of electromagnetic radiation is such that signals may be detected at rather considerable distances. We have also adopted from the reports which have been submitted that this mechanism is such that in explosions at considerable altitudes under conditions of a vacuum, the electromagnetic radiation should not exist on the basis of the physical nature of the various mechanisms to which we have referred. Consequently, when there is no air, currents cannot exist and there can be no electromagnetic radiation. Therefore, in studying altitudes, we should pass from the conditions in which electromagnetic radiation is possible to those conditions in which such radiation is impossible owing to the various mechanisms which we have studied.

Neither Dr. Latter nor I indicated in our reports the altitude at which these mechanisms will no longer function. In the conclusion submitted by the Western delegations, there is a reference to the fact that the expected altitude is approximately 50 kilometers. We do not intend to challenge this figure. We can accept it as given here, but we should like to put the following question: What will occur if the height of the explosion is increased? What will happen in the more rarefied strata of the atmosphere when these mechanisms to which I refer will stop functioning, in other words at heights greater than 50 kilometers or even slightly greater than 50 kilometers?

This question has been studied by us and we have come to the conclusion that even at considerable altitudes electromagnetic radiation is still possible through another mechanism and in another range of waves. I should like to give very rough qualitative indications which might provide the electromagnetic picture at considerable altitudes under vacuum conditions as well as to indicate the evaluation of the basic parameter, the length of the wave and the amplitudes which occur.

I shall now refer to electromagnetic radiation in a vacuum. How is this radiation formed? It requires the appearance of currents which change with time. These currents are formed for the following reasons. Here we have a bomb [indicating], and in the case of a nuclear reaction, which is given exponentially here [indicating], there is a propagation of gamma rays which come out from the center in all directions. These rays will throw out electrons from the external layers of the bomb, and these electrons will continue their main movement together with the gamma rays away from the center. They will fight their way through a very thin layer whose length will be equal to the travel length of the electrons through the external material of the bomb, which might be iron. The law in this connection will be the same: it will increase exponentially with time. If we assume that the appliance which we use is not symmetrical in shape, we shall have a current of the electrons mainly in one direction.

This current will depend exponentially upon time. Consequently, there will occur a radiation, as the expression in time from the current will have a value different from zero. This is the bare physical picture.

Now, we can turn to the evaluation of the order of magnitude which flows from this physical picture. First of all, I should like to simplify the matter, and we should first consider the sum total of the current. We shall consider that the electrons are moving in one direction, a direction of symmetry, and that all electrons are moving with an average velocity equal to $1\frac{1}{2}$ times 10^{10} centimeters per second. This corresponds to the velocity of movement of electrons in the 1 megavolt range.

I should like to refer to another point which might prove to be useful later. As the electrons fly out from the device, there will be a plus effect, and the more electrons that are released, the greater will be the charge of the weapon or device, and the charge will become so big that any further exit of electrons becomes impossible.

The potential which corresponds to the charge will probably be close to the energy of gamma quantum—I do not think it is necessary to say exactly how much, but probably several megavolts. Let us take an arbitrary figure of 3×10^6 electron volts—although I cannot guarantee that that is the figure, it is approximately that. This does not mean that there will be a halt in the movement of electrons; part of the electrons will return. There will be a slower movement, which uses a different law, but there will be an electromagnetic radiation with a considerably longer wave. This is a matter which we shall take up. We are interested in more intensive signals which refer to the length of the nuclear reaction and when there is considerable change in the electrons with time. In order to organize a quantitative evaluation, we should use a simple formula. Tension of the electromagnetic field in the wave is equal to—this is dipolar radiation—$RC^2 \times D2P/DT2$. This is a well-known formula in which it is the dipolar moment which occurs as the result of the picture which we are now discussing. The dipolar moment may be calculated in the following way—I am not going to do any calculations; I only want to give you the scheme as to how it should be done. The electrons which emerge over the positively charging external layer will have different travel lengths beyond the center. The time of the formation of the electrons is important in this connection. The electron which is formed at the very beginning of the reaction when Tau is equal to zero—the moment of the reaction being zero—up to the time this electron will travel the greatest length, and the length of this dipolar field will then be the following. The electron which is formed at the end of the reaction when Tau equals T evidently has just emerged and the length it has traveled is more or less zero. The path which it will have traveled will be equal to the average velocity multiplied by T less

[1] Special shielding of the exploding device can considerably reduce the gamma radiation accompanying the reaction, but cannot reduce the radiation from fission products. However, such shielding involves increasing by several times the weight of the whole device.

Tau. In other words, in order to find the sum total dipolar moment, we should check the elementary dipolar moments at the different stages. As far as the dipolar moment is concerned at time-T, formed by electrons which have emerged between T-time Tau minus D Tau, we obtain the field multiplied by the quantity of electrons which have emerged during the time period of Tau. We have the average velocity multiplied by the time which has elapsed and the index with Tau. The sum total dipolar moment will probably be at time-T and will be equal to the sum of all these elementary basic moments, or equal to an integral, Tau equals zero up to T, and the following, which you see on the blackboard. In order to get this, we should determine the reference to DK to Tau. We should use a coefficient of proportion of BE of Tau by D Tau. The coefficient can be determined if you go beyond the maximum charge possible. I am not referring to the way the B coefficient can be indicated and calculated—all these operations are rather elementary; I only want to refer to the end result. P actually will be found to be function FE at the Tau, and this magnitude will be included in the calculations.

After all these calculations, the second derivative in time from the dipolar situation will become, at a moment of time t, equal to t. The maximum value for the derivative of the second dipolar moment, the amplitude of the signal, will be equal to Q maximum, a maximum charge which the surface layer can receive as a charge. Or this will be equal to the maximum potential for the charge in the layer. The radius will be multiplied by theta and by u.

As to the tension of the electromagnetic field of this radiation, if we say that V is equal to 3 multiplied by 10^6 electron volts, C equals 100 centimeters, eta is equal to 3^{10} seconds—this, I think, is an acceptable magnitude—and u is ½ multiplied by 10^{10} centimeters per second. Then, for a distance R equal to 1,500 kilometers, we find that the amplitude of tension in the electrical field is equal—and the coefficient of asymmetry is important in this connection—if the coefficient of asymmetry is equal to 0.5, then we have 250 millivolts per meter. If the asymmetry coefficient is 0.025—the first asymmetry is a considerable one, and the second is a rather small one; I think that actually the asymmetry should be greater—in this second case, I say, we will have 12 millivolts per meter.

As to the length of the wave of the electromagnetic radiation, it will correspond in its magnitude to the result of the velocity of light multiplied by the time of the development of the reaction. In other words, this will be 100 centimeters.

Thus, from those evaluations and estimates, we can conclude that we can expect a short wage radiation within a range with a frequency of 300 megacycles and an amplitude of tension in the electrical field, at a distance of 1,500 kilometers, no less than 12 millivolts per meter. Twelve millivolts per meter is not a small value; it is a value which fully permits recordings.

As we refer not only to questions of sufficient amplitude for reception and recording, but also to noise and interference, I should like to say that the greatest interference here will probably be the radiation from the sun and the stars. However, estimates have shown that even a considerable radiation of the sun in this range will still produce an energy which is decreased by the order of 4 or 5. The other radiations which are possible in this connection are not substantial at all and cannot become difficult kinds of interference.

That is all that I wish to say as to this particular case. The moral of the story is that a signal at considerable altitude, in those cases where the methods earlier referred to cannot be used, should be based upon a different mechanism, which has been presented to you now, and that the magnitude will be such that reception will be possible at a distance of 1,500 kilometers or even more.

I do not refer to the technical side of this matter, to the equipment which is necessary for recording such a signal. The equipment may be rather complicated: I do not deny it. But that is perhaps a matter of technology. I think that there should be nothing strange or difficult in the recording of such signals so far as modern radio technology is concerned.

That is all I want to say in connection with explosions at high altitudes.

STATEMENT BY DR. HANS BETHE OF THE UNITED STATES, JULY 22, 1958

Mr. BETHE. In the field of high altitude explosions our knowledge is even smaller than in the case of underground explosions. Experimental data are lacking and we have to rely entirely on theoretical calculations.

I shall first discuss the standard methods of detection. Two of the standard methods of observing nuclear explosions are not available to high altitude explosions. The seismic signal from a high altitude explosion will be extremely small and, presumably, not observable. The nuclear debris will be produced in the stratosphere and, therefore, will in general not come down either to the ground or to normal airplane altitudes for a very long time. Therefore, these two methods are not applicable.

The other two standard methods, the acoustic and the electromagnetic, can, in principle, be used. I have not considered the very interesting and original method of obtaining an electromagnetic signal, which Dr. Leipunski has discussed today. Instead, I have considered two more standard methods of producing an electromagnetic signal. As Dr. Leipunski pointed out yesterday, the bomb emits gamma rays which produce Compton electrons, and the current of these Compton electrons produces an electromagnetic signal. In the case of a high altitude explosion, many of the gamma rays go down into the atmosphere and will then produce Compton electrons at some relatively low altitude, let us say, 15–30 kilometers. This [indicating] is the height which I calculated as reasonable from the observation coefficient of the gamma rays. In agreement with Dr. Leipunski, I have found a logarithmic dependence of the signal on the yield in my calculations. An important difference between high and low altitude is that the ionization due to high altitude explosions is distributed over a very large volume. The gamma rays go not only straight down, but also in other directions, and the region where the Compton electrons are important forms some shape like this [indicating] going over distances which are comparable with the altitude of the explosion.

We may then expect that, at moderate distances from the explosion, let us say at 100–300 kilometers—horizontal distance—the dominant wavelength in the electromagnetic signal is of the order of 2 pi times the height of the radiation layer above the ground, that is, 2 pi times 15 to 30 kilometers [indicating]. This means a frequency of 1.5 to 3 kilocycles. These frequencies are considerably lower than those obtained from low altitude explosions. This will make it much more difficult to distinguish these electromagnetic signals from those produced by lightning. Probably the frequencies are now just in the same range as those from lightning strokes. Here again, actual observations would help greatly. Of course, now, after your presentation of today, we might hope to get two signals from high frequency short signal, and then, followed by this longer period signal, and this might make it possible to use that method.

At larger distances, let us say 2,000 kilometers or more, the shape of the electromagnetic signal will again be determined chiefly by the characteristics of the wave guide and will be essentially indistinguishable from that produced by lightning. In summary then, let me say that the electromagnetic signal can be used, but even more for low altitude explosions, it can only be a secondary indication supplementing some other method.

The acoustic method is also applicable but is likely to be even more degraded compared to low altitudes. I expect that a considerable fraction of the energy released by the explosion will still go into acoustic waves. Furthermore, the atmosphere acts as a wave guide for sound waves, as was pointed out by Dr. Brekhovskikh in one of the early sessions.

Under normal conditions, the velocity of sound in the atmosphere depends on altitude about like this.

I have plotted the sound velocity in this direction [indicating], and the altitude vertically. The intermediate maximum of sound velocity is about 50 kilometers, and at great altitudes the sound velocity becomes very great. There are two sound channels separated by a maximum of sound speed at about 50 kilometers, and for this reason I think that it is convenient to choose 50 kilometers as the limit between low and high altitude. That is really the reason why we mentioned this figure earlier, in other drafts. Acoustic waves generated in the upper sound channel, above 50 kilometers, can penetrate into the lower sound channel and thus become observable at sea level, provided they have a sufficient vertical component of velocity to penetrate this layer [indicating]. The fact that the explosion generates originally shock waves which propagate faster than sound waves helps the penetration into the lower sound channel. Therefore, I expect that sound waves will be received from a high-altitude explosion.

However, it is likely that those sound waves will be mostly of very low frequency. One reason for this is that the energy of the explosion spreads over a very large volume when the air has low density. This in itself would favor long waves. Second, the propagation has to take place essentially in both sound channels simultaneously, and this again is easier for long sound waves. I have not made a complete analysis of this problem.

For a large explosion, in the megaton range, we expect long waves also if the explosion is near the ground. Therefore, for large explosions the detection of the acoustic waves should not be very different whether the explosion is set off at high altitude or at low altitude. But for an explosion in the the low-kiloton range, the amplitude of the long waves will be rather weak. A one-kiloton explosion at high altitude will then give weak, low-frequency acoustic waves which are probably very difficult to distinguish from natural phenomena and very difficult to observe.

I believe, therefore, that the acoustic method will not be very useful for the detection of high-altitude, low-yield explosions. We, therefore, need an alternative primary method of detection.

Such an alternative method is suggested by the fact that considerable ionization is produced in the air by the radiation from the explosion. For the extremely low air densities you find at high altitudes, the large energies produced by nuclear explosions can be expected to radiate to very great distances. The interaction of this radiated energy with the air produces ionization additional to that normally existing in the ionosphere. This is similar to the sudden ionospheric disturbances which are believed to be of solar origin. These natural ionospheric disturbances are known to affect the dielectric properties of

the air, changing its conductivity and its dielectric constant. A similar effect may be anticipated as a result of the ionization produced by a nuclear high-altitude explosion.

We have attempted to estimate the magnitude of this ionization. We believe that one of the best methods to measure the additional ionization is by observing the absorption of the so-called cosmic noise—that is, the electromagnetic signals arising from the galaxy. Any estimates of the magnitude of the ionization and of the consequent absorption of cosmic noise are, of course, very crude. For one thing, the energy radiated by the explosion depends very much on the design of the bomb. For another point, the absorption of this energy depends sensitively on the altitude of the explosion. Third, the ionization will last for a shorter or longer time according to the mechanism by which electrons disappear from the air. Unfortunately, we do not very well know the cross-sections for the attachment of electrons to oxygen molecules, nor do we know the rate of recombination of positive and negative ions in air with any great accuracy. We believe that the recombination is fast compared with the attachment of electrons—that is, compared with O_2 plus electrons, giving O_2 minus—or the same with oxygen atoms. But on the cross-section of this attachment, various laboratory measurements differ by factors as large as 1,000.

For all those reasons, I can show only very crude estimates of the detection distances. These are the following.

For an explosion altitude of 30 to 50 kilometers and a yield of one megaton, the increased absorption of cosmic noise should be observable at about 200 kilometers from the explosion.

At 70 to 80 kilometers explosion altitude for a yield of 10 kilotons, observation should be possible, again, at 200 kilometers; and for a yield of 1 megaton, at 500 kilometers.

At greater than a 100 kilometer explosion altitude, for a yield of 1 kiloton, observation should be possible at 500 kilometers, and for 50 kilotons, observation should be possible at about 1,000 kilometers. If the distance of observation is 500 kilometers, this means that at 500 kilometers distance from the explosion the ionization is great enough to give an observable additional absorption of the cosmic noise. It does not mean that we need an observation station at 500 kilometers. If the station is, let us say, at 1,000 kilometers distance, we may have a radio telescope pointing to a region in the ionosphere which is 500 kilometers distant from the explosion. Therefore, you may have the explosion here [indicating], and here at 500 kilometers you have ionization, but you look at this ionization from a greater distance, for instance from 1,000 kilometers. Since the ionosphere, and also the ionization produced by the nuclear explosion, are at a height of about 100 kilometers above ground, it is relatively easy to see the ionization at this point [indicating] from a distance of 500 or more kilometers. It means that each observation station would have to be equipped with radio telescopes pointing in various directions.

I may add here that the same type of telescopes would be very useful to observe Dr. Leipunski's signal, because we are working with similar frequencies here in the cosmic noise and in Dr. Leipunski's signals.

The numbers in this table are based on the assumption that a moderate additional absorption of the cosmic noise might be detectable. I think this assumption is correct, but I do not know how often natural events may be confused with an explosion. However, it is clear that additional absorption of the cosmic noise is a useful means of detection. Also, I am sure that radio telescopes can be designed to make such measurements, and therefore should be included in a detection system.

The table shows that the absorption of cosmic noise is especially useful for explosions at altitudes above 100 kilometers and less useful for explosions between 30 and 100 kilometers.

The third point I want to discuss is observation from satellites. If an explosion is set off at high altitude, it seems reasonable to try to observe it also from high altitude. Indeed, above the 50-kilometer level, the total amount of air is only about 1 gr/cm², so that gamma rays and neutrons can easily escape into space. This suggests the use of satellites for the observation of such explosions.

In order to minimize the number of satellites required, I would suggest putting the satellites at a great elevation, let us say at twice the radius of the earth, or 6,000 kilometers above the surface. I realize that this requires considerable energy of launching, but I think that satellites at this altitude, especially if their weight is not too large, should be feasible in the very near future, especially if we can use the great development of satellite launching technique of the Soviet Union.

The best conditions are probably obtained if we observe the gamma rays from fission products emitted after the explosion. According to a well-known formula, the gamma ray intensity is given as: $t^{-1.2}$ Mev/sec fission, where t is measured in seconds. For a one kiloton explosion, this gives: 1.5 multiplied by 10^{23} multiplied by $t^{-1.2}$ Mev/sec.

Let me assume that the observing satellite is at a distance of 10,000 kilometers. Then the gamma rays observable at the satellite will be: 10^4 $10^{1.2}$ Mev/cm² sec. Since the energy per gamma ray is about 1 Mev, the number of gamma rays between 1 and 2 seconds is about 10,000, which gives us 10,000/cm². This compares with the cosmic ray intensity of about 1/cm². Therefore, these gamma rays should be very easily observable, and the cosmic ray background is essentially negligible. A possible complication may come from the particles which have been observed by Van Allen in counters in satellites. It is not known whether Van Allen's effect is due to X-rays generated by electrons of about 30 kilovolts or whether his effect is due to electrons of several millions of electron volts. Let us say 3 million electron volts, which may be floating around in outer space. In the latter case, somewhat elaborate experimental arrangements may be necessary to distinguish the gamma rays from an explosion from those present anyway.

I believe, despite this, that this is the simplest method to observe high altitude explosions. It has the advantage of being independent of the special structure of the weapon tested, and essentially independent of the altitude of the explosion, as long as the altitude is sufficiently high.

Thus, attention must, of course, be given to the design of the counters, of the batteries, and of the satellites themselves.

I have emphasized the gamma rays emitted after the explosion. There are also gamma rays emitted during the explosion in about equal number. However, at this time there is some material between the fissionable material and the detector, and, therefore, most of the gamma rays are absorbed. This absorption depends upon the structure of the bomb. While it is probably possible to observe these gamma rays in a satellite, this observation depends more on the particular type of weapon tested. However, these prompt gamma rays may be important for the detection of very clean bombs exploded at high altitudes.

Similar considerations apply to the neutrons emitted during the nuclear explosion itself. These also are numerous; they are also partly absorbed by the material surrounding the fissionable material, but they are still useful for detection. In general, the efficiency of detection of neutrons is somewhat lower than for gamma rays, but it can be made a few percent by suitable detectors.

Finally, I come to the light emitted by an atomic weapon. This may be another useful method. If the explosion takes place in the lower part of the high altitude region—that is, between 50 and 100 kilometers—it is expected that the light will be very intense. At higher altitudes the phenomena seem to be very complicated, and we have so far not been able to discuss them with any completeness. In any case, the light seems to depend strongly on the altitude of explosion and on the structure of the bomb. However, we have seen that the method of absorption of cosmic noise is especially good above 100 kilometers. Therefore, the cosmic noise method and the method of observing the light supplement each other in a desirable manner. Either one or the other will be useful.

At altitudes of 50 to 100 kilometers, the amount of light omitted may be of the order of 10 percent of the total energy released. This means that a 1 kiloton explosion would release 4 multiplied by 10^{18} ergs of visible light. At a distance of 1,000 kilometers, which is near the horizon, and for an elevation of the explosion of 50 to 100 kilometers, this gives a radiation intensity of 10^{-5} calories per square centimeter. The radiation from the sun is about 1/30th of a calory per square centimeter per second. This means that the light could be observed if one uses detectors recording the light every millisecond or so, and recording the light from only a fraction of the sky—not the whole sky, but let us say a few percent of the total sky for each detector. I believe that the light can then be observed even if there is cloud cover over the ground. The observation is much easier if the explosion is set off at night.

I have talked about explosions at altitudes of hundreds or thousands of kilometers. At very much higher altitudes, nuclear explosions will give effects reduced by a large factor at either the surface of the earth or at satellites of the kind described above. The propulsion systems necessary to achieve such large distances from the earth are not much more advanced than those now available. At a distance of several million kilometers, the detection of a nuclear explosion will be extremely difficult.

In conclusion, I want to emphasize once more that all the considerations which I have presented are purely theoretical, and that, so far, there is no confirmation by observation.

STATEMENT BY DR. LEIPUNSKI, JULY 23, 1958

Mr. LEIPUNSKI (interpretation from Russian). At the last meeting Dr. Bethe gave an extremely interesting presentation on the possibility of detecting nuclear explosions at very high altitudes in conditions which, as it seems to us, had not been realized so far and have not hitherto been the subject of experimental investigation. However, since our Conference is examining all the aspects of the detection of nuclear explosions it follows that this hypothetical aspect should also be examined, and that as a matter of fact was the subject of a very interesting and erudite report by Dr. Bethe. I had spoken already yesterday and said that we have approximately the same point of view on the subjects that he had broached, and before coming to the Conference we discussed in Moscow the question of the method of the detection of high altitude explosions and had tried to determine those physical phenomena which might be used when the known methods might not work any longer; in other words, methods of the practical vacuum; and our conclusions in most cases are identical with those to which Dr. Bethe referred. This makes it possible for me to make a report to you which will be short, and it would also therefore avoid the need for repeating what has already been stated in the previous presentation.

What are the phenomena which could be used customarily for the gathering of gamma rays and neutrons and then optical phenomena? The most long-range method is the recording of gamma radiations and neutrons, and in a table I shall presently show you the travel distances of gamma rays and neutrons at various altitudes. [The speaker illustrated his remarks with a table.] This is the first table. The second line is the height in kilometers, the top line is the density of the air, and this line [indicating] is the travel distance of gamma quanta and rapid neutrons. They are approximately the same. Therefore we see that close to the ground at a distance of 50 kilometers you have 250 kilometers, at 70 kilometers 2,500 kilometers, and at a height of over 100 kilometers the distance is already an enormous one, approximately 250,000 kilometers, so that there you need no longer take into account exponential absorption, and for this reason. The first place as a means of detecting gamma quanta and neutrons—which were not referred to at all in the case of surface explosions because this exponential absorption and this distance of 50 kilometers and the 250 kilometers—because it is an exponential value it precludes the possibility of using gamma rays under normal conditions. Therefore, at great altitudes these absorptions are not present and conditions become very favorable. Lower we have the travel distance of X-rays, 6 kilovolts, and in the next line we have X-rays of 3 kilovolts. Six and three kilovolts are of course those X-rays which use up the greatest amount of energy at the time closest to the explosion, and we see that under normal conditions this spreads out to 40 or 60 centimeters, when they are immediately absorbed in the vicinity of the explosion. This, as a matter of fact, governs the transfer of energy into the shock wave. At a high altitude of 100 kilometers, however, the travel distance of X-rays, where there is the greatest portion of the energy of the explosion, is very great, in other words 400 kilometers, and they too already can be used as a factor which would be useful for the detection of the explosion. This table, therefore, explains why this factor, which we had not mentioned at all in the case of the discussion of surface explosions, as a result of the small travel distances and exponential absorption becomes substantive and perhaps the only factor at great heights.

[The speaker illustrated his remarks with a diagram.]

This table I am showing you is a very wide one and it is necessary that I show you the left side of it first and then I shall move it to the right.

In order to make the proposition more concrete we have given, in this diagram, quantitative values regarding gamma radiations and neutron radiations which are emitted as a result of the explosion, with an energy of one kiloton at distances of 3,000 kilometers from the center of the explosion. It is not worth your asking me why we chose 3,000 as the figure; we must use some values so we used a value of 3,000. Calculations would be made on the inverse of the square of the distance, and that can be done too.

You see the following graphs: the first line refers to quanta emitted to debris fission.

The second line indicates the quanta emitted at the moment of fission, in other words, those quanta which accompany the chain reaction, and the quanta from the plastic dissemination as neutrons, as a result of the chain reaction.

Next [indicating] you have fast neutrons, then [indicating] X-rays and then [indicating] slow neutrons. In other words, you have all the forms of penetrating radiations.

The purpose of this diagram, of course, is to obtain a number of quanta or neutrons per surface unit at a given distance of 3,000 kilometers from the explosion, and to obtain a comparison of this figure with the cosmic background. Those data will be seen when I move the diagram to the right.

Here [indicating] you have the total amount of energy which is liberated by all these types of debris, that is 10^{23} megavolts, or something equal to the 23d quanta. As regards quanta fission and plastic dissemination, you would have 3×10^{21}; the quanta of fission, as a matter of fact, will probably not come out. This gamma radiation which follows the chain reaction is mostly radiation from plastic dissemination of neutrons or plastic dissemination of outer particles. That is important; it is important that it follows, simultaneously, the chain reaction.

Here [indicating] you have these neutrons at 10^{21}, then [indicating] you have X-rays in ergs and in megavolts, and slow neutrons. In this column [indicating] you have the intensity, in other words, the number of particles which are emitted per unit of time.

On the right hand side of the diagram [indicating], in these two columns [indicating], we have given the amount of energy or number of particles per square centimeter at a distance of 3 kilometers. In this column [indicating], is the intensity of the corresponding type of emission, in other words the amount of energy, or number of particles per square centimeter per second, and here [indicating] you have the cosmic background. Speaking of gamma radiations of debris, it will be seen that the total amount is 10^5 megavolts or quanta—it depends on the values per square centimeter. The intensity is approximately 10^5 megavolts per square centimeter and the background is approximately 1½ per square centimeter per second. Thus we have an intensity of radiation which is 5 orders of magnitude greater than the background.

Here [indicating] you see the gamma radiations from plastic radiation and fission. The characteristic time is approximately 10^9 seconds and, therefore, the intensity is very great—10^{12} megavolts per square centimeter per second against a background of 1½ particles, or perhaps, 1½ megavolts per square centimeter per second.

Since most of this equipment has a time factor of 10^7, if we compare that, then, we have 3×3^{10} megavolts per square centimeter per second. This is considerably higher than the background. The neutrons have a slower intensity than the gamma radiations which accompany fission; neutrons also accompany fission and their intensity should be higher. Several neutrons have different intensities of gamma radiation for the same velocities and that is why neutrons will spread out and their times of arrival will be such that, per square centimeter per second, you will have a value far smaller than the gamma quanta. This exceeds the quanta of the background.

Here [indicating] you see X-rays and slow neutrons. From this diagram it will be seen that you can arrive at two conclusions, as at distances of 3,000 kilometers, or something of that order, the emissions from a nuclear explosion are several orders of magnitude greater in intensity than the background. This makes it possible to organize observations.

It is natural that those observations I just mentioned can be organized only by means of a satellite. As a result of the first launchings of our sputniks, the question immediately arose of using those for the purpose of control. This diagram shows that with the apparatus installed on the satellite we have a fairly reliable amount of intensity in order to make such a measurement in a realistic way. It will be seen that the intensity margin is of the order of 5 or 4 orders of magnitude. If you have a margin of four magnitudes you can increase the distance by two magnitudes which makes it possible to go farther away from the explosion. That is why we consider that, from observations made from satellites, it could be said that the reliable limit of distance from a nuclear explosion should be of the order of 300,000 kilometers.

In addition to the factor of the intensity which enables signals to be received, we must examine the question of the identification of the signal—in other words, the question of reliably distinguishing the signal from the cosmic background. Here, we must consider the fact that a nuclear explosion will necessarily give rise to several signals of very definite sequence and origin. First, there will be the intense signal from the gamma quanta of fission and the gamma quanta from the inelastic dissemination of the neutrons. This will come in a very small period of time—10^{-8} or 10^{-7} seconds. It can be recorded quite easily with appropriate instruments. After that, the gamma radiation will come from particles and debris from fission. This occurs within a matter of seconds. Immediately after that signal, it will be possible for a few seconds to receive signals from gamma radiation from the debris of fission. Then, after one-tenth or possibly two-tenths of a second—depending upon the distance from the explosion—neutrons will be received. The velocity of neutrons is approximately ten times slower than that of light. This will govern the time interval between the signal from the gamma rays and the signal from the neutrons. The signal from the neutrons will spread over a long period of time because, in addition to the fast neutrons, hot neutrons will arrive and these have an energy of several kilovolts.

Thus, there will be a characteristic sequence: signals from the gamma quanta accompanying fission, signals from the gamma quanta of particles and debris, and signals from neutrons.

Attention should also be drawn to the fact that it will be possible to set up instruments that will not only detect neutrons but also measure the total number of neutrons—particularly slow hot neutrons—that arrive. In the case of an explosion, the neutrons are not absorbed in the periphery; they are simply slowed down. By measuring the total number of neutrons, one can estimate the number of fissions—in other words, the energy of the explosion. Thus, through an examination of gamma rays and neutrons, one can determine the fact that an explosion has taken place, the distance of the explosion and its energy. In other words, from a satellite it is possible in this manner to obtain all the necessary data to confirm the fact that a nuclear explosion has taken place.

I should now like to say a few words about the cosmic background.

Of course, the physicists here will understand that if the signal which is observed is greater, even by one order of magnitude, than the background, it will be possible to set up instruments that will reliably distinguish the signal from the background. I shall therefore not go into the engineering details of such instruments. I shall limit myself to referring to the relationship which I have already mentioned: that of the signal to the background.

In order reliably to distinguish the signal from the background, one can depend not only on the highlighting of the signal above the background, but also on the fact that gamma radiation from an explosion constitutes a parallel stream, whereas in the case of competing gamma radiation from other sources there is a narrowly divergent stream; this is another criterion to be used in making the distinction.

Calculations have shown that through a proper rearrangement of the computers on a satellite it is possible to insure that the possibility of not distinguishing the signals from the background will be very slight—in

other words, this could be brought to one operation every 10 years. It follows that measurements from a satellite are quite capable of detecting a high-altitude explosion.

I should now like to refer to the question of the distance at which this can be done and to the question of the altitudes of the explosions.

If the explosion takes place at an altitude of less than 30 kilometers, one can use all the earlier methods of detection. Such an explosion should not be regarded as a high-altitude explosion. What we are interested in now is an explosion taking place at an altitude of more than 30 kilometers. Here, a simple geometric calculation shows that if one sends satellites up to a distance of 6,000 kilometers from the surface of the earth, the magnitude of observation will be such that five or six satellites will be needed to cover the entire earth. One satellite covers approximately one-fourth of the total surface of the earth.

With satellites at the distance from the earth that I have indicated, the greatest distance between the explosion and a satellite would be 10,000 kilometers. You will recall that the table which I showed was based on a distance of 3,000 kilometers and a margin of intensity of several orders of magnitude. It will therefore be seen that the reception of signals at a distance of 10,000 kilometers will not present any technical difficulties whatsoever, because all the signals will be substantially higher than the background. Dr. Bethe has already mentioned that the background measured by our sputniks and the American satellites was somewhat higher than the background measured at a height of 250 kilometers. But, as I have mentioned on an earlier occasion, all the physical considerations indicate that this background refers to soft electrons and therefore can be entirely screened. Even, however, if we take this literally, the intensity will still be adequate.

Thus it is possible to conceive of a service for the detection of high altitude explosions which would consist of 5 or 6 satellites, at a distance of 6,000 kilometers, which would rotate around the earth and, by means of quite standard telemetric equipment, they would transmit their signals to the earth; and the result would not depend upon whose satellites they were—whether they belonged to the United States or to the Soviet Union—as both would provide an equally good source of observation. At this point, our sputniks have certain advantages. They can rise with 900 kilograms, and 900 kilograms affords, of course, the installation of a rather generous amount of equipment. However, this equipment could be so simple that it could be installed in satellites of smaller size.

This is all that I wish to add to what was said yesterday by Mr. Bethe regarding the use of satellites for the detection of explosions.

Now I should like to say a few words on optical observations. The optical effects will be produced in the case of an explosion in vacuum. They will be weaker than in the case of an explosion occurring at lower altitudes. From the work carried out by our physicists, it has been established that the yield in such cases could be in the magnitude of 10^{-4} or 10^{-5}, and the other figures are correspondingly lower. The illumination which is formed in the case of a distance of, say, 1,000 kilometers will form, during the period illumination, 10^{-2} lux; but, as the time element here is 10^{-4}, the illumination then will be about 100,000 lux. However, I think this is considerably less than the illumination produced by the sun and I think that it is not one which can be used for founding an accurate system of detection—during a cloudy period in a day, this certainly will not be possible, although it might be possible at night. Therefore, perhaps it is not a direct effect of the explosion which should be borne in mind, but indirect optical signals which occur and are due to the products of the explosion.

First of all, we should like to stress two sources of optical events. At explosions at considerable height, the energy of the explosion transforms itself into roentgen radiations, on the one hand, and into a hydrodynamic velocity of propagation of products, on the other hand. Thus, propagation is effected into the less rarefied layers of air, and the necessary absorption is effected. therefore, in the upper reaches of the atmosphere there will be a creation of a disk of this type within which the extra radiation will be absorbed. The absorbed energy will be illuminated as a visible area, so that this illuminated disk can be seen. But this radiation will be of very short duration as the fading of the illumination is very rapid. Thus, the length of the illumination will be of the order of 10^{-7} seconds.

Apart from this source of illumination, there is another, a weaker one, but longer in duration. The products of the explosion which propagate themselves are of very high velocity, which can be established in hundreds of kilometers per second, and when the molecules which have such high volocities enter the less rarefield layers of the atmosphere, this will lead to a drop in the illumination. There is less intensity in the illumination in such cases, but the period of illumination is longer. It depends upon the distribution of the velocities of the moving molecules, which distributions are regular and can stretch over a period of one second. Thus, we can expect, in the case of a high altitude explosion, the appearance of a luminous cloud, but the eye will detect it and its duration will be one-tenth of a second. Then there will be a second appearance, weaker in intensity, but of longer duration, lasting for one second. This illumination, as has been pointed out, if it occurs at night will be 250,000 times clearer in a cloudless sky, and only 100 times weaker than the light of the day. This is a quite visible and concrete phenomena insofar as the night is concerned. During the day, one would not be able to see it with the naked eye, and the luminosity is then lower, but a device with rapid action, such as a photo-element, could certainly observe this fact. These are my observations in connection with the optical methods.

Gamma radiation—that is to say, X-rays and gamma rays—as Mr. Bethe has pointed out, will lead to ionization in the lower regions of the atmosphere—lower than those to which I have just referred. This is due to the fact that the gamma rays travel farther than the X-rays and, as a result, the ionization from the gamma rays will be found at a height of from 30 to 40 kilometers. This ionization can be utilized in a different way. In other words, as Mr. Bethe pointed out, it can be used for the absorption of cosmic noise or in connection with the reflection of the cloud formed in such an event. This cloud is lower in altitude and its appearnace can easily be noted. From what Mr. Bethe pointed out yesterday, and from what I have said today, it can be noted that there are such physical events in the case of high altitude explosions which allow detection of such explosions. At present, these events are recorded generally as a result of calculations, but we should not forget them because, if we utilize available data—for instance, as a result of the use of certain satellites—I think that we can consider this method both useful and secure, and one which would need perhaps only constructive application.

As to optical readings and the use of changes in the electrical properties of the atmosphere, I think that reference should be made here to the possibilities in principle. We are at present still too far from the provision of a technical solution of the problem or of the possibilities of this factor for control purposes. I think that additional work is required in this connection. However, everything that has been said points to the fact that we are far from being without the necessary arms in connection with high altitude explosions and shows, as well, that we have the technical means for carrying out the detection of such explosions and confirming the possibility of violations of an agreement on the cessation of such tests.

Mr. FEDOROV (interpretation from Russian). Are there any questions?

Mr. BETHE. I have a number of questions on this extremely interesting presentation. First, I have been very impressed by the much greater care with which Dr. Leipunski has considered these phenomena than I had yesterday. However, in connection with his observations about satellites, I am still worried about the background of low-energy electrons.

The experiments by Van Allen showed that this background may be a thousand or more times the cosmic ray background. You stated today, as well as yesterday, that you felt sure that these electrons were really low-energy electrons of a few tens of kilovolts. If I could be convinced of this, then I would agree with you that it would be very easy to eliminate those electrons. However, I do not understand how you prove that these are electrons of tens of kilovolts rather than electrons of millions of volts. If they were electrons of millions of volts, then it would be much more difficult to eliminate them in the counters. Could you, therefore, go into some detail on your proof of the low energy of the electrons which are floating in space?

Mr. LEIPUNSKI (interpretation from Russian). The results in this connection are rather recent, and for this reason we lack direct experimental confirmation of the fact that these electrons are of that type. I have not this information in the available research material. However, I do know this. First it is clear that the increase in the background is not one thousandfold, but smaller. Dr. Virnow, for example, who undertook readings on the second sputnik of the magnification in this connection, in a conversation with me estimated that it was approximately 30 times greater. There is no argument as to the fact that there is a magnification; there may be an argument as to whether or not it is a thousandfold. Dr. Virnov obtained information related to the fact that the background forms approximately one particle per square centimeter per second. There is no doubt as to the accuracy of that information. If the background increases with a rise into the altitude by 30 times, this means that the particles which form the background cannot travel this distance—they cannot cross the magnetic barrier which deflects the electrons. Megavolt electrons should be able to reach such heights as 250 kilometers. As the electrons did not pass through but were stopped, their energy must be low.

Basically, that is all that can be said concerning this question.

Mr. BETHE. I still do not understand this point. I am not an expert on thermonuclear power, but I thought that the question whether electrons can come to a low altitude was not very dependent on their energy. If they have greater energy then their orbits will simply be larger in size. Whether they are reflected at one altitude or another seems to me to depend on the orientation of the orbit relative to the magnetic field lines rather than on the size of their orbit. I think that the higher energy electrons will have as their only difference the fact that they can live longer at a given altitude than the lower energy electrons. Since we do not know anything about the manner in which those electrons get to the high altitudes, I do not think that we have any evi-

dence on the time which they spend at high altitudes, going back and forth along the magnetic lines. Therefore, I do not think we have any evidence so far on their energy. If you have some other evidence, I would be very happy.

It seems to me that this is a question which can be solved only by further experiments conducted in satellites. By placing various absorbers between the counter and the outside, one can undoubtedly find out in the next few months in further satellites whether these particles are low energy or high energy. Would you agree to that?

Mr. LEIPUNSKI (interpretation from Russian). I think that we are now discussing very recent experimental results which have not yet been determined qualitatively. For example, there is the difference in views between Van Allen and Virnov as to magnification. All of this naturally points to the fact that final conclusions will be possible through additional study. I agree with you that there is no proof, but there is at least room for discussion. This background does exist even though its size is still being discussed. In addition to the thousandfold increase which is referred to by Van Allen, we have the other figure of a thirtyfold increase which is given by Virnov. The latter view offers the possibility of using the sputnik to effect readings at a distance of 10,000 kilometers, even if the background is 30 times greater.

Mr. BETHE. I think we agree that we need further experiments. The difference between 30 and 1,000 disturbs me rather than comforts me because it might mean that, if we go from a 1,000-kilometer height to a still greater height, we might find still more electrons. We will have to find out how much background there is and what the nature of this background is before we make very definite statements about the capability of the satellite for detection of high-altitude explosions. I agree that, even if the background is 1,000 times, one still has a good margin and one can still detect high-altitude explosions, certainly at a 10,000-kilometer distance, and one can certainly improve the working by putting in suitable shielding and a suitable arrangement of detectors. But, it seems to me, here is a field where we have to learn more before finally designing the system.

I have another question. You have stated that one can determine the distance of the satellite from the explosion by observing the travel time of the neutrons as compared to the travel time of the gamma rays. This, it seems to me, would be right if you knew the energy of the neutrons. If the explosion were a thermonuclear explosion, then some of the neutrons would have an energy of 14 million electron volts, and in that case the neutron signal would set in sharply at a certain time—and from this I could deduce the distance with fair accuracy. If, however, the explosion were an ordinary fission explosion, then it seems to me that the neutron spectrum extends over a very wide range of energies and that therefore any conclusion on the distance from the explosion will be very uncertain. The same, it seems to me, is true when you come to the thermoneutrons because, from one bomb to another, the temperature will certainly vary considerably, and you therefore cannot tell with any assurance what the energy and the velocity of the thermoneutrons are. Do you agree with these remarks?

My third question refers to the use of the ionization in other ways than absorption of cosmic radio noise. We have also considered such other use. We have also considered the influence of ionization on the propagation of radio signals which are transmitted from one station to another. One point, however, I did not understand. Do you think that the ionization will serve to reflect a radio signal which is emitted by one station and observed at another station? This means: Do you think that the ionization will give reflection of radio waves or do you think that the ionization will give absorption of radio waves? In the latter case, the way one might use this in observation in a system would be to have a radio transmitter at one station, to have a radio receiver at another station, and to observe normally reception of the radio signals because they are reflected by the ionisphere. But if additional ionization is produced, and particularly if such ionization is produced at low levels, such as 30 kilometers, then this transmitted radio signal may be absorbed by the additional ionization created. In other words, my question is this: Do you think that the ionization will absorb a signal which is normally reflected from the ionosphere, or do you think that this ionization will reflect a signal which normally would not be reflected?

My fourth question refers to the high frequency signal which you mentioned yesterday. I have not fully understood the signal, and I have some doubts about it. The first doubt about the signal concerns the asymmetry of the bomb which is exploded. If you have a violator who wishes to make a nuclear explosion in violation of an agreement, and if he chooses to do so at high altitudes, he would perhaps try to avoid giving the signal which you mentioned, and I think he might do so by making the bomb very symmetrical. It seems to me that this is not difficult; that, with a good machinist, you can make a bomb which is symmetrical to 1 part in 10,000. In that case, your signal would be reduced to a fraction of a millivolt per meter. That is one comment. The other comment is that the signal which you talked about contains many different frequencies—it is not just one definite frequency—and, as the signal goes through the natural ionosphere, the different frequencies have slightly different refractive indices. This means dispersion, and I have calculated that this dispersion will spread out your signal, which originally is a sharp pulse, into something like 20 waves.

When this is done the magnitude of the signal again is reduced by a large factor. I therefore believe that this signal will in practice be extremely small, or at least can be extremely small, if care is taken to make the bomb symmetrical.

My fifth question is: What is the mechanism of direct emission of light which you referred to in your talk today? I think it would be nice to hear a little more about this.

That is all.

Mr. FEDOROV (interpretation from Russian). Are there any further questions to the speaker? For the time being there are no more. May we ask Professor Leipunski to answer these questions?

Mr. LEIPUNSKI (interpretation from Russian). Professor Bethe asked a number of questions which could be the subject of a very interesting physical conference on the special phenomena in high altitude, high atmosphere. Undoubtedly these questions are legitimate and will call for a detailed answer, although at this stage I will be unable perhaps to answer in great detail.

The question regarding the definition of distance is made difficult by the fact that the neutrons are not monochromatic, whereas in a hydrogen or thermonuclear explosion you have a number of monochromatic neutrons and therefore it would be relatively easy to determine the distance. In the case of normal explosions the neutrons are not monochromatic and it is difficult to do this. Then you also have thermal neutrons, which have an undefined temperature. If we speak in general terms, all this is of course quite true, but questions of degree of accuracy and degree of uncertainty are at stake and those calculations and observations which are available in connection with the spectrum of neutrons in the case of normal nuclear explosions show a great homogeneity in the spectrum both in relation to fast neutrons and thermal neutrons—in other words neutrons with energy of one kilovolt—that is that group of neutrons stuck in the periphery and assuming the temperature of the periphery. In the case of explosions at a high altitude we will have a train of neutrons which will reflect the spectrum of neutrons—in other words, we will have the characteristic of the spectrum of the neutrons, and I do not anticipate any great difficulty in evaluating the distance to the point of the explosion. So that Professor Bethe is quite correct that this result will depend upon the spectrum of neutrons, but this neutron spectrum is not so valuable that it will be possible to say that we could not assess the distance by means of observations of neutrons.

Regarding ionization, Professor Bethe asked how we visualize this method—in the form of interference with the dispersion of rays reflected from the ionosphere or in the form of an independently acting cloud which would constitute a sort of newly formed ionosphere. Both are possible, you can do it one way or the other, although neither version is very easy to achieve from the point of view of instruments.

Then comes the question of the high frequency signal in the case of an explosion in a vacuum which of necessity is related to the asymmetry of the bomb: what will happen if the bomb is made symmetrical? As I have already said, if the bomb is going to be symmetrical, nothing is going to happen. In other words, the whole point lies in the question to what extent it is possible to make a symmetrical bomb. I believe you are placing a very high requirement before the machinists if you think they can achieve a symmetry of one-thousandth. That is hardly possible and I have my doubts about it. But even one-thousands is a very arbitrary figure and of course it would constitute possibly 250 microvolts per meter. That is difficult but is within the limits of possibility, but to achieve a symmetry of one-thousandth is an extremely complicated procedure. These frequencies in the meter range, at least from what is known of the passage of radio signals, are not absorbed to such an extent in the ionosphere, therefore I think this evaluation of the decrease of the signal as 20 times is perhaps a little magnified. We do not expect such a high decrease in this signal.

Now, what is the machinery for the direct emission of light? I think this is a highly physical question and might perhaps be set aside for a private talk.

That is all.

Mr. FEDOROV (interpretation from Russian). Are there any further questions?

Mr. BETHE. I think I have not made myself clear about the attenuation of the high-frequency signal in going through the ionosphere. I do not mean that the signal is absorbed; I agree with you that the absorption for these high frequencies is extremely small. However, the signal is dispersed. That is, if you have an exponential signal of 300 megacycles this really contains all frequencies from, let us say, 100 to 500 megacycles. The 100-megacycle radiation has a large refractive index; the 500 megacycle radiation has a refractive index near one; and this gives a difference in the time of transit for the two different frequencies. That means that when the signal arrives at the surface it will have changed its shape completely and it will be resolved into some high-frequency signal coming first and lower frequency later on, with the result that this lengthening of the wave train has reduced the amplitude of the wave wherever the wave arrives. That is the point.

On the other point of how to use the ionization, I agree that it is somewhat difficult to design technically a system which makes use of this. I do think, however, that one can tell right away that ionization produced at 30 kilometers height and even up to about 100 kilometers height will give essentially only absorption and not reflection, and only ionization produced at greater height than 100 kilometers can give reflection. Most of the ionization by gamma rays and some of the ionization by X-rays is produced at lower altitudes than 100 kilometers, and therefore I believe that absorption is the method to look for, is the phenomenon to use, if one wants to make use of the ionization in a detection system for high altitude explosions.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on the report presented by Dr. Leipunski?

Mr. LEIPUNSKI (interpretation from Russian). I should like to make a short reply concerning ionization. The fact is that the ultimate result of the selection of possibilities between work on reflection and work on absorption will depend to a very large extent upon the concentration of ions and therefore upon those constants which we take into account in calculations for defining the concentration of ions in a cloud. I was very cautious when I spoke of this because these constants are not very well known.

Mr. FEDEROV (interpretation from Russian). Are there any further questions or comments in connexion with this theme?

Mr. SEMENOV (interpretation from Russian). I would like to say that, even if we bear in mind that the number of these particles forms 1,000—or 10^3—this is not a handicap for detection from this sputnik. We have noticed at a distance of 10,000 kilometres the number of particles per square centimetre will be 10^4, and even if it will be 10^3, the increase as compared to the background will be considerable, so that the question might arise at a much greater length, 100,000 kilometres. If we use the direct gamma quanta released by a bomb after a quantum fission which occurs as a result of a nonelastic propagation of neutrons, and if the yield of neutrons is in the range of 10^{-7} of a second, then we should have an even better ratio. For 100 kilometres we shall have 10 kilometres. At 10 kilometres we shall have 100 particles per square centimetre during 10^{-7} second, whereas in the case of the background the background in the same period of time 10^{-7} second, will give only 10^{-4} particles. For this reason I think the method for determining a nuclear explosion through this method from a height of 10,000 kilometres and at even greater heights, can be viewed as one which can certainly be utilized.

For this reason it seems to me that the question of the background does not play any substantial practical role. The whole question depends upon the equipment installed, but a time of 10^{-7} second is not something which creates an impossibility in our work.

As to the question of symmetry, do you think it is possible to organize an absolutely symmetrical explosion—absolutely symmetrical? I think that is rather complicated.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on the subject under discussion?

Mr. BETHE. I have been reminded by one of my colleagues that Van Allen found not 1,000 times the cosmic ray background but into the fifth times. This makes the discrepancy between his measurement and the Russian measurement even larger. I do not understand the discrepancy, but if the number of slow neutrons is really 10^5 we would have difficulty in observing at least the delayed gamma rays in the way Dr. Leipunski and I have proposed.

Mr. FEDOROV (interpretation from Russian). Are there any further questions or comments which the speaker would answer immediately? If there are none, I will call on Dr. Leipunski.

Mr. LEIPUNSKI (interpretation from Russian). If we increase the background 1,000 times—which, as I have said, is dubious—then for the slower process the conditions of observation will be more difficult. However, I have referred to a number of methods with which you can detect from an earth satellite a nuclear explosion. It is sufficient to have 1 secure method; you do not have to have 10; so that in the use of a large intensity of gamma rays following the explosion there is no handicap which is created for them by the background. Dr. Semenov has just referred to it. The possibility remains in all cases. I repeat, nevertheless, that the amount provided for the background is one which lends itself to further discussion.

Dr. FEDOROV (interpretation from Russian). Are there any further comments?

Mr. BETHE. I like the gamma rays which come out from the fission products because they are independent of the design of the bomb. If you have to rely on the prompt gamma rays, then somebody who wishes to carry out such tests in violation of an agreement might put some lead around the bomb so that these prompt gamma rays do not come out. Similar devices could be used to reduce the number of prompt neutrons. Therefore it seems to me that we would have a very much more secure detection possibility if we could be sure of detecting the delayed gamma rays.

I do agree with Professor Semenov and Dr. Leipunski that the prompt gamma rays and prompt neutrons stand out much better against the background than the delayed one; and I think I find no disagreement with the figures that Dr. Leipunski has presented. However, there is more possibility of making trouble if someone wishes to make trouble, and in the case of the delayed gamma rays people just cannot make any trouble.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on this question? There being none, may I say a few words myself?

First, the difficulties to which Dr. Bethe has referred arise more particularly from the possibilities which seem to be offered to the violator. One can, of course, consider a number of possibilities in this connection, but the possibility of screening a bomb from the gamma rays generated by the explosion would require quite a sizable shell or casing. I think that even without such a casing or shell the cosmic field today is such—I refer to a distance of several thousand kilometers from the earth—that the lifting of such a weight, of many hundreds of kilograms of tons, into that distant area—we have thought of tons in many cases—would be viewed today as a great scientific achievement of which any country could be justly proud and which it certainly would not hide.

Thus, it seems to me, that the possibilities of detection, as of now, are greater to a considerable extent than the possibilities of violation. I speak of the purely technical possibilities. Your earth satellites and ours are flying about, and the equipment of the type which we need is in operation. It is not something sensational, from the point of view of equipment. If we use discrimination—which is always possible—or discrimination from the point of view of the intensity of the flow, well, from these points of view, the equipment is not that fantastic.

The energy of the gamma rays which we plan to register possess a specific value, whereas the energy of other particles which propagate themselves around the world do not seem to have as clear a range, or do not lie in a range of that type.

Furthermore, even if we have a one kiloton explosion near the moon, in the first portion of the gamma rays we shall have about five gamma quanta per square centimeter per second. Therefore, even if we accept the fact that the entire background discovered by your scientists by now is of five quanta per second, then we have five particles in the 10^{-7} seconds. Well, this sort of operation can be detected against a background of one-thousandth of a particle in a microsecond, so that the background here will not be a handicap. If the explosion is not too far away from the earth, say 30, 50 or 1,000 kilometers, then the general radiation of gamma rays will be sufficient. If, however, we consider the explosion of a small bomb at a considerable distance, then the first portion of the radiation will be highly concentrated and will have five particles to the 10^{-7} seconds. This question can certainly be settled on the basis of energy discrimination. For these reasons I think the possibilities are quite good and they improve very rapidly. The science of measurement from the earth satellites is developing very rapidly both in your country and in ours and I think it will certainly, and continuously, exceed the possibilities of violation. On the other hand, the placing of the bomb and the entire experimental device is still fraught with considerable complications if one considers really great distances. I will not refer to some of the other details—symmetrical explosion is a difficult matter of course. What I would like to do is to attempt to summarize the trends of the very interesting reports which we have heard from Professor Bethe and Professor Leipunski.

It seems to me that we are in complete agreement that gamma radiation following an explosion made at a considerable height, say from 30 to 50 kilometers up to hundreds of thousands of kilometers, may be recorded with considerable certainty by the equipment installed on the earth satellites. The creation of such equipment is a problem which can be solved at the present time, I think; it is a soluble problem for us all. Dispatching of earth satellites will be, I think, a very possible feat in the future. You, and we, are sending up several earth satellites a year and will probably continue to do so in the future, thus furthering the possibilities of control. I do not believe that the equipment necessary for the recording of gamma radiation, insofar as its parameters are concerned, is widely different from that which we use in the Soviet Union, or that you use in the United States for the recording of cosmic rays. It is not necessary to install the equipment on an earth satellite of great size. Such equipment can be supplied with energy from solar debris; it is possibly the simplest equipment and one which is most readily available and is of a type already in use in artificial earth satellites. I do feel that, in this particular field, hardly any differences of opinions exist between us. For that reason, I think we can recommend to our respective governments a regular placing of earth satellites, fitted with equipment for the recording of gamma radiation, or perhaps of other types of radiation, but primarily for the recording of gamma radiation which might be produced by an explosion. As I say, we can recommend this as being one of the most basic and reliable methods of control.

Originally such a proposal might have been regarded as a trifle too vast, as regards its possibilities. However, we must examine it. You see, it is possibly one of the easiest methods of control, and one of the cheapest. If you, and we, split the responsibility and send up two or three earth satellites a year, this could not create any difficulties. This system could be applied to any other important experiments. I really do believe that we can recommend this type of control; it is possibly one of the best.

We have looked into other possibilities of control, and I am very glad to note that, generally speaking, they seem to show a sim-

ilar trend. I refer in this connection to Professor Bethe's and Professor Leipunski's reports. I think this fact indicates to us that, in our various countries, we have been thinking independently along the same lines and have arrived at similar results.

It seems to me that these possibilities relate to the change in the ionosphere. We all understand that the explosion creates certain violent changes in the ionosphere which can take the form of either an individual cloud or a lowering of the general ionosphere. In any case, the ionosphere is changed, so to speak. We know that a number of methods are being applied by scientists. For instance, an ionosphere service is in existence which is operated by the ion stations which carry out soundings, from below, upwards. Then, there is a system of recording ionospheric noises.

We must also take into account the possibility of observing optic signals, both those that are elementary—such as the flash of an explosion—as well as those that are secondary, such as the luminosity of the atmosphere after the appearance of X-rays, gamma-rays, and so on.

Then there is the possibility of making use of regular data concerning the condition of the ionosphere which can be obtained by making use of the means already in existence for checking the lines of communication. A service of this kind is in use throughout the world. I think it can be said that the changes which occur in the ionosphere can, in principle, be used by the control service.

However, it seems difficult at present to indicate exactly which method of control should be used. I think that this question can be settled later. I believe that we should refer to this method as being possible in principle. We should note, again in principle, that a possible method exists in connection with the observation of bursts, the illumination of the atmosphere, the influence of gamma rays and other agents on the atmosphere, and so forth.

I would suggest that we should not go into this matter too deeply, since there is no possibility of rapidly putting it into effect. A great deal depends in this case upon the weather. If it is cloudy, it is very difficult for surface stations to operate or to obtain readings from the earth.

I therefore think that we should refer to the possibility, in principle, of using certain optical methods for detecting some of the events which occur. I think that our conclusions could refer to these various possibilities.

I do not claim that I have given an exhaustive picture of this situation, but I believe that the various points to which I have referred could be included.

Does anyone have comments on this matter?

Mr. FISK. We have, of course, considered the various techniques which you have mentioned, Mr. Fedorov. We would propose that in due course these techniques, and perhaps others, should be drawn together into a set of conclusions, or perhaps recommendations. I do not believe that we are ready to do that today, but perhaps we should consider doing it later this week.

Mr. FEDOROV (interpretation from Russian). I am not proposing that we should now draw up the conclusions on this point—that is, on the point of high-altitude explosions—but, since we do still have some time today, it would be desirable to have further comments, particularly as regards the use of gamma radiation from explosions as observed from satellites. We believe that this particular question is sufficiently concrete and clear. Should we include it in our conclusions, or are there valid and serious reasons for not including it? Is there any doubt about the value of this method?

Mr. BETHE. I agree entirely with your conclusion that gamma rays observed by satellites are a very direct, and probably a quite reliable, method of detection. I would say that, if we adopt this conclusion, we should at the same time recommend that research be done into the nature of the background of electrons, so that we know how to design our apparatus and what reliability this apparatus will have.

Mr. FEDOROV (interpretation from Russian). I think that Dr. Bethe's desire is quite reasonable, particularly since it is already being realized. On our third sputnik, we have instruments which apparently will give substantial additional data on the nature of the radiations being recorded. It is possible that early in August some results will be presented during the Moscow conference to be held in connection with the Geophysical Year. I think that American geophysicists and specialists in cosmic radiation are also developing interesting and highly important data on the increase in background. I believe that we can thus say that this is an interesting method. Even if we do not do that, scientists are studying the matter in order to come to a solution rather rapidly. Without any knowledge of the nature of this question, but assuming that there are completely unknown particles that number, let us say, 1,000 or 5,000 per square centimeter per second, the detection of explosions is possible if we use certain simple methods of selection. This relates only to explosions which occur higher than 10,000 kilometers, because at distances of less than 10,000 kilometers intensity is sufficient.

Mr. FISK. We shall, of course, discuss and give further thought to this method; perhaps we shall have some suggestions for draft conclusions in this respect. Apparently, however, there are no further questions at the moment.

Mr. FEDOROV (interpretation from Russian). In that case, I think that we may consider that we have concluded our discussion of the possibility of detecting explosions carried out at very high altitudes or in cosmic space. We must proceed to a discussion of draft conclusions on this subject. I think that it would be desirable to prepare such draft conclusion, so that if there is time tomorrow we might examine them. On our side, we shall be prepared tomorrow to present draft conclusions on this method. approximately on the lines that I have just indicated but with perhaps a few additions.

Mr. HUMPHREY. Mr. President, these papers have not been made available to date because the Department of State has not yet published the verbatim records of the Geneva conference of experts. However, I believe in view of the recent disclosure about the U.S. high-altitude tests, these papers should be made part of the record so that many observers, particularly those concerned with the problem of detection, might know the type of discussions carried on at Geneva. We must have access to information relating to tests and detection. The information coming from these experiments relates directly to our national security, our negotiations, and the ability of the Senate to give advice and consent on proposed treaties and agreements. The Atomic Energy Commission and the Department of Defense are not promoting effective and responsible cooperation between the executive and legislative branches by their leaks and piecemeal, delayed, and tardy release of vital information. The need and right to know is not a slogan; it is a basic requirement of responsible democratic government.

It is my intention to continue to pursue this matter so that the public will know the significance of the high-altitude explosions for a possible treaty on the discontinuance of nuclear weapons tests and, I might add, so that the people will know the significance of these high-altitude tests, insofar as our national security is concerned.

THE BERLIN CRISIS

Mr. BYRD of West Virginia. Mr. President, a specter is haunting Europe. This announcement was made a hundred years ago. It was made by the Communist League, in the "Manifesto" written by Karl Marx and Friedrich Engels. That specter is still haunting Europe. It has changed in character, it has gathered force, and it has won victories. Today the great powers are engaged in a test of strength and principle; they have committed their prestige and power; they approach the edge of war in apparent determination to resolve the issue or dissolve each other.

The center of crisis is Berlin, but it is not the center of conflict. Berlin is the most visible surface of the deep undercurrent of conflicting interests between East and West. It is, like the apex of a pyramid, the focal point of all converging forces of dissension and strife, extending down to the base where lie the many diverse and fundamental differences. Berlin is the center of the present crisis, but the conflict is over the future control of Germany, and thus the European Continent, both of which shall in turn determine the balance of world power.

In Berlin, the Russians have thrown down the gauntlet; the West has picked it up. Now the world anxiously watches the evolving crisis.

Before discussing the current situation, however, I should like to examine briefly the genesis of the Berlin problem. In 1944, the Allies reached agreements on the division of Berlin into zones of occupation. Subsequently, agreement on the general occupation of Germany was confirmed at the Yalta Conference. Among themselves, the Allied commanders, including the Russians, made arrangements during the following months to establish their authority in Berlin and specific routes of communication between West Germany and Berlin after the withdrawal of Western forces into their specific zones.

These agreements were reached and arrangements made when the Western Powers and Soviet Russia were in a desperate struggle to defeat Hitlerian Germany. The spirit of the Grand Alliance prevailed, at least among the Western Allies. All were determined in their course to prevent a resurgent Germany from ever again becoming a threat to the peace of the world. In brief, Allied policy was directed toward the containment of Germany. It is understandable, therefore, that the West did not, apparently, question the wisdom of holding such an exposed position as it did in Berlin. The Western Powers fully expected that a German peace treaty

would be concluded, ending the temporary occupation of Germany as a whole and establishing genuine peace and security in Europe.

But the West had completely miscalculated Soviet intentions at the close of the war and during the early postwar period. The world soon became divided into two major contending ideological blocs as the Soviet Union consolidated its hold over Eastern Europe in violation of its pledged word and stirred up a global campaign of hatred against the West. Immediately, Germany became a battleground of the cold war. Hopes for concluding a peace treaty, slowly dissipating by early 1946, were almost completely dashed by the time Stalin had established the Cominform in 1947. The direct challenge to the West's position in Europe, particularly in Germany, came with the Berlin blockade of 1948–1949. Soviet Russia's brash action set into motion forces that brought about a complete shift in Allied policy toward Germany. Countermeasures had to be taken against growing Soviet power in East Germany and throughout Eastern Europe. Thenceforth, the West was determined upon a course to bring West Germany into the North Atlantic Alliance system. This was finally accomplished in 1955.

During the years of growing tensions since 1945, West Berlin unavoidably became more and more a vulnerable outpost of the West lodged in the heart of Communist Eastern Europe. The Berlin blockade of 1948–1949 demonstrated that the Western position was maintained only on the sufferance of the Soviet Union. The supply corridors through Eastern Germany have always provided a convenient source for harassing the West. And, the Soviets have never been reluctant to avail themselves of this opportunity. On the other hand, West Berlin, emerging from a mass of war ruins, prosperous and genuinely democratic, contrasted markedly with the dismal failures of the Soviets in the East Sector. Mass riotings in 1953 and the constant stream of refugees, pouring from East to West, attested to the high degree of uncertainty of life in the Communist Zone and underscored dramatically the powerful influence emanating from West Berlin.

West Berlin was a monument of freedom and democracy along the outer periphery of the Soviet Empire; it was a rebuke to communism and all its works; it was a defiant reminder to the Soviet Union of our pledged word to our allies and of our determination to oppose communism.

The situation in Berlin has been fairly tranquil during the period from the harassments of 1955 to last autumn. As Senators know, Khrushchev then precipitated the issue in notes to the Western Powers. Subsequent exchanges of notes between Moscow and the Western capitals have increased tensions. Mutual recriminations, charges and countercharges, threats and counterthreats have created an atmosphere of fear and frustration, anxiety, and anger. The very nature of communism suggests that this is the desired political atmosphere in which to press the present Kremlin demands. Nathan Leites, in "A Study of Bolshevism," 1953, alerts us to the attitudes and methods of our adversaries as follows:

> To Bolsheviks, high tension is the normal state of politics. They do not experience it as something that just cannot go on, but rather as something that necessarily persists. What Westerners call a real agreement seems to Bolsheviks inconceivable. It is often predicted in the West that if particular issues * * * could be settled with the Politburo, an easing of the overall tension might ensue. For Bolsheviks, this does not follow. There might be less noise, but the basic situation—the presence of two blocs attempting to annihilate each other—would be unchanged.

Shifting Soviet lines on the German question reflected in recent exchanges and in statements by Khrushchev have confused the issue, compounded the complexities, and created a climate of crisis. Leites refers to the alacrity and purpose with which the Soviets are able to change position. He says:

> Westerners have often commented that there is, in negotiating with the Soviet Union, no common search for a solution to common problems, no discussion in the Western sense of the term; the Soviet delegates elaborate or change their position in strict isolation and then present it in dogmatic fashion. They rarely take account of the views and objections of the other side.

From the maze of confusion, however, discernible lines of policy and intended action emerge which involve four centers of power: the Soviet Union, Great Britain, an evolving alliance between France and West Germany, and, finally, the United States.

Let us first examine the Soviet position. Fundamental to current Soviet policy in Germany is the demand for Western acceptance of the long-held Soviet plan for reunification to be accomplished through a confederation of the two Germanys with eventual reunification under Soviet terms—terms, it should be added, which would insure the communization of all Germany. Khrushchev now demands that the West give up its position in West Berlin and sign a peace treaty with the two Germanys, which would then take the first step toward confederation. If the West refused, Soviet Russia would sign a separate treaty with East Germany, then, in open defiance of agreements on Germany, turn over to the East Germans control of the Western supply lines to Berlin. During the past few days, however, Khrushchev has changed his position on Berlin, but not fundamentally. The Soviet Premier now holds that the West could maintain some troops in West Berlin, if the Soviets could do likewise. The intractable Mr. Khrushchev calls this modification a compromise. At least, he, apparently, is retreating from the extreme position he had at first taken in November. But we must be ever wary concerning what may appear to be a concession or a modification of position or a retreat. In this connection, Lenin wrote:

> Revolutionary parties must go on learning. They have learned how to attack. Now it is time for them to realize that this knowledge must be supplemented by acquiring a knowledge of how best to retreat. We have got to understand (and a revolutionary class learns this by bitter experience) that victory can only be won by those who have learned the proper method both of advance and retreat. (Works, Russian edition, vol. XVII, p. 121.)

Stalin, in one of his lectures in 1924, explained the purpose of such retreat in this way:

> The object of such strategy is to gain time, to scatter the forces of the enemy while consolidating our own for a future advance.

The Western position in this crisis is not yet solidly united. While the range of difference is far from clear, it does seem to shape up into three separate approaches. I think it is fairly obvious that the British Government is moving toward a position that the West should negotiate with the Russians and earnestly try to find new ways to ease tensions over Berlin and settle the problem of European security. On returning to Britain from visiting the Soviet Union, Prime Minister Macmillan placed special emphasis upon the need for negotiations within a broader context and in a mood of greater flexibility. Presently, he is engaged in a series of missions to the Allied capitals, trying to seek an adjustment, and at this time he is visiting with the leaders of our own Government. Apparently, the Prime Minister will urge negotiations with Soviet Russia on the German question, even at the summit, and also suggest the possibilities of some form of demilitarization or of "disengagement" of military forces in Central Europe.

We must not permit ourselves to forget, however, the awful sequel to the course of appeasement followed less than a quarter of a century ago by another learned British Prime Minister, Neville Chamberlain. While the present Prime Minister must be commended for his noble efforts to find a way out of the present crisis, nevertheless he appears to disregard the lessons which the free world should long ago have learned regarding Communist methods and tactics, and the zeal with which Communists use these techniques to further their expansionist aims. The modern student of history and economics will have little difficulty discovering for himself where Communist theory departs from the most elementary aspects of reality, and he will readily perceive that the tools of Communist thought are complex devices which are completely foreign to the tools of thought ordinarily used by freemen. With a little effort they can be understood, in the light of past history. So it is little short of amazing to find that apparently some of our British friends continue to measure the Soviet leaders according to Western standards of values. If the West is to deal successfully with the intricate twistings and turnings of Marxist strategy, there must be an understanding of Communist tools of thought, philosophy, and motive.

On the other end of the allied spectrum are the French and West Germans. General de Gaulle and Chancellor Adenauer do not subscribe to the apparent optimism of Mr. Macmillan in negotiating with the Soviets. Both have not concealed their displeasure at the British attitude since the Prime Minis-

ter's Moscow trip. It is now apparent that the French and the West Germans are drawing closer together in a common policy of resistance to any scheme for disengagement which, in the view of Dr. Adenauer, would be disastrous for Western Europe.

Where the United States stands within these disparate positions of its allies is difficult to determine. On the one hand, the President and other leaders in our government have asserted their determination to hold fast in Berlin until the German question and the problem of European security are acceptably resolved. That the United States will risk war to maintain its position of no retreat in West Berlin has been unequivocally stated by the President. Yet, the administration seems determined to avoid the appearance of inflexibility, and has been searching for a basis of negotiations to end peaceably the stalemate. While presently the United States appears to lean toward the British view of reaching an understanding with the Russians, the Americans are less sanguine than the British about the fruits of such a discussion.

As expressed in the February note to the Soviet Government, the Western position is clear, at least on basic principles: All reject the Soviet proposals for making West Berlin a free city and ending the Western occupation, and concur in the view that a foreign ministers' conference should be called to discuss the broad, general problems of Germany and European security, with representatives of both East and West Germany present. But the responses to the recent Soviet note and methods contemplated in approaching the problem are, however, not quite so clear. On their part, the Soviets have countered with the proposal for a foreign ministers' conference, limiting the discussion to only the Soviet plan for demilitarizing Berlin and the signing of a peace treaty with the two Germanys. As yet, the West has not responded to these proposals. The notes are in preparation; but clearly the West cannot accept wholly the Soviet demands, since acceptance of an agenda so circumscribed would, in effect, mean capitulation to the Soviets and complete disintegration of the Western position in Germany.

In a discussion of this matter, the question naturally arises, Why did Khrushchev provoke the crisis in the first place? I think it is clear that the Soviet Premier acted out of fear of both Germanys—East and West—and their particular relationship to the Soviet bloc. In the first place, the Russians have a pathological fear of the resurgence of German military power. The main thrust of the Soviet political line in the last decade has been aimed at thwarting the rearmament of West Germany, although the Soviets had provoked such responses from the West by their militarization of East Germany. The Russians worked desperately in trying to bring global opinion to bear, through their propaganda apparatus, hoping to prevent the agreement that brought West Germany into NATO. When in May 1955, that development proved inevitable, Moscow launched a vigorous peaceful coexistence campaign to shift the Western trend, highlighted by concluding the Austrian treaty and meeting the West at the summit in Geneva. The failure to change the mood of the West provoked the Russians to attack strenuously the plans of NATO to establish nuclear missile bases in West Germany and throughout Europe. The failure to deter the West from German rearmament appears to have compelled Khrushchev to force a settlement of the German question by provoking the Berlin crisis.

Still, fear of Eastern Germany also seems to have entered into Khrushchev's motivations. It has long been known that East Germany is seething with discontent. The riots of 1953 demonstrated its vast dimensions; and, surely, the Hungarian and Polish crises of 1956 must have added considerably to Soviet anxieties over their uneasy satellites. According to recent reports from London, Prime Minister Macmillan realized for the first time, in his talks with the Russians, the depth of Soviet fears. The Prime Minister apparently came away from his meeting with Khrushchev convinced that the stabilization of the Soviet hold in East Germany was one of the top priorities, if not the top priority, for Moscow. Only when the West has withdrawn from West Berlin and when all Berlin has been made the capital of the East German Republic would the Russians, apparently, feel secure in their position in East Germany, and have less anxieties over the political incorruptibility of their satellites in east-central Europe.

By provoking the Berlin crisis, Khrushchev could make the allies come to terms—perhaps not on all Soviet terms, but at least on the question of Berlin. This appears to be his short-range objective. But the long-range objective seems to be the settlement of the German question, again largely on his terms. In one sense, the Berlin crisis is a subtly contrived psychological thrust intended to set off a chain of responses that would lead to broader settlements on Germany and European security. Khrushchev cleverly created the extreme situation in his demands of November 1958—demands the West probably never thought he would make. He shocked the Western nations into thinking about negotiating an immediate settlement. He gave the West only one alternative: the use of force, an alternative the West would be reluctant to use, since force in Berlin could lead to nuclear war. The next phase of his tactics appears to have already begun—that is, to lessen the extremity of the situation, in this case the ultimatum of May 27, at which time the issue would be clearly drawn, by seeming to offer reasonable points for negotiation. Khrushchev seems to be searching for means to relax the crisis he had purposely created by offering apparent compromises which shall stop at a line far in advance of any position the West had ever been willing to accept before. And the West, seeking to avoid an open clash over Berlin which imposes the risk of nuclear war, shall no doubt be compelled by existing limited alternatives to accept if not all what the Soviets will bargain for, at least far more than what they were ever before willing to concede.

Khrushchev's dangerous maneuver in Berlin is a cleverly contrived form of diplomatic blackmail in which he has all the advantages: position, maneuverability, and irresponsibility.

Furthermore, Khrushchev wants a summit conference. That seems to me to be an obvious motivation in his provoking this crisis. A summit conference would provide him with a vast public platform from which to influence and enlist world opinion in settling the German question on his terms. It will be difficult for the Western Powers to persuade world opinion that their legal rights in West Berlin and Western Germany, are just and legitimate, assuming that world opinion is important in international relations, while Khrushchev is able to make the simple appeal: Let the Germans solve their own problems. Also, even limited success at a summit conference would be a crowning achievement for Khrushchev. He could then no doubt command stronger loyalties from the Soviet people and most certainly could advance another step in establishing his uncontested authority over the entire Soviet system.

Mr. President, I think we must be extremely cautious of the dangers involved in a summit conference. I am not a member of the Senate Foreign Relations Committee, but I have had 6 years of service on the House Committee on Foreign Affairs. Perhaps I should even disregard this limited experience, and say that I speak as an average citizen of the United States and for the average citizen. Speaking in this capacity, I am concerned about the many suggestions that are again being made that we go to a summit conference. The pressure for another summit meeting finds substantial support in Britain and, as I have already indicated, it is already rearing its ugly head in our own country. Our record at previous top-level conferences with the Soviet Union strongly suggests the inadvisability of another venture at the peak. At Teheran and Yalta certain agreements were made, many of which were subsequently broken by the Soviet Union, and some of which we lived to regret. At Potsdam there was another summit parley. Again some of the agreements made were broken by the Russians, and others were regretted by the United States. Former President Truman, in Wednesday's Washington Post, refers to the Potsdam Conference and he voices his misgivings regarding the prospects of a future meeting at the summit, and I desire to quote him at this point:

> I hope that a foreign ministers' meeting can be held in an effort to make a fresh start to deal with the problems of Berlin and Germany. If a meeting at the summit is for the purpose of affirming and furthering the constructive actions taken at the foreign ministers' level—all well and good.
>
> But since the Potsdam Conference where the agreements made were immediately violated by Stalin, meetings at the summit have proved useless.

Mr. President, these are the words of one who, by his vast experience in dealing with the Soviet leaders, learned long

ago that they cannot be trusted and that their agreements are worthless.

Most fresh in our minds, of course, is the Summit Conference of the Big Four in Geneva in July 1955. This high-level parley in the diplomatic Alps engendered great expectations among the peoples of the free world.

The single most specific agreement made at Geneva was on the German question. The Four Powers declared it was their purpose to settle "the German question and the reunification of Germany by means of free elections" which "shall be carried out in conformity with the national interests of the German people and the interests of European security."

As Mr. Dulles has said, the Soviet Union has failed to keep this solemn pledge, and on November 16, 1955, the Foreign Ministers of France, the United Kingdom, and the United States said that negotiations on the German question had reached a deadlock because the Soviet Foreign Minister insisted on a German policy "which would have involved the continued division of Germany as well as the eventual dissolution of the Western security system." In a letter dated February 28, 1958, the Soviet Foreign Minister Gromyko tore up the final scrap of the Geneva agreement when he said the German question "is a question of relations between the two existing German States."

Mr. President, I was unalterably opposed to our participation in the 1955 Geneva Summit Conference. The Scriptures admonish us in this fashion:

> Be ye not unequally yoked together with unbelievers, for what fellowship hath righteousness with unrighteousness and what communion hath light with darkness?

Yet, this is exactly what we were permitting ourselves to become a party to. The Soviet leaders are atheists, and I was taught a long time ago, when I stood at my mother's knee, that one simply cannot do business with the devil. Nevertheless, some of our leaders felt otherwise. Some writers were able to whisk us out of the atomic and cobalt age and into the glorious age of rose-colored glasses. Everything was suddenly sweetness and light. There had virtually been a recognition of the status quo; the bear was not really a bad bear after all; everybody was buddy-buddy; and, following the summit conference, some of our British friends were of the opinion that "there ain't gonna be no war." A magic had been exuded from the conference which far excelled anything that could be found in the Arabian Nights and, borne upon the wings of soft breezes drifting down the slopes from the sunset summit, occult powers completely overcame some of the crystal gazers who were felled at a single stroke of the wand. Like a breath of fresh air, however, it was satisfying to find that a few writers refused to follow the white rabbit into the land of imagery; on the other hand, they showed a determination to study the facts realistically and relate the real results of the conference to the American people.

To those who may suffer the illusion that the real nature of international communism can be changed by any new show of amiability and affability put on by a Russian delegation at a summit conference, one might only point to the announcement, which came on the heels of the 1955 Geneva adjournment, that the Soviets were increasing their military forces in East Germany. Then, too, the Israeli plane disaster, in which more than 50 persons were shot down by Bulgarian Communists, only conformed to the Russian pattern of committing overt, violent acts in order to demean the United States before the eyes of the world. "So sorry," said the Bulgarian Communists, and they felt that they had atoned for their trigger-happy brutality. One must not forget, too, that it was virtually on the eve of the Geneva Conference that the Russians shot down one of our American planes over international waters, inflicting severe burns upon a number of American boys, scars which some of the victims will carry to their graves. In that instance, the Soviets quickly assumed the partial responsibility, a development, based upon past experience, that warranted the sound conclusion that they knew it was their full responsibility. Our State Department made a hasty agreement, accepting the Soviet offer to pay for the damages.

I merely mention these incidents at this juncture to point up the sorry standards of measurements we are using in our official dealings with the Russians and to stress the fact that our sincere desire for peaceful relations with the Communists will carry us into serious danger unless we base our reckonings and policies on realism.

Mr. President, the American people, without regard to political party, would literally have thrown their hats in the air with joy, if the Geneva Summit Conference in 1955 had produced any real, sound basis for peace in our day. But all of the smiling and hail-fellow-well-met show at the summit failed miserably to alter the totalitarian Soviet structure. The satellite peoples are just as captive after Geneva as they were before the 1955 Summit Conference. There is no plan for the Soviet lifting of the ban against freedom of worship. The loved ones of the thousands upon thousands of politically imprisoned foreign nationals have less hope now for the release of their relatives than they had before the 1955 Summit Conference. No edict was issued by the Kremlin for its subversive agents everywhere to cease and desist in their foul efforts to undermine national governments throughout the free world.

What really emanated from the Geneva meetings, Mr. President, was a vast flood of propaganda, all aimed at showing that the prospects of peace were soaring because Bulganin and his company exhibited party manners, that good fellowship was generated with the aid of cocktails and caviar, that a new climate had been produced, and that from there on everything was going to be "just ducky."

Once we had gotten out from under the terrific barrage of propaganda bilge, we discovered that the all-vital, all-important problem of German unification still was unsolved, and it is unsolved today. Mr. President, it is most disturbing to look back upon the fruitless Geneva Conference of 1955 and to wade one's way through the sea of phony claims being made for another summit conference. America has always gone to international conferences with good intentions, but only too often she has returned with scraps of paper, agreements which have been violated and broken by the totalitarian signatories. Intelligent realism is the need of today. I regret to say that, despite the vast library of unhappy examples to the contrary, there appears to be a substantial number of our policymakers who still mistakenly believe that a submissive type of conciliation promotes reasonable responses from the Communists. The plain fact is that the Communists—always and everywhere—mistake reasonableness for weakness; they have only contempt for softness, and they ruthlessly exploit anything that looks like indecision and vacillation.

The Russian dictum on all of this is plain and has been plain for a long, long time. The Marxian dogma and the policies of Lenin and Stalin are firmed to unremitting war on the democracies, not necessarily a war in the military sense, but a war of doctrinal tactics, of infiltration and subversion, of economic piracy, and the stimulation of moral chaos. For Lenin has said:

> We are living not merely in one state but in a system of states; and the existence of the Soviet Republic side by side with the imperialist states for a long, long time is unthinkable. One or the other must triumph in the end.

The Russian leaders, of course, change their tactics from time to time, as I have already indicated. But they have never departed from their historic objective of world domination. In 1923, Lenin, the high priest of Communist strategy, described the struggle between communism and the non-Communist world in these words:

> In the last analysis, the outcome of the struggle will be determined by the fact that Russia, India, and China, etc., constitute the overwhelming majority of the population of the globe. And it is precisely this majority of the population that, during the past few years, have been drawn into the struggle for its emancipation with extraordinary rapidity—there cannot be the slightest shadow of doubt what the final outcome of the world struggle will be—the final victory of socialism (communism) is fully and absolutely assured.

That was 35 years ago. Lenin prophetically foresaw the importance of China and India in the world struggle, perhaps more clearly than we saw it.

On December 26, 1922, in his report to the 10th All-Russian Congress of Soviets, Stalin declared that the decision to form a Union of Soviet Republics was "another decisive step toward the amalgamation of the toilers of the whole world into a single world Socialist republic." A few years later, Dimitri Manuilsky stated the objectives as follows:

> War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we

shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist.

The handbook of Marxism sets forth the Communist objective in the section on the program of the Communist International. It says:

Thus, the dictatorship of the world proletariat is an essential and vital condition precedent to the transformation of the world capitalist economy into Socialist economy. This world dictatorship can be established only when the victory of socialism has been achieved * * * uniting the whole of mankind under the hegemony of the international proletariat organized as a state.

Lenin outlined the modus operandi for this objective of world domination. He said:

First we will take Eastern Europe, then the masses of Asia. Then we will surround America, the last citadel of capitalism. We shall not have to attack. She will fall into our lap like an overripe fruit.

Quoting Lenin, Stalin has said:

Lenin never regarded the Republic of the Soviets as an end in itself. To him it was always a link needed to strengthen the chain of the revolutionary movement in the countries of the East and the West, a link needed to facilitate the victory of the working people of the whole world over capitalism.

And Stalin supported the view:

For the victory of the revolution in one country, in the present case Russia * * * is the beginning of and the groundwork for the world revolution.

And with the death of Stalin, Malenkov—notwithstanding his professions for a new order of coexistence—revealed his faith in Soviet destiny. He said:

We know firmly that the victory of democracy and socialism throughout the world is inevitable.

I do not wish to labor the point, but it is clear; and, irrespective of changes in strategy, irrespective of current rulers, the key objective of world domination has remained constant.

Mr. President, in his speech to the American people on Monday night, the President of the United States referred to a summer meeting at the summit, and I was pleased to note that such a summit meeting will likely materialize only if future developments justify such a conference. In other words, the President seemed to say that a summit meeting would only occur if it becomes obvious, as a result of lower level meetings, that lasting and beneficial results might accrue from such a conference. If this situation should evolve, then, and only then, would it become worthwhile for us to explore the possibilities of another meeting at the summit. I am doubtful, however, that the Soviets are really prepared for serious negotiation at the summit—or anywhere else—if by negotiation we mean what negotiation has always meant—a genuine give and take, a willingness to give up something in order to attain something of equal or greater value—a willingness, for example, to permit honest and free elections in East and West Germany for the larger objective of greater security in Europe. Since the Austrian peace treaty, what have the Russians been willing to give up in the interests of a larger settlement? They have made certain proposals about giving up nuclear tests and withdrawing their troops from certain central European countries in return for similar concessions from the United States. But upon closer examination these similar concessions are found to be quite dissimilar—they involve unequal sacrifice. Most of the Soviet proposals have been one-sided because they have required much more of us than of the Soviets themselves.

And so, Mr. President, I am not willing to be stampeded into any drive for a meeting at the summit. Of course, talks are necessary to explore the feasibility of negotiations, but if the Russians really want to negotiate, if they really want to engage in genuine give-and-take bargaining, they have countless opportunities through the normal diplomatic channels at the ambassadorial or lower levels. They also have the opportunity to make use of the channels provided by the United Nations.

Even if the Soviets were interested in serious negotiation at the summit or elsewhere, would they keep the agreements reached? The history of the last three decades suggests that they would keep those agreements which were in their interest to keep and would break those agreements which no longer served their interests, if they thought they could get away with it.

The long list of pledges broken by the Soviet Union leads almost inevitably to the conclusion that many of the agreements were entered into without good faith—that is, they were made to be broken like piecrusts.

Let us look at some examples from the sorry record of broken Communist pledges. At the Yalta Conference in February 1945, the United States, Great Britain, and the Soviet Union agreed to help the peoples liberated from Nazi control to solve their political and economic problems by democratic means. The U.S.S.R. has flagrantly violated the letter and the spirit of this pledge by installing Communist regimes in Bulgaria, Hungary, Poland, and Rumania. Also at Yalta, the Soviet Union agreed that the Republic of China should retain full sovereignty in Manchuria. The Russians flouted this agreement by tactics of obstruction designed to hand over Manchuria to the Chinese Reds.

At Potsdam in July 1945, the United States, the U.S.S.R., and the United Kingdom agreed that, subject to the requirements of military security, freedom of speech, freedom of the press, and freedom of religion would be respected in the occupation of Germany. As everyone knows, Soviet authorities in East Germany have curtailed genuine freedom of speech and press by imposing the totalitarian instruments of suppression, censorship, and secret police. Basic legal and political rights have been the victim of authoritarian edict and one-party control, with the inevitable result that a puppet regime has been installed.

On July 27, 1953, a Korean armistice agreement was signed by representatives of the Korean People's Army and the Chinese People's Volunteers on the one hand and the United Nations Command on the other. On July 11, 1955, the United Nations Command, after detailing seven pages of specific incidents, charged that the Communists had flagrantly violated every basic provision of the armistice agreement by a willful, deliberate, and illegal buildup of their military forces which demonstrated their aggressive intent of acquiring a favorable military position over the forces of the United Nations Command.

I have already referred to the German agreement made at Geneva in 1955, which the Soviets have thrown on the mounting heap of broken promises.

So I can only look with the strongest suspicion upon any new proposals for a summit conference with the Russians.

High-level conferences impose serious limitations upon genuine negotiation. In such public spectacles the diplomats are subjected to the shifting moods and emotions of the public and various pressure groups. Under these conditions, the diplomats are tempted to make propaganda speeches rather than to get into the hard bargaining which is the very essence of negotiation. Subject to the glare of publicity and to public pressure, it is difficult for the diplomats to make the necessary concessions for a viable settlement. This makes for rigidity and dries up any liquid assets the diplomat may have had at the outset of the negotiation.

Summit diplomacy tends to create unwarranted and unrealistic expectations in large segments of the public. When these great expectations go unfulfilled, the public mood often shifts from unjustified optimism to equally unjustified pessimism. The failure of an international conference tends to cast discredit not only upon the conference, but upon the diplomatic process itself. The Eisenhower administration and segments of the press must share the blame for the psychological backwash which resulted from their overselling of the Big Four Summit Conference in 1955.

Summit diplomacy tends to undercut the solid, steady, and quiet work of ambassadors and other members of the diplomatic corps. To be effective, negotiation must be continuous, confidential, and patient. Public diplomacy tends to be hasty, spasmodic, and public-relations conscious. Direct negotiation between heads of state, or even foreign ministers, has certain inherent weaknesses.

The noted British diplomatic historian, Sir Harold Nicolson, has this to say about summit diplomacy:

A minister who flies to a foreign capital to undertake negotiation is inevitably short of time, ill equipped in technical knowledge, subjected to great publicity, and inclined to conclude some vague and meaningless agreement rather than to return emptyhanded to his home. More misery has been caused to mankind by the hurried drafting of imprecise or meaningless documents than by all the alleged machinations of the cunning diplomatist.

These are a few of the perils in summit diplomacy. By adequate preparation it may be possible to avoid some of the pitfalls, but others are inherent in public diplomacy itself. At best, the risks are great. There is little need to elaborate further on the subject of the summit conference. I believe that the Russians would only use such a conference for propaganda purposes, and that it would be highly detrimental to the security of our own country and the future safety of the free world. Under such circumstances, and until the atheism of Communist leaders is replaced by belief in an omnipotent and omniscient creator and respect for human and divine laws, I must in all sincerity state that I am against a summit conference. If however, the leaders of our country finally determine that we shall participate in such a conference I beseech them that it only be held after prior lower level conferences and diplomatic activities have given reasonable assurance that agreements have been arrived at which will be kept and honored by the Communists, agreements which we as Americans can honorably and conscientiously adhere to, agreements which will give reasonable hope to the peaceful aspirations of freedom-loving peoples everywhere, agreements which will be dedicated to the ultimate renewal of liberty where it is now denied in Hungary, East Germany, Poland, and other subjugated countries. When such agreements, by prior lower level negotiations, can be assured, then, and only then, shall I favor a summit conference for the ratification of such agreements. I do not believe, however, that such assurance is forthcoming, for the class struggle, to the Communist, is not a struggle which can be negotiated. It is a struggle which cannot eventuate in peace until the capitalist class has been exterminated or liquidated. The conference table is just one more place where war is carried on, and it will be used by the Communists, as it has been used heretofore, as a place where they may maneuver themselves into the best available position for continuing war.

I compliment President Eisenhower for his exercise of restraint in approaching future summit conferences.

In the event, however, that a foreign ministers' conference and subsequently a summit conference are held, what are the alternative courses open to the West? For the West, two alternative courses exist in any discussion of the German problem and European security. I call one alternative, for the want of a better word, the soft line. This line has been identified with disengagement. The other alternative is what I call the hard line; that is, one of firmness and inflexibility and perhaps even a desire to maintain the status quo at worst and at best accept solutions only to the irreducible minimum of Western terms.

Let us first examine the principle of disengagement. Suggestions for disengagement have generally been focused on the idea of withdrawing military forces from an agreed zone, restricting nuclear weapons, and neutralizing the area under a system of guarantees. Plans for disengagement have been suggested by Sir Anthony Eden, Hugh Gaitskell, George Kennan, and Polish Foreign Minister Adam Rapacki. All vary in degrees of realism and acceptability. The Eden plan is the most reasonable and acceptable, since it links a genuine political settlement of Germany with a broader plan of disarmament. The others lack realism. The heart of the disengagement argument is as follows—and here I have in mind Kennan's ideas and those of others equally as unrealistic and unacceptable: Withdrawal of military forces from Germany and withdrawal of West Germany from NATO and East Germany from the Warsaw Pact would satisfy Soviet apprehensions over revival of German militarism and thus, by easing tensions in Europe, would prepare the way for a genuine settlement of European security. The German question, the central problem of our era, would be resolved by neutralization and denuclearization. Reunification could come about peacefully, perhaps, in the form of a confederation. As a consequence, Europe, would, presumably, enter a new era of peace, something akin to the Locarno spirit during the interwar period.

On the other hand, the alternative "hard" course collides directly with the notion of disengagement. Supporters of this course, among whom I align myself, would argue that the underlying assumptions of disengagement are based on an unrealistic appraisal of Soviet intentions and aspirations. It is assumed that disengagement is negotiable and is in the Soviet interest. It is difficult, however, to reconcile this assumption with the inevitable results of disengagement which compel Russia to sacrifice certain strategic positions in Europe, thus leaving its frontiers exposed to harassment by potential enemies. Clearly, Moscow would not negotiate away its security in such a cavalier manner. The Russians have now a solid *cordon sanitaire* in Europe by holding East Germany and the satellite states. It is hardly likely that they would feel more secure if this sensitive area were exposed to penetration by their only potential enemy, the West, in some scheme of neutralization. Disengagement also denies or ignores the deep-rooted ideological motivation of Soviet foreign policy which is inherently expansionist and aggressive and looks upon withdrawal as a strategic retreat in the face of inevitable defeat.

I should also like to stress the point that disengagement maximizes the danger of war rather than minimizes it. Neutralization is basically unrealistic. It would establish a dangerous power vacuum in the heart of Europe. Great powers, and certainly the U.S.S.R., are not self-denying when their interests are at stake, and power vacuums have a way of being filled by nations whose interests are most deeply involved. Doubtless, the days of any neutralization of central Europe would be numbered under any disengagement plan with Soviet Russia. Moreover, can one expect with any assurances that a guarantee of neutrality near the rimland of the Soviet Union would quiet Moscow's fears of insecurity and also negate four decades of ideological conditioning which has provided a paranoic dread of "capitalistic encirclement"?

Disengagement also assumes that neutralization is possible. Yet, I seriously question whether 161 million people in central Eastern Europe can be neutralized. The Germans and Slavs are dynamic peoples. Is it not unrealistic to expect that they would long tolerate a destiny of inactivity? Is it possible to quiet the turbulent political instincts of a people who for centuries have been the power centers on the European Continent? The case of Austria is often cited as a valid argument for neutralization. But, I submit, vital Soviet interests were not involved in the "Austrian solution," in anything approaching the degree that they exist in East Germany and its bordering states. Soviet Russia, apparently, conceded in Austria because such a solution suited the prevailing objective in Soviet foreign policy, that of advancing peaceful coexistence and, more specifically, promoting the Geneva Summit Conference.

Also related to disengagement are the political, logistical, and psychological obstacles that would no doubt have to be surmounted if U.S. military forces were to return after a period of withdrawal from Europe. The unfavorable psychological impact of withdrawal and return, and the problem that arises in democracies in manipulating mass opinion to support such a move, can create serious difficulties. Withdrawal would, moreover, probably strengthen those quasi-isolationist forces who advocate the "fortress of America" concept of defense.

Disengagement would also weaken the Western alliance system. Of this there can be no doubt. It would atomize Western Europe, weaken the will to resist collectively, and encourage false hopes of negotiating separately with Soviet Russia to seek an illusory advantage. No doubt it would also induce a false sense of security in Europe, an illusion of genuine peace and security which could lead to further demands in Europe, Africa, and elsewhere for the dismantling of American bases. I should also like to stress the point that in disengagement the United States gambles with the possibility of losing Western Germany as an ally. Basic to any effective Western defense system is enlistment of the great resources of manpower and material of West Germany. Neutralization would require withdrawal of West Germany from NATO. In this event, NATO would have lost its most formidable European ally, the ability of West Germany to defend itself against future Soviet aggression would have been radically reduced, and Eastern Europe would probably be irretrievably lost.

We could never take such dangerous risks that disengagement offers, and with no compensatory advantage.

The supreme irony of disengagement lies in the fact that it seeks to contain Germany. Fears of its supporters are focused upon the resurgence of German militarism at some future date. They are bedeviled by a myopic fixation that power relationships can never change

and that the enemy of yesterday can never be the friend of tomorrow. They do not seem to realize that the danger to the free world is not Germany; rather, it is the Soviet Union—the Soviet Union yesterday, the Soviet Union today, the Soviet Union tomorrow. Ironically, supporters of disengagement have actually been deluded by Soviet propaganda which in the past years has stressed again and again fears to European security with the revival of German military power.

As a practical policy, disengagement is dangerous; it offers no solution, but only an illusion. The struggle among powers cannot be suddenly resolved by some simple formula. This is a continuing struggle for basic interests that is rooted deeply in the relationships between man and his universe.

The other approach to the solution of the German problem and European security, which I call the "hard" alternative, gives the impression of apparent inflexibility and seeming acceptance of the dangerous status quo. Yet, is it not arguable that such a position, though not entirely accurately described, is broadly valid? We can never hope to solve the great problems of foreign policy by some magic formula such as the supporters of disengagement seem to believe. An intelligent, sound foreign policy is a matter of managing problems, seeking alternatives, and searching for ways to achieve our best interest. I am convinced that a firm policy in Berlin and West Germany is intelligent and sound and that we cannot accept any plan for demilitarizing Germany that is not linked with a genuine political settlement. Such a settlement must be consistent with the general principles of our postwar policy toward West Germany. It seems to me that we cannot deprive West Germany of its right to freedom, nor can we deny the West German people their right to accept a system of Government that conforms to their own wishes, nor can we deprive the West Germans of the natural right of self-defense. We cannot in all conscience accept a settlement in Germany which does not insure acceptance of these principles. To compromise on these principles is not a mark of flexibility; it is folly compounded by stupidity.

The illness of the Secretary of State complicates our role in this crisis. Until a decision is made upon Mr. Dulles' tenure, the lines of responsibility and authority will continue to be diffused and confused. It is regrettable that the Secretary is stricken at a time when his skill at negotiations, his breadth of vision, his depth of understanding, and, most of all, his realism in international relations—especially in evaluating Communist tactics—are so desperately needed. We are, however, presently suffering from the imprudence of personal diplomacy.

Mr. Dulles has failed to build up an adequate staff system in the State Department. We have been compelled to rely heavily upon Mr. Dulles and his solitary judgment in formulating policy. So has the President, and his present difficulties in grasping the details and implications of the Berlin crisis demonstrate the administrative weakness in the conduct of our foreign policy. Mr. Christian Herter has been trying to fill the administrative gap, but even here I have some serious misgivings on two counts. It is axiomatic that authority and responsibility cannot be divided; both must be fused in one person and in one office. The present arrangement violates this principle. Certainly, the results will place great strains on the formulation of policy. Another source of my misgivings is the report in the press that Mr. Herter is sympathetic to the British approach to the Berlin crisis and negotiations with the Russians. Now is the time for firmness, it seems to me, and I wonder what are the outer limits of flexibility in Mr. Herter's thinking on the German problem, and to what extent he will resist pressures from abroad.

Clearly, a balance of two forces exists abroad that adds further to the problems facing our policymakers. Both of these forces fit into the dual pattern of a "soft" and "hard" approach to the current crisis. Prime Minister Macmillan has been and will undoubtedly continue to be tempted to exploit the present situation for domestic political advantage. Domestic political pressures upon him are considerable in view of the coming British election. It may be that, in search for a dramatic issue to sustain the Conservatives in power, the Prime Minister may be willing to make concessions, not necessarily in principle, but for the purpose of conducting the negotiations. This may well have serious consequences; it may give the Russians unwarranted and mistaken optimism in the fragility of the Western alliance and thus encourage them to press a harder bargain; it may also endanger the unity of the West, indeed as the Prime Minister's conciliatory attitude is already doing.

The other ally to the Macmillan approach to the German problem is the Social Democratic Party of West Germany. In search of domestic political issues the Social Democrats have stressed the need for greater flexibility in dealing with the Russians. They have hammered away persistently at the Adenauer government on this point. Perhaps, it is unrealistic to expect them to do otherwise, for politicians thrive on power and the drive to attain it. Yet, the future of Germany and the West is at stake here. This issue, it seems to me, should transcend party politics. Pressure for flexibility generated by this group has undoubtedly had an effect upon the mood of the West German people. It has certainly influenced persons in the United States and Great Britain who seek allies for their disengagement argument. On the whole, they may well constitute a great pressure upon our State Department during this crisis.

At the other end of the diplomatic spectrum, counterbalancing the pressures for the "soft" approach, are the Adenauer and de Gaulle governments. It is refreshing to see the realism with which they have viewed this problem. Dr. Adenauer is a wise and thoughtful man. An elder statesman in the truest sense, the Chancellor has the perspective gained by living German history since the days of Bismarck. He has seen the glories and the tragedies of his people, and he is now determined that Germany shall play a constructive and positive role in international relations befitting a great nation. The Chancellor sees the folly of disengagement and negotiations on terms with Soviet Russia which would lead to the ultimate destruction of his nation, the subjugation of his people, and the loss of Germany as a free, independent, and democratic state. Wisely, the Bonn Government maintains the principle that any limitation of military forces must be linked with a genuine political settlement for all Germany.

Thus, our policymakers are faced with great difficulties. Three of our allies are at polar opposites in this crisis—the British at the one end, and the French and West Germans at the other. And although we are, apparently, inclining toward the British view, yet the alignment is still very much in a state of flux and shall not be firmly fixed for days or perhaps weeks. This raises the problem of coordinating and adjusting the differences among the Western Powers; and while they are not now insurmountable, they are, nonetheless, great, and, in some instances, profoundly deep.

The final danger facing our policymakers is inherent in the problem of military preparedness and the processes of negotiations. It is distressing that our extended commitment in West Berlin has not had equivalent support in military strength. Only last week, Gen. Maxwell D. Taylor, the Army Chief of Staff, underscored our lack of preparations before the Senate Preparedness Subcommittee. Viewing the problem realistically, the Russians have us militarily over a barrel. We have not the resources immediately available to carry out an effective defense of our commitments should an attack come on the ground or should trouble appear in other parts of the world.

Our reliance is almost totally upon massive nuclear retaliation. The President has already said that we would never fight a ground war against the Soviet Union, and he refused to rule out a nuclear war if hostilities developed over Berlin. Senators can draw their own conclusions.

But what alternatives are open to us if the East Germans and Russians provoke a nonnuclear limited war in Germany? Would we run the risk of exposing the United States to nuclear attack by massively retaliating against the Soviet Union in Germany or at some other point?

This is a serious matter and one which our leaders must face up to before the crisis goes beyond our control. That we are sorely unprepared militarily in West Germany is dramatically seen by the alignment of forces. According to Government sources, there are 315,000 Soviet troops in East Germany and 15,000 Soviet policemen; 75,000 East German troops and 45,000 East German policemen. On the other hand, the United States has 4,000 troops in Berlin; Britain and France have an additional 7,000. In addition, there are five U.S. divisions in

the rest of Western Europe, and in all, an estimated 21 divisions of NATO in Western Europe, as compared with 175 Soviet divisions in Eastern Europe. The great danger of our present military position is fairly clear. Yet, it is the effects of our unpreparedness that may well be disastrous for us. Owing to limited alternatives open to us in the Soviet challenge in Berlin, we may well be compelled to accept Russia's demands, not because we want to, but as the only rational and realistic alternative to unleashing a nuclear war. Failure to rely upon multiple deterrence has placed us in an awkward position in this crisis. We are now facing up to the awful consequences of unwise, shortsighted military planning.

Nor are the dangers inherent in negotiating with the Russians any less serious, though their consequences may be less direct and less deplorable. Our experience with the Russians has been sufficient to make us aware of their unreliability in keeping promises. It is a truism that the Russians will keep treaties only so long as they conform to their general political line. The Soviet attitude toward international law, treaties, and agreements is rooted in Marxist-Leninist ideology. According to this doctrine, international law is a part of the superstructure of Communist society, and contributes to the common objective of seeking to establish a universal Communist state. Soviet international law conforms to the prevailing political line, and is thus an instrument of politics. As Lenin once said, "International law is only continuation of domestic policy by other means." The Soviet leaders contemplate life through the prism of Communist theory, and what they see is the ultimate victory of communism and the complete destruction of Western capitalism. Thus, we of the West operate within an entirely different framework than do the Soviets. Our standards of international conduct and accepted customs vary widely. The Soviets have debased the coin of morality. Soviet international law and the Soviet conception of treaties and agreements are basically incompatible with accepted practices in the West. One might, at this point, ask the question: Is there no such thing as Communist morality? Let Lenin answer for himself, as he did in a speech to the Third All-Russian Congress of the Young Communist League, in 1920:

> For us there is no such thing as morality taken outside of human society. Such a morality is a fraud. For us, morality is subordinated to the interests of the class struggle.

To the Communists, then, only those acts are moral which contribute to the building up of a Communist society. When morality has once been defined as "class morality," promises become tactics; and tactics are subject to change without notice.

But, Mr. President, is there no such thing as Communist ethics based on moral and religious principles? Again, let Lenin speak as he spoke in 1920:

> We, of course, say that we do not believe in God and that we know perfectly well that the clergy, the landlords, and the bourgeoisie spoke in the name of God in order to pursue their own exploiters' interests. We repudiate all morality that is taken outside of human, class concepts. We say that this is deception, a fraud.

Mr. President, this is the infidel with whom we are dealing, lower than the rebel archangel, Lucifer, himself. What can one hope to gain by a summit conference and new agreements? Enough agreements have been reached already. They need only to be kept. An enlightening commentary on Soviet agreements is made, Mr. President, by Harry and Bonaro Overstreet in their new and interesting book, "What We Must Know About Communism." I shall read three paragraphs therefrom:

> The Soviet empire rests on broken promises. In 1932, for example, the U.S.S.R. signed nonaggression pacts with Estonia, Latvia, and Lithuania; and in 1934, these were extended for 10 years. Six years later, in 1940, all three countries were invaded and incorporated into the Soviet Union. The satellite empire is a vast monument to the Soviet's disregard of the Yalta Agreement. These are not isolated instances. It would not be an exaggeration to say that they could be multiplied hundreds of times over. For the Soviet Union, since 1917, has entered into literally hundreds of agreements, large and small, and has kept almost none of them.
>
> Even the ideological outposts of empire rest on broken promises. Thus, on November 12, 1933, Litvinoff gave a 4-point pledge to President Roosevelt—as a condition of the U.S.S.R.'s being officially recognized—guaranteeing that the Soviet Union would refrain from all propaganda and organized activity that had as its aim the overthrow of the U.S. Government or the undermining of our institutions. Five days later, however—with recognition accomplished—he released a statement which said, "The Third International is not mentioned in this document. You must not read into it more than was intended." A month later, the Comintern met in Moscow and adopted resolutions which instructed all parties—including the CPUSA—that there was no way out of the general crisis of capitalism other than the one demonstrated by the Bolshevik revolution.
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> In the face of this record, we have no right to ask that our delegates to any summit or pre-summit conference negotiate an agreement with the Soviet Union—on disarmament or anything else—so binding, so proof against bad faith, that we can relax and call the problem settled. Neither do we have any right to ask that they sign any treaty so far-reaching in its terms, and so innocent of objective safeguards, that if the Soviet Union—having had a "breathing space" in which to gather its strength—broke the agreement while we were keeping it, the result would be catastrophic for ourselves and the whole free world.

Mr. President, experience has shown that only when power was equally balanced between the Soviets and their antagonists would they live up to agreements. I am convinced that the Russians can be expected to violate agreements with other States when they consider violation to be in their interest, but only when they can violate them with impunity. The viability of agreements with the Soviet Union would seem, therefore, to depend, in part, upon the capacity of the West to make violation unattractive. It behooves our policymakers, therefore, to be circumspect in negotiating with the Russians; for the promise to be virtuous is not virtue.

Great responsibilities press upon our Government in this crisis, and it is the duty of that Government to assume them responsibly and intelligently. Weeks are passing rapidly by, and yet indifference has seemed to prevail in the administration until very recent days. It is unwise, I know, to arouse the Nation to a point of heated frenzy. Our intentions could then be miscalculated by our adversary, and a massive popular upsurge might well demand action unwisely conceived and dangerous to our national existence. The administration can, however, go much farther than it has, I believe, to emphasize the seriousness of the Berlin crisis. I was very much pleased to hear that the President had finally decided to explain to the American people the nature of this crisis. An apparent abdication of will, a kind of passive fatalism, seems to have found its way into American thought. Consequences of this development could be serious in this current crisis, for once man ignores his God-given power to control his destiny, he lays himself open to manipulation, pressure, and harassment by his adversaries. Failure to face up to the crisis and failure to resist the Soviets in Berlin will, I believe, be the beginning of the end. Western prestige, influence, and strength—and, thus, power—will surely decline, while that of the Soviets will increase; for withdrawal from Berlin under pressure of Soviet blackmail will probably turn loose forces of disillusionment in Germany and elsewhere in the West—indeed, throughout the whole free world. The consequences of this could be disastrous for us.

I am pleased at the position taken by the President in his speech on Monday night, when he indicated that, while we are ready to consider all proposals, and are willing to listen to new ideas and are prepared to present others, we will not foresake the free people of Berlin, nor will we agree to any permanent and compulsory division of the German nation. The President has indicated his intention to stand firm; and, although I have sometimes been critical of him, I support him in taking a firm position. I support him today, Mr. President; I shall support him tomorrow; I shall support him so long as I have the breath and the strength to support him, if he stands firm.

In the present crisis we cannot yield. We cannot forego the challenge of this day for the illusion of peace for tomorrow. Sacrifices of principles now have no reward but the agonies of national disaster in the future.

Let us, therefore, steel ourselves in this supreme moment of challenge. We must be prepared for the worst, hoping that our posture of resolution and strength will deter the Soviets. We must be prepared militarily now, and not when the crisis has passed. Here is the heart of the whole problem: military preparedness. I deplore what I consider to be the complacency of the administration in this vital matter.

Mr. President, I realize that I am not an authority on military matters. But today I am speaking as an average cit-

izen, and for the average citizen. I sincerely believe there has been too much complacency, too much waiting, too much delay, in regard to the vital matter of military affairs. Regrettably, the administration has never understood the simple fact that the balance of world power is far more vital to us than the balance of our budget. Americans should also be more fully informed of the implications of the crisis, especially of the need to meet force with force. The Communists should never have reason to miscalculate the determination of the American people to resist their challenges, nor should they miscalculate the range of bipartisan support in times of national crisis. In a democracy, existence of an informed public opinion is vital; yet, if the administration fails to create an intelligent, informed opinion, it will have difficulty in gaining support for its policies when the time for decision is upon us. Failure to communicate in this way can also mislead the Communists into miscalculating not only the intentions of our Government but also the depth of support of our Government and its policies among the people.

Finally, let us hope that our policymakers will not submit to misguided domestic and foreign pressures to make concessions on Berlin and to accept the concept of disengagement as a solution to the German problem and European security. Now is the time for strength, not weakness; now is the time for determination, not irresolution; now is the time for sound judgment, not imbecility. History is strewn with tragedies of nations unprepared and irresolute in times of crisis. Failure to respond to challenges of crisis and of adversity has reduced the mightiest to impotence, propelling them precipitously down the road to decline and decay.

Mr. President, shall we meet this challenge of crisis now before us? We must decide soon, before it is too late. And, above all, we must prepare.

"When a strong man, armed, keepeth his palace, his goods are in peace."

Mr. YOUNG of Ohio. Mr. President, will the Senator from West Virginia yield to me?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Ohio.

Mr. YOUNG of Ohio. For some minutes, Mr. President, I had felt the impulse to get to my feet, but I waited until the Senator from West Virginia completed his statement. I have a couple of questions to ask of him; but first, I wish to say that today we have listened to a forthright address by the Senator from West Virginia, giving a profound, scholarly, and, in fact, magnificent statement of the situation confronting the American people at the present time.

I compliment him for the service he has rendered to our country in making this address. A few moments ago he asked the question, What alternatives are open to us if the East Germans and the Russians provoke a nonnuclear, limited war in Germany?

May I ask the Senator, Is not the only alternative confronting us to use nuclear weapons against the East Germans and the Russians in that area, and use them in such a manner as to repel and in the hope that they would repel the East Germans and keep West Berlin free, at the same time seeking, of course, to make such a nuclear war a limited war?

That leads me to another question. Coming from a neighboring State, I too, like the Senator from West Virginia, desire, in this type of crisis, to support the Commander in Chief of our Armed Forces. I listened with satisfaction and with a degree of pride to the President's statement to the Nation last Monday evening. The Senator from West Virginia stated, in a better way than I can, that politics ends at the water's edge, and we all want to support our Commander in Chief. Along with that feeling, however, I had the feeling notwithstanding the address of our Commander in Chief to the Nation, it was hinted that if the Communist dictators of the Soviet Union persisted in their attempt to drive us from Berlin we were giving notice that nuclear weapons would be used by us to fight back at them. I am wondering what the Senator from West Virginia has to say on that subject, because we can assume, from the magnificent address the Senator from West Virginia has delivered, that he has given the entire subject a great deal of thought.

Mr. BYRD of West Virginia. I thank the Senator from Ohio. I agree with him, and wish to state that I formed the same impression he formed from listening to the President's statement. I feel that the President has pretty clearly indicated that we would be compelled to fight a nuclear war. I have the distinct impression from his public statement—and I think most of the people throughout the country have the same impression—that we cannot hope to repel, cannot hope to overcome, with ground forces any attack which might develop in that area. The President made no bones about that. The clear implication was that we shall have to resort to nuclear war. The President himself has answered the first question of the Senator from Ohio.

I share with the Senator a strong feeling that the President should have stated categorically and in no uncertain terms that we are ready to meet the Soviets, if we must meet them, with nuclear weapons. I think the time has come when we must let these infidels, these atheists, these international murderers know that the American people are still made of the good pioneer stock which built this country, and which fought a revolution against tyranny. I think it is time to stand firm and speak up in such a manner that no one—the Russians, the British, the Germans, the people of the satellite countries or the people of America—will misunderstand where we stand and what we intend to do.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield further?

Mr. BYRD of West Virginia. I yield further.

Mr. YOUNG of Ohio. The Senator from West Virginia and I agree fully that the dictators of the Soviet Union respect and fear strength. The Senator and I agree fully that this Nation must by its strong action take its proper place of leadership of the free world.

I am sure the Senator feels there was a clear implication in the President's address to the Nation last Monday night. It is my hope there was that clear implication. It seemed to me, as I watched the Commander in Chief of our Armed Forces and listened to his address, that it was in the main a reiteration of what has been said time and again by him in connection with the various crises with which we of this Nation have been confronted because of the aggression of the dictators of the Soviet Union and because of the threats and the continuing cold war waged by the dictators of the Soviet Union.

I should like to ask the Senator from West Virginia a further question. In the judgment of the Senator from West Virginia, instead of having an implication or an inference from our Commander in Chief that at the time of the deadline the dictators have fixed, or at some future deadline they may fix, if they persist in what they have said they are going to do, would it not be better for the Commander in Chief to say to the world that this Nation will resort to nuclear weapons to keep West Berlin free? Would it not be better, in the judgment of the Senator from West Virginia, in the course of the present conferences going on with the Prime Minister of Great Britain, tomorrow or the next day, for the President of the United States as Commander in Chief of our Armed Forces to say in no uncertain terms that we will use nuclear weapons in the Berlin crisis to keep West Berlin free?

Mr. BYRD of West Virginia. Mr. President, I answer the question by saying "Yes." I am very pleased that my delightful friend, the distinguished and lovable Senator from Ohio, takes the strong position he has indicated.

I compliment the President of the United States for his speech of a few nights ago. I have long felt that the President was a man who could, if necessary, stand firm. I saw the evidence of that firmness as I watched the President on television. I think the President should speak out in more and more certain terms and put Soviet leaders on notice, so that there will be no danger of their miscalculating our intentions.

Mr. YOUNG of Ohio. Mr. President, I wish to say finally that as a Senator representing in part a neighbor State who listened to the Senator from West Virginia yesterday and who has listened to the Senator's magnificent address this afternoon in the Senate, I am very happy that the citizens of West Virginia sent him to Washington, D.C., to represent in part that State.

Mr. BYRD of West Virginia. I thank the Senator from Ohio. I assure him that I have no particular pride of authorship in these remarks, except, I wish to say, that they portray my sincere and very strong feelings on this important matter. There may not be very many persons who will even read these remarks of mine. That does not matter to me, from a personal standpoint, but I believe someone has to speak out to express the thinking of the man in the street.

I feel I am close enough to the man in the street to know that the American people, once they have been told the truth and once they have been alerted to the danger, are ready to stand firm.

I do not believe that the American people are going to be stampeded into adopting any policy of compromise or appeasement. I have often said that the people of America are 1 or 2 or 3 years ahead of their leaders.

I appreciate very much the kind words of the Senator from Ohio.

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

Mr. BYRD of West Virginia. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I wish first to compliment the Senator from West Virginia for an excellent, thoughtful, and very cogent address.

I am in agreement with the Senator as to the objectives which he so well states. His opposition to disengagement, to the Kennan theory, is a position which I share. His view that a summit conference should not be held without first having some adequate determination of Soviet intentions to make genuine agreements and assurances that they will keep such agreements is also a position of which I thoroughly approve.

I should like to ask the distinguished Senator from West Virginia a question with regard to his reference to Prime Minister Macmillan. I am not clear whether Prime Minister Macmillan is considering disengagement or some form of demilitarization.

I do know that in discussions with British officials from time to time they have taken the attitude with regard to the Soviet, and even with regard to the Red Chinese, that "We have dealt with rascals before. We are experienced. We know how to deal with rascals. You do not know how to deal with them; and, since we have such experience, we are willing to recognize Red China and we are willing to enter into various discussions with Soviet Russia."

My comment in reply to those distinguished British public officials, when they spoke of dealing with rascals, was: "Look at what it got you."

I have no evidence that we are actually considering seriously disengagement, or some form of demilitarization, even if Prime Minister Macmillan is considering it. Does the distinguished Senator know whether or not that is the position the Prime Minister is taking on his visit to this country?

Mr. BYRD of West Virginia. I cannot categorically state that that is his position. I do not think I have said so in my remarks.

Mr. SCOTT. I did not mean to infer that.

Mr. BYRD of West Virginia. I do not misunderstand the Senator.

I have the impression, from reading the reports in the press, that the Prime Minister is very desirous of finding a way whereby we can sit down with the Russians; and I have the impression that he is desirous of going to the summit.

I have the additional impression that he is willing to yield on many of the important points, to an extent which is certainly far beyond what our leaders have been willing to go in the past. I am afraid that he is traveling along the same disastrous path which has been traveled by one of his predecessors in our own time. I am much concerned lest we let ourselves fall prey to any suggestion that we do anything other than stand absolutely, strictly, and positively firm.

I believe that the Soviets are bluffing; and if they are not bluffing, we might as well get this thing over with now as some time later.

Mr. SCOTT. Mr. President, will the Senator from West Virginia further yield in order that I may pursue another thought, for purposes of clarification?

Mr. BYRD of West Virginia. I yield.

Mr. SCOTT. The distinguished Senator referred to the fact that the Eisenhower administration must share the blame, as the statement goes, for the psychological backwash which resulted from their overselling of the Big Four Summit Conference in 1955.

Aside from the fact that this was the first summit conference at which we gave nothing away, and that no nation or people lost their freedom at this summit conference, I agree with what the Senator has said, that we could not do business with the devil.

I further note that at this conference we did not sell any souls to him, either.

I point out what the Secretary of State said on the 13th of July 1955, at the beginning of the Geneva Conference:

> The Geneva Conference will be a beginning and not an end. It is not to be expected that great decisions of substance will be made there. What is to be hoped is that the Geneva Conference will implement our unceasing quest for a secure and just peace and breathe a new spirit into the future efforts needed to achieve that result.

That statement was made by the Secretary of State just before leaving for the conference. On July 15, 1955, President Eisenhower, far from encouraging any overselling—he having, in my experience, constantly warned against that danger, as he did in his press conference March 17, 1959—said:

> Now for these things there is no easy settlement. In the brief time that this conference can exist, it is impossible to pursue all of the long and tedious negotiations that must take place before the details of these problems can be settled. Our many postwar conferences have been characterized too much by attention to details. * * * Success, therefore, has been meager. Too often, indeed, these conferences have been mere opportunities for exploitation of nationalistic ambitions or, indeed, only for sounding boards for the propaganda that the participants want to spread to the world.

In the press conference of March 17, 1959, the President said particularly:

> The United States and its allies stand ready to talk with Soviet representatives at any time and under any circumstances which offer prospects of worthwhile results.

He further stated:

> We would never negotiate under a dictated time limit or agenda, or on other unreasonable terms. We are, with our allies, however, in view of the changed-tone Soviet note, concerting a reply to that note.
>
> It is my hope that thereby all of us can reach agreement with the Soviets on an early meeting at the level of foreign ministers.
>
> Assuming developments that justify a summer meeting at the summit, the United States would be ready to participate in this further effort.

I agree with the Senator that there should be no summit negotiations unless real and positive gains are made at echelons below the summit.

Mr. BYRD of West Virginia. Does the Senator not agree with me when I say that we shall have to view the statements or agreements arrived at in prior lower level conferences within the whole context, or certainly in the light, of the background of revealing statements of leading Communists through the years, and against the disappointing background of Soviet shattered agreements and Soviet broken promises.

Mr. SCOTT. I agree entirely with the Senator in that observation. I do not believe the Soviet Empire, from its inception, has ever been worthy of trust, or has ever at any time given evidence that it should be trusted.

In his address the Senator from West Virginia quoted statements dealing with events at the time when Mr. Litvinov defrauded President Roosevelt in order to gain recognition, and immediately reversed himself, having gained what he wanted.

The wonder is that we ever, at any time, seriously believed Soviet words when not accompanied by effective deeds in the interest of all men.

I close my comments to the distinguished Senator by saying that I agree with his conclusion, which is taken from the Bible. I note, as a matter of interest, that the President used that expression about the time of his inauguration. Therefore, we all support the Commander in Chief in the view that:

> When a strong man, armed, keepeth his palace, his goods are in peace.

It is not important that we agree in every detail or method, but none of us disagree on the question of seeking the best protection and security for our country.

That leads me to one final inquiry, with respect to which I am a little unclear. Does the Senator from West Virginia feel that there would be any useful purpose served by maintaining additional troops in Europe? We have heard talk about a ground war, or the impossibility of a ground war. Does the Senator see any way by which we could use troops in a ground war against the Soviet Government in Europe?

Mr. BYRD of West Virginia. First of all, I should like to say, in connection with the Senator's observation a little earlier, regarding the part played by the administration in creating a false impression in the minds of the American people about the Geneva Conference in 1955, it has been my position all along that Secretary Dulles is the one man in the administration who has understood the Soviet leaders from the beginning. I have maintained that he is the one man —although there may be others—who has understood them. Some people say

he is inflexible. If he is, maybe that is a good thing. Perhaps it is because he understands the objectives the atheistic, power-crazed men in the Kremlin are bent upon achieving. I do not mean to say for a moment that Secretary Dulles was fooled by Bulganin and company at the summit. I am not sure that the President was fooled. The President has been resisting any move for another summit conference. He may have had his fingers burned the last time.

So he is strongly resisting being pushed into another summit conference.

However, there are others in the administration, and certainly in the State Department, whose philosophy certainly does not agree with the philosophy of firmness which has been laid down and followed fairly consistently by the Secretary of State. I, for one, regret very much that he has been stricken at this critical moment in American and world history.

Mr. SCOTT. I agree with the distinguished Senator that the illness of Secretary Dulles is not only a personal tragedy but also a tragedy for the United States and for the free world. Without attempting to quote the President, I can certainly say that the Senator's comments are directly in line with those of the President in his feeling of skepticism as to what could be accomplished at this time by a summit conference.

I should like to add, however, that the Acting Secretary of State, Mr. Herter—and those of us who have served with him in the other body have had an opportunity to know him—does have the confidence of the American people and the confidence of the President. I believe he is carrying on well the duties of the Department of State.

Personally I am glad to note that the President himself is clearly and vigorously enunciating our foreign policy, particularly as it presently relates to Germany. I believe it is in good hands. I wished to say this lest failure to say it, in the course of tributes to Secretary Dulles, might be misunderstood.

Mr. BYRD of West Virginia. The President of the United States has the inclination, I think, to stand firm, but I believe he needs the strength and resolution of the American people behind him. He will have to provide the kind of leadership, however, which will awaken and nurture such resolution and such awareness on the part of the American people. I regretfully believe that the public has not been alerted enough to the situation and, moreover, I think that the people are hearing too much from the lips and reading too much from the pens of a few individuals who are virtually running over one another in their desire to be the first to reach the summit and start making concessions. I hope the President will continue to go to the people by radio and television, and I hope he will speak plainly about the crisis confronting them. If he does, he will engender and encourage the kind of strength and determination among the American people which will back him as I believe he needs to be backed, and which will help him to go in the direction which he wishes to travel.

Mr. YARBOROUGH, Mr. KEATING, and Mr. DODD addressed the Chair.

Mr. BYRD of West Virginia. Before I yield further I must attempt to answer the question asked by the Senator from Pennsylvania concerning the use of American ground troops in Berlin if we had more of them there.

Mr. SCOTT. Or in East Germany.

Mr. BYRD of West Virginia. I, of course, cannot answer that question. That is a question which only the men in the Pentagon can answer, or which perhaps only the Commander in Chief can answer. However, I feel this way about it: I am not too sure that Berlin will be the only thorny problem that will confront us when the showdown comes. Knowing the Russian rulers' methods, I am not certain that they will not manufacture additional problems or crises elsewhere. They seem to possess an ingenuity for doing that sort of thing. I maintain that we need more forces, ready to send to Iran or Lebanon again—who knows?—or to the Suez—we never know—or to Formosa. We need more forces in being, ready to counter the thrusts of our arch enemy wherever those thrusts may be launched.

Berlin may be only one point of challenge when May 27 arrives. But as to Berlin, if we were stronger in conventional weapons, and if we had not already weakened and reduced our military forces, we would not be put into a corner or straitjacket at this time and have to say, "It's all or nothing; it's nuclear war or surrender."

Mr. SCOTT. Would the Senator from West Virginia yield at this point for me to ask him whether he believes that 870,000 troops represent a serious depletion of our ground forces I do not undertake to know myself. I wonder whether 30,000 ground troops, the difference between 870,000 and 900,000, is the difference between security and the lack of it. At any rate, who should know better than the Commander in Chief?

Mr. BYRD of West Virginia. In terms of Soviet forces and Soviet might, of course, I think our own ground forces have been seriously depleted. How many troops did we send to Lebanon last year?

Mr. SCOTT. We sent fewer than 30,000 to Lebanon, I believe. I am not sure that I can advise the Senator how many, because I do not carry those statistics in my head. At any rate, the number was sufficient.

Mr. BYRD of West Virginia. Did we send 30,000?

Mr. SCOTT. If the Senator remembers, I hope he will enlighten all of us. I do not remember, but it is my impression that we sent far fewer than 30,000.

Mr. BYRD of West Virginia. That is my impression, also. Thirty thousand men in that instance, I sincerely believe, were the instrument or means by which peace was maintained for the moment in that area of the world. Who knows that an additional 30,000 men may not be very much needed on May 27 to send somewhere else?

Mr. SCOTT. I am not arguing that we should have an Army of 30,000. I am inquiring whether there is a need for an Army in excess of 870,000. I wonder whether the Commander in Chief is not the best one to answer that question. We have had 18 limited wars since World War II. We certainly need to have forces in being to cope with such situations.

Mr. BYRD of West Virginia. I would merely say, in answer to the Senator, that 30,000 more men may be very much needed. It would be far better to have them than not to have them. I, for one, believe we should not have cut our forces as we have in recent years. We ought to have greater strength rather than less strength as long as we are confronted with a grave menace to our country. As to whether or not the Commander in Chief is capable of being the supreme judge, I cannot say. I have considerable confidence in our President where military matters are concerned. However, he may be out of touch with things. For example, I served in the West Virginia Legislature a dozen years ago. I served in both houses. However, I am no longer in touch with the matters which come before that body.

I am not saying I am completely in touch with the problems which come before this body, but I hope to increase my knowledge of them as the days come and go. The President may not be so closely in touch with the situation as he once was. He evidently miscalculated the psychological effect which Sputnik would have upon the world, and he may miscalculate again, this time concerning the adequacy of our military preparedness. From reading the press, I have formed the impression that certain very competent military men in this country do not agree with the theory that we can afford to cut manpower in our Military Establishment.

Mr. SCOTT. The Senator is aware of the fact, is he not, that the service chiefs have all agreed that the total amount for our defense is an adequate sum, even though each of them has indicated his reservation along general lines that he would like to have more for his own service? But as to the total sum involved, they have agreed with the President, and the President has so stated, that they accepted the total figures as adequate to our defense needs, although they may not necessarily be receiving enough for their own respective services.

Mr. BYRD of West Virginia. I am sorry; was the Senator propounding a question to me?

Mr. SCOTT. I assume the Senator is aware of the statement by the President that the service chiefs had agreed that the total overall defense budget is an adequate budget for the purposes of the Nation and its security at this time. But the comment has been made by the President and the service chiefs that they individually, on behalf of their respective services, were not necessarily satisfied with the share of the total budget allocated to each service. It is natural that they should say so. I imagine that Hannibal used to complain to Hamilcar: "Where are those elephants? Why do we not have more elephants coming over the Alps?"

Mr. BYRD of West Virginia. I imagine there might have been some

agreement ostensibly, after the heat had been put on them.

Mr. SCOTT. I thank the Senator from West Virginia. I do not presume to have this knowledge within myself. I asked the Senator for his views. The Senator has made a very distinguished and excellent contribution to the sum of knowledge on this very difficult question.

Mr. BYRD of West Virginia. I do not presume to be omniscient; I can speak only from the impressions I have received in my efforts to follow this matter carefully day by day in the press.

Mr. YARBOROUGH. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield.

Mr. YARBOROUGH. I commend the Senator from West Virginia for the careful study he has given to this question. I know he will be impressed by the question asked by the junior Senator from Pennsylvania about Hannibal's plight. I certainly hope we will not be cut as short on manpower as Hannibal was on elephants, and that our heads will not be carried to Moscow as his was to Rome. I think that should be a warning to us not to reduce our Armed Forces now.

As I heard the speech of the Senator from West Virginia—and it is obvious that much study was put into it—it seemed to me that, boiled down, the Senator from West Virginia was saying to the President of the United States: "If you go to this conference to play strip poker with the Russians, keep your gun on, and don't let them take your shirt and pants and boots off and send you home in your sock feet."

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

Mr. BYRD of West Virginia. I yield.

Mr. LONG. I assume the Senator is aware that when the Bureau of the Budget recommends to the President that the manpower of the Army be cut from 925,000 to 870,000, the President tells his Chief of Staff: "This is what you will get." That Chief of Staff can either testify for that amount or resign. It is his choice. The same is true of the Chief of Naval Operations. When he is told that he will get three atomic submarines, and that is all, perhaps the Senator knows that the Chief of Naval Operations tells the committee only what he is free to say.

When the Chief of Staff of the Army tells the committees that he still thinks the Army should have 925,000 men, he can point out that there have been 18 wars since World War II which have been fought without thermonuclear bombs, and that we are not likely to use them; that the probability is that it will be a long time in the future before they are used.

It will be mutual suicide if nations resort to the use of such weapons. We know it, just as the Russians know it. I suspect that the Russians themselves are gambling as to when we will use such weapons. The only way we think the Russians have a possibility of winning is to resort to the method of mutual international suicide.

Mr. BYRD of West Virginia. I am glad the Senator from Louisiana made that point. We are being threatened again and again by the Soviets and their East German puppets with the destruction of our cities. They are telling us that America will be destroyed if war results from the present situation. I wonder if anyone among them believes that the Russian cities will be spared. Their cities will be destroyed, too, and their people are just as fearful of war as are our people. The Russian people have been subjected to the terrible effects of war time and again, and I am constrained to believe that the Russian people do not want war any more than the American people want war.

We Americans recognize the fact that some of our cities would be reduced to rubble, and we recognize the additional fact that some of us would not be around the next morning to crawl over the rubble. But at the same time, the necks of the Russians are in the noose, too, their cities are not bomb proof, nor their people immortal. If they want to call it the end, we might as well have it now as to have it in our children's day, or in the time of our children's children.

The Soviet rulers are out to gain the mastery of the world by hook or by crook, and they think they will get it without a war. But I believe that so long as we can convince them that they cannot have it without a war, they will not resort to war to secure it. I am certain the Senator from Louisiana will agree with me that the best way to peace is to be prepared for battle and refuse to be pushed around by these international hoodlums.

Mr. LONG. I certainly hope the Senator from West Virginia, however, will not fall into the trap of leaving the United States in the situation where the only way in which it can meet an emergency is to threaten to use thermonuclear bombs, which perhaps could destroy Russia but would doom this country to destruction, as well, or else to surrender.

There are many shades of possibilities in between to which we could resort. I do not believe the Senator from West Virginia will find that we will reach the stage when we will dare to rely entirely upon engaging in nuclear warfare. There are methods short of that which can be used. I believe that if we are wise, we will remain capable of using such methods again.

Mr. BYRD of West Virginia. I hope the Senator from Louisiana is correct. I fear we may have already fallen into the trap of having to resort to nuclear weapons if an emergency develops. I think we have already reached that stage perhaps and the President has literally said as much. I think that if the Russians really mean this time to carry through at all costs, we are there now. I do not think we can repel them with our conventional weapons and with the meager manpower establishment we have in comparison with theirs.

If the Russians are now calling a spade a spade, the only way to meet their threat is by nuclear weapons. I repeat that the President has as much as said so already. We might as well let the Russians know that we value life as lightly as they do, but that we value liberty a great deal more than they do.

Mr. SCOTT. Mr. President, will the Senator yield to permit me to comment upon his colloquy with the distinguished Senator from Louisiana?

Mr. BYRD of West Virginia. I yield.

Mr. SCOTT. The Senator from Louisiana has cautioned the Senator from West Virginia not to fall into the trap of believing, or seeming to believe, that there is no recourse available to the United States in the event of a crisis or a threatened catastrophe other than by resorting to nuclear weapons.

I would remind the Senator from West Virginia of what we were discussing a moment ago, namely, that, in fact, our country already has demonstrated twice within the last year or so that other resources are available to it. In fact, in Lebanon the forces of the United States, as manifested in its Navy and its Marine Corps, were used—without resort to nuclear war—to prevent the expansion or extension of danger beyond the shores of the Lebanon-Jordan area. We deployed the 7th Fleet in the Formosa Straits, in the Quemoy-Matsu incident, without resort to nuclear war, although at that time Members of both Houses of the U.S. Congress indicated that that could not be done, that it would not work, that it was the wrong course to pursue. But it did work.

I should like to indicate to the Senator from West Virginia that, in my opinion, those resources are still available to us. Our Navy is still deployed to maintain the freedom of the seas. Our Navy and our Marine Corps are prepared to move with the 6th Fleet in the Mediterranean, or with the 7th Fleet in Asian waters, short of nuclear warfare. Our air forces, including our Strategic Bombing Command, are available at any place in the world where they may be needed to protect the security of this country and its allies—all without forcing us to take the position that whenever danger comes, we can resort only to nuclear-war retaliation.

I hope the Senator from West Virginia agrees with me.

Mr. BYRD of West Virginia. Mr. President, I do agree with the Senator from Pennsylvania. But I hope the Senator will keep in mind that the men in our Armed Forces have not yet looked across their gun barrels at the 175 ready divisions of the Red Army.

Mr. SCOTT. Of course the Senator from West Virginia is correct in the inference that the 15 NATO divisions—which could be "beefed up" to only 17 or 18 divisions, if all the extra men we have been discussing were added—hardly could be expected to achieve success by hurling themselves at the 175 divisions the Soviets have east of the Urals and the 17 divisions in East Germany, to say nothing of the satellite divisions, if the Russians can depend upon them.

That is why I am of the opinion that a resort to ground warfare in Europe

would probably be our last recourse, and that any ground action would probably, at the most, be collateral to, or in connection with, other measures, which, indeed, would involve nuclear action, but also would involve blockade by our naval forces, other use of our naval forces, and the use of our air forces—all of which we hope will not be necessary.

Mr. DODD. Mr. President, will the Senator from West Virginia yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from West Virginia yield to the Senator from Connecticut?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Connecticut.

Mr. DODD. Mr. President, I wish to join my colleagues in complimenting my friend, the Senator from West Virginia [Mr. BYRD], on the studious, thoughtful address he has delivered today about the critical situation which confronts us.

I was privileged to serve with the Senator from West Virginia in the House of Representatives and on its Foreign Affairs Committee; and I remember very well—indeed, I am particularly reminded of it tonight—the manner in which he approached the problems which confronted us then, and of the great intellectual integrity and the thoughtfulness and patience he demonstrated. I feel that today he has offered yet another demonstration of those wonderful qualities.

I think his contributions have been good for the country. The more we can discuss these problems and the more we can inform the people of the United States, the better we shall be able, as a people, to arrive at the best possible solutions.

I was intrigued by the colloquy between the Senator from West Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Louisiana [Mr. LONG]. I wonder whether I understood it correctly.

On the one hand, it has been suggested that we should try to limit to ground warfare whatever action may be required by the difficulties which may arise.

I also understood it to be stated, however, that we are not nearly well enough equipped successfully to defend ourselves on the ground—at least, I believe that is a fair interpretation of what was said—in view of the other side's 175 divisions, as against less than 20 in NATO.

In addition, it was suggested that if we have to fight with nuclear weapons, we—as well as the other side—will be destroyed.

If the Senators are correct, we may soon be faced with a horrible dilemma—a choice between subjugation and mutual suicide. We can avert ever having to make this painful choice by strengthening our conventional forces, and by giving our military leaders the men and equipment they need to carry out their assigned responsibilities for our defense. Perhaps the greatest service the Senator from West Virginia [Mr. BYRD] has rendered this afternoon is the service of bringing this dilemma squarely before the American people, with his usual candor, courage, and honesty.

Mr. BYRD of West Virginia. Mr. President, I value highly and I cherish greatly my friendship with the Senator from Connecticut [Mr. DODD].

He has spoken about our service together on the Foreign Affairs Committee of the House of Representatives. Over those years of service, I formed a very profound affection and admiration for the Senator from Connecticut; and I appreciate very, very much the kind words he has spoken concerning my feeble efforts here today.

I certainly want it understood that I hope we can work our way out of this situation.

What I have today sought to do—although I may fail in the effort—is to alert the American people who read the CONGRESSIONAL RECORD, to alert those in the State Department who read the CONGRESSIONAL RECORD, to alert those at the White House who may read the CONGRESSIONAL RECORD—to alert all of them to the fact, if they are not already aware of it, that we are dealing with men who will stop at nothing, men who intend to conquer the world; men who have no intention of changing their philosophies toward religion, freedom, capitalism, or anything else; men whose promises mean nothing, and who are absolutely devoid of scruples, principles, or conscience. Integrity is not a word to be found in the Communist lexicon.

Mr. President, "What can we expect in the future?" asked J. Edgar Hoover, in his book, "Masters of Deceit." Let Khrushchev himself answer: 'Those who expect us to abandon communism will have to wait 'until a shrimp learns to whistle.' "

There we have the answer from the leader of Soviet might and power. I repeat his answer: He has said there will be no change in Communist theory, method, or goal "until a shrimp learns to whistle."

The goal is communization of the world, and that includes the United States. That goal will be abandoned when a "shrimp learns to whistle." Let us not kid ourselves. Khrushchev meant what he said when he said, "We will bury you yet." He did not speak lightly when, in June 1957, he stated before a nationwide American television audience: "I can prophesy that your grandchildren in America will live under socialism."

Let us, then, be alert to the baldfaced ambitions of those with whom we are locked in struggle.

I would certainly have nothing to gain in a nuclear war or in any other kind of war. I expect to lose my life and my family, just as you, Mr. President, would expect to lose yours if total war should come.

But, Mr. President, America was not built by weak men and women or by those afraid to take a stand and remain firm.

The red stripes in the flag that stands at your shoulder, Mr. President, were not put there by the blood of cowards. The red is emblematic of the blood which was shed by men and women who were patriots and who dared accept the challenge to liberty whether at home or on foreign fields, on land or on sea. Mark my word, Mr. President, that flag will not long unfurl before the world as the symbol of freedom if we knuckle under and grovel in the face of totalitarian threats.

Mr. President, in a book "The Naked Communist," written by W. Cleon Skousen, there appears a statement from the thesis of the Sixth World Congress of the Communist International, November 28, 1926:

> The proletariat in the Soviet Union harbors no illusions as to the possibility of a durable peace with the imperialists. The proletariat knows that the imperialist attack against the Soviet Union is inevitable; that in the process of a proletarian world revolution wars between proletarian and bourgeois states, wars for the emancipation of the world from capitalism, will necessarily and inevitably arise. Therefore, the primary duty of the proletariat, as the fighter for socialism, is to make all the necessary political, economic and military preparations for these wars, to strengthen its Red army—that mighty weapon of the proletariat—and to train the masses of the toilers in the art of war.

The Russian apostles of communism know what they are after, and they know how to go about getting it. To them, the end justifies the means. They are preparing every day for the coming showdown.

William Z. Foster, former national chairman of the Communist Party of the United States, said:

> With him—
>
> Meaning the Communist—
>
> the end justifies the means. Whether his tactics be "legal" and "moral," or not, does not concern him, so long as they are effective. He knows that the laws as well as the current code of morals, are made by his mortal enemies.* * * Consequently, he ignores them insofar as he is able and it suits his purposes. He proposes to develop, regardless of capitalist conceptions of "legality," "fairness," "right," etc., a greater power than his capitalist enemies have.

Mr. President, I am asking to have developed in this country a power which cannot be excelled by the Communists—military power, moral fortitude and spiritual strength.

Our people need to be awakened and warned. They need to be reminded of the broken promises of the past and the threats of yesteryear. They then will not succumb to blandishments or threats in the days ahead. They will fully understand that the only way to avoid war is to be prepared for it, and to let the Communists know that we are willing to resort to it, if resort to it we must.

Mr. KEATING. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield to the Senator from New York.

Mr. KEATING. I commend the Senator from West Virginia for the sturdy position he has taken in behalf of a policy of strength and firmness in our dealings with the Russians. He has demonstrated a realistic attitude in that respect. I was pleased to hear his commendation of the President and of Secretary Dulles for the firmness of their position.

However, I was a little bit disturbed—and perhaps the implication was not intended—by the Senator's reference to

the Acting Secretary of State, Mr. Herter, as implying that perhaps he would not be as firm and as strong in his position as would Secretary Dulles.

Perhaps the Senator did not intend to leave that impression. If he did, I think it would be a fair appraisal to say that Acting Secretary Herter has worked closely with Secretary Dulles. I have never known of serious differences between them on questions of method in dealing with the Communists. I feel certain that Mr. Herter is equally firm in his position that we must not back down in any way, and must stand up in this Berlin situation.

Mr. BYRD of West Virginia. I certainly do not mean to imply that I think he will yield, but I have expressed the fear that he might. I have yet to be shown that he will be as strong as has been Secretary Dulles, and I merely express the feeling, and with it, the hope.

Mr. KEATING. I realize that. I do not want to cast any improper implications on what the Senator said. I sincerely feel that the Senator's fears in that regard are groundless, and that Acting Secretary Herter is a man of sterling character and firmness of purpose, who would, under like circumstances, take a position alongside Secretary Dulles, with whom he has worked so intimately, and whose thinking and resolution in the case of this problem must be well known to the Acting Secretary. I, of course, hope, as does the Senator, that policy will continue in its present state.

Mr. BYRD of West Virginia. I remember the report in the press, somewhere and at some time in the recent past, that Mr. Herter was thought to be sympathetic with the British views on negotiation, and so forth. We followed the British will-o'-the wisp to the summit conference in 1955. The world followed the British will-o'-the wisp to Munich. I certainly have admiration for our British friends, and they are a great and noble people, but I am quite concerned about the attitudes that certain of their leaders seem to manifest in these days of severe trial. I hope that our leaders will not let them drag us to another summit conference unless, by prior lower level conferences, we have determined without any doubt that a summit conference could be useful and beneficial, and that its beneficial results would be lasting. We are going to have to demonstrate a little leadership of our own. By so doing we can maintain a unity of purpose among the Western Powers and it will be a firm purpose, unyielding on principles, and based upon realism.

Mr. KEATING. My understanding of the President's remarks is that that is exactly what he wants to be convinced of before going to any summit meeting.

Mr. BYRD of West Virginia. I am happy to say I understood his remarks in the same fashion. Mr. President, I thank the Senator from New York, the Senator from Pennsylvania, and other Senators for contributing to this discussion. I think that we are all in agreement that "eternal vigilance is the price of liberty" and I believe my colleagues will agree with me when I say that a few days spent in a good library studying Communist theories and tactics and reading the statements of Communist leaders would be very illuminating perhaps in revealing to us the future course we should pursue in dealing with them.

Mr. President, I yield the floor.

MANDATORY CONTROL OF OIL IMPORTS

Mr. LONG. Mr. President, on March 10 the President of the United States announced a plan for mandatory control of oil imports. Under the law, this was his plain duty. To have permitted oil imports to continue to increase would have seriously imperiled the defense capabilities of this Nation.

Those who are aware of the needs of national security know that this Nation must be able to provide its fuel needs at all times. Those of us who recognize this situation are well aware of the needs of foreign trade. We are just as much aware of the desirability of low consumer prices as anyone. As a matter of fact, many of us have voted for measures to permit increased imports of oil and other commodities produced in the areas from which we are elected in order that a vigorous trade program might expand.

Like all of those who are interested in a wise and sensible foreign trade program, however, we have recognized several concepts. One of those concepts is that the expansion of foreign trade should not be limited to a single commodity. No single industry should be required to stand the entire brunt of increased imports. Tariffs should not be so high that any high-cost American industry would be protected completely from foreign competition.

Those who have criticized the President's action fail to realize that they themselves voted for the law that required him to take this action.

The purpose and meaning of the defense amendment, which was contained in the Trade Agreements Extension Act of 1958, was clearly explained and well understood in both the House Committee on Ways and Means and the Senate Committee on Finance. This matter was explained on the floor of the House of Representatives and it was adequately discussed in the U.S. Senate.

At the time that the defense amendment was pending, every Senator and Representative had available to him the reports of the President's Committee.

The President's Cabinet Committee, in its report to the President, had spelled out quite clearly that an adequate supply of domestic oil and an American industry capable of supplying petroleum needs during times of emergency were essential to national security. It had further been explained that an expansion of oil imports beyond the ratio of 1954 would threaten to impair national security.

Since 1934, imports of foreign oil have increased by 5,000 percent.

Compared to the average American industry, the petroleum industry was absorbing five times its fair share of imports.

Through the period 1934 to 1939, the first 6 years of the Reciprocal Trade Agreements Act, oil exports exceeded imports by 6 to 1. During 1958, and the early part of 1959, the situation was just exactly the opposite. Oil imports exceeded oil exports by 6 to 1.

Foreign oil imports had become the No. 1 commodity to be imported into the Nation. The value of foreign oil imports exceeded even that of coffee, which is not produced in this country.

It comes with particular inconsistency that some Senators from areas which are protected by high tariff walls should be complaining when an industry which has watched more than 20 percent of its market turned over to foreign producers receives reasonable protection to which it is entitled.

Those who come from areas producing textiles have been heard to complain bitterly about the importation of foreign textiles. Many of us from oil-producing areas have been sympathetic to their problem. I, for one, have voted to extend protection to them. Yet, the last figures made available to me indicated that textile exports still exceed textile imports.

Those of us from Louisiana know something about the problem of maintaining a domestic industry. In spite of large-scale imports we have supported a sugar act which permits offshore producers to have more than 50 percent of the American market for sugar, although our State is the largest single cane sugar producer.

Historically, we have complained that our farmers were compelled to sell at world market prices while they were compelled to pay for commodities produced in a protected market. Because of our attitude toward expanding trade, we have been reluctant indeed to ask for protection while others from areas accustomed to this protection would have been screaming from the housetops.

I, therefore, suggest to my friends from areas which do not produce oil that they be as fair with us as we are willing to be with them. I suggest that they should forego the protection which they enjoy in terms of tariffs and quotas until foreign producers have taken at least 20 percent of their market and until the imports of commodities in which they are interested exceed exports by a ratio of 6 to 1.

I urge my friends from those areas to come up to the lick-log and shoulder their fair share of the burden. This would require that all tariffs should be reduced to 3 percent on an ad valorem basis until foreign imports are in a position to share 20 percent of the market of each commodity produced by American industry.

I am waiting for volunteers.

Mr. President, those of us interested in a strong fuel industry in America wish to keep the price of oil low. I am sure that the entire domestic industry feels the same way about this matter.

The President can expect wholehearted cooperation from the domestic petroleum producers. If the major oil companies which have used their influence to prevent the limitation of foreign oil imports will cooperate in

keeping prices low, there will be no problem.

I am frank to say that it is completely within the power of the larger oil companies to see that this result obtains. Nevertheless, it may be within the power of these same major corporations to sabotage the program, just as they used their influence for 5 long years to prevent a mandatory program from ever going into effect, while some of them fudged and cheated on the spirit of the voluntary import control program.

I have only today returned from a meeting of small independent producers of petroleum products at Evansville, Ind. At this meeting I felt it my duty to explain to those independent producers how the major oil companies of America have found it possible to make billions of dollars of profits from foreign oil and foreign oil imports while avoiding their share of tax liability to this Government.

I believe it is time that we demand a report explaining how the Arabian American Oil Co., for example, has escaped more than a billion dollars in taxes by taking full advantage of the foreign tax credit.

When this foreign tax credit proposition is understood, particularly insofar as it applies to the production of oil by American companies in areas outside the United States, it will make any criticism of the depletion allowance look like a mere tempest in a teapot. For any tax avoidance that may result from an application of the percentage depletion allowance, at least 10 times that much tax avoidance results from the operation of the foreign tax credit employed by the major oil companies in manners in which it was never intended by Congress. It is these companies, benefiting from fantastic profits, paying little or no taxes on those profits to the U.S. Government, who do not seem to be satisfied as long as they have competitors in their business.

Perhaps when the foreign tax credit is explored, they will be more content to settle for the billions of dollars of tax-free profits which they are enjoying.

Mr. President, the need of the mandatory program to limit oil imports has been long recognized. It is very long overdue.

Recently, I joined with 21 other Senators in requesting the President to put into effect such a program. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of the letter sent to the President on February 25, 1959, by the Senator from Montana [Mr. MURRAY] and 21 other Senators, asking that this program be put into effect.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. LONG. And now, Mr. President, I have a suggestion to make: I suggest that the tariff on all products be lowered to the same 3 percent ad valorem equivalent to that presently being enjoyed by oil, until foreign imports share 20 percent of the domestic market of all products.

I invite my friends from other areas, and particularly those from New England, to join me in supporting such legislation.

Sometime next week I expect to discuss this subject in greater detail. At that time, I hope that Senators who are interested in this subject will make themselves available to join in the discussion.

EXHIBIT 1

FEBRUARY 25, 1959.

THE PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: An increasing volume of foreign oil imports which continues despite 4 years of Government efforts of a voluntary nature emphasizes the need for early and effective steps if this critical situation is to be relieved.

In order to provide clear authority for corrective action in such cases, the Congress adopted the defense amendment (sec. 7, Trade Agreements Extension Act of 1955). Last year the Congress, having growing concern about the effect of imports upon essential domestic industries, further amended the defense amendmenst so as to strengthen the authority to limit such imports. Repeated assurances, in the past, that action would be taken to restrict excessive imports of oil and other essential commodities resulted in these amendments to the Trade Agreements Extension Act which were substituted for mandatory legislative controls on specific items. Despite these assurances, the volume of foreign oil imports has continued to grow.

In 1955 when this matter was before Congress, we were concerned about the 1954 rate of oil imports which were about 1 million barrels daily, amounting to 16.6 percent of domestic demand. During recent weeks, imports have averaged about 2 million barrels daily, amounting to almost 30 percent of domestic production. This trend is alarming.

Concern about this matter on the part of the Members of the Senate is not new. Members of the Senate have previously brought this matter to the attention of the executive branch of the Government. On July 30, 1955, and again on July 31, 1956, a group of Senators, many of whom are also signatory to this letter, wrote to the then Chairman of the Advisory Committee on Energy Supplies and Resources Policy, urging immediate steps be taken to curtail the volume of foreign oil imports which were so adversely affecting our domestic oil and coal industries. In those letters, we referred specifically to administration guarantees that oil imports would be held down.

Of particular concern has been the rapid increase during recent years in imports of petroleum products. In 1954 total product imports were less than 400,000 barrels daily. During 1958 product imports exceeded 700,000 barrels daily. It appears that during recent weeks imports of products have reached even higher levels. This increase in product imports has been dramatized by the press report of February 3 that a tanker of residual oil from Rumania is expected to be landed in New York shortly and may be a forerunner of the current Russian effort in foreign trade. History indicates that product imports will continue to increase unless restricted and it is our belief that products must be included in any new program if it is to be effective.

Changes made in the Trade Agreements Extension Act of 1958, in our opinion, contain a clear mandate from Congress to relieve essential industries from damage done by foreign imports. In directing the President to limit imports of strategic and critical materials which threaten to impair the national security, the defense amendment in the 1958 Act (sec. 8) specifies that he shall take action to adjust the imports of such article and its derivatives. Applied to oil imports, this means that all product imports as well as crude oil imports should be limited.

As Senators representing those States in which the major production of our domestic fuels is located, we urge that immediate action be taken to give substantive relief in this aggravating problem. It is further urged that such action provide mandatory limitations under the law, and that it be based upon the 1954 ratio of imports to domestic production.

We would appreciate advice as to when this action may be taken and in what form relief is anticipated. Further delay will result in more economic distress to essential fuel industries and their employees and, more important, it will cause further impairment of the national security.

Respectfully yours,

JAMES E. MURRAY and MIKE MANSFIELD (Democrats, Montana), WILLIAM LANGER and MILTON R. YOUNG (Republicans, North Dakota), ROBERT S. KERR and MIKE MONRONEY (Democrats, Oklahoma), DENNIS CHAVEZ and CLINTON P. ANDERSON (Democrats, New Mexico), ALLEN J. ELLENDER and RUSSELL B. LONG (Democrats, Louisiana), E. L. BARTLETT and ERNEST GRUENING (Democrats, Alaska), JENNINGS RANDOLPH and ROBERT C. BYRD (Democrats, West Virginia), ALAN BIBLE and HOWARD CANNON (Democrats, Nevada), JOHN L. MCCLELLAN (Democrat, Arkansas), and JOHN S. COOPER (Republican, Kentucky), FRANK E. MOSS (Democrat, Utah) and R. VANCE HARTKE (Democrat, Indiana), JOHN CARROLL (Democrat, Colorado) and GALE MCGEE (Democrat, Wyoming).

ADJOURNMENT TO MONDAY

Mr. LONG. Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 34 minutes p.m.) the Senate adjourned, the adjournment being under order previously entered, until Monday, March 23, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 20, 1959

The House met at 12 o'clock noon.

Rev. Paul J. Harrell, Memorial Baptist Church, Arlington, Va., offered the following prayer:

God so loved the world, He gave His only Son.—John 3: 16a.

Our Father, Thou who hast proven Thy love by sending us Jesus Christ and hast illumined our human life by the radiance of His presence, we give Thee thanks for this Thy greatest gift.

Grant that our remembrance of the blessed Life that once was lived out on this earth may remain with us in all the duties of this day.

Let us remember His eagerness, not to be ministered unto, but to minister; His bravery in the face of opposition; His quickness and courage in making decisions; His meekness of bearing, so that, when reviled, He reviled not again; His serenity of spirit; His desire to do the will of the One who had sent Him.

Grant, O God, that these Members of the House of Representatives, elected by the people, may here and now elect to follow the Christ and the leading of His Spirit in all actions and decisions this day.

In Jesus' name. Amen.

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

MESSAGE FROM THE SENATE

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

S. 1094. An act to amend the Bretton Woods Agreements Act.

The message also announced that the Vice President had appointed the Senator from Massachusetts, Mr. KENNEDY, as an additional member of the Joint Economic Committee.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs may have permission to sit during general debate in the House today.

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

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATIONS BILL, 1960

Mr. GARY. 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. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1960, 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 consideration of the bill H.R. 5805, with Mr. BLATNIK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Virginia [Mr. GARY] had 9 minutes remaining, and the gentleman from New Jersey [Mr. CANFIELD] had 40 minutes remaining. The gentleman from New Jersey had been recognized for 20 minutes and had consumed 15 minutes of his time. The Chair recognizes the gentleman from New Jersey for the remaining 5 minutes.

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

Mr. CANFIELD. I shall be happy to yield to my colleague.

Mr. PELLY. I would like to ask a little more about the figure in the Treasury budget for interest on the national debt. We were told yesterday that it amounted to, as I recall, $8 billion. I wonder whether the committee has considered that and whether it is going to be enough.

Mr. CANFIELD. May I say to my colleague from Washington that the amount of the interest on the public debt for the new fiscal year 1960 is $8 billion. That amount, in fact, is really not carried in this bill. That is what we call an indefinite appropriation, as the result of permanent appropriation statutes of yesteryear. Our committee does not exercise jurisdiction over that particular item in the regular annual bills. What we are discussing today are funds to operate the Treasury Department, the Post Office Department, and the Tax Court.

Mr. PELLY. I thank the gentleman. If I might inquire further, I wonder if the gentleman would agree with me, though, that there is apathy toward buying Government bonds now, and the Secretary of the Treasury is having difficulty in refinancing and getting enough interest in exchanging bonds and whether or not the figure that is put in by the administration is actually going to be short of the amount that will be called for in fiscal 1960.

Mr. CANFIELD. I hope it is not. However, may I point out to the gentleman that this is an indefinite appropriation, and whatever amount is required is automatically available. The $8 billion we are speaking of is the current estimate.

Mr. PELLY. I agree with the gentleman, but I am very fearful that the estimate is inadequate.

Mr. CANFIELD. Mr. Chairman, I could start my remarks this afternoon with this expression "As I was saying late yesterday before I was grossly interrupted," but I shall not do that because I have too much respect for my friend and colleague, the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, because the American people send and received two-thirds of the world's mail, the Post Office Department of the United States is one of the largest businesses to be found anywhere. It is a very unique one.

While the principal business of the Department is to deliver the mails for its customers, a staggering volume that may exceed 61 million pieces this year, it has no control over the postage rates it may charge for the service. To carry on this business it must employ hundreds of thousands of employees but it has no control over the salaries it must pay them. The total amount it may spend in any one year is fixed by law. While this amount is geared to workload estimated at the time of budget presentation, it cannot be increased without legislative action if actual workload experiences exceed the estimates.

In making up its budget, the Post Office Department must project its needs from 8 to 20 months in advance of expenditure. They must first estimate the volume of mail the public will call upon them to handle. The next step is to translate this workload into units of labor required to perform this function. This involves the utilization of over 540,000 employees; the operation and maintenance of over 41,000 vehicles owned by the Post Office Department; the use of 4,700 vehicles rented by the Post Office Department; the travel of over 1.6 million miles each day by 31,000 rural carriers; 48 airlines to fly the mail over 2.8 million miles each day; 2,400 mail-carrying trains which travel 1.4 million miles each day; highway vehicles which travel another 2.1 million miles each day to complement the delivery system within the United States.

To house these farflung activities, the Post Office Department rents approximately 24,000 buildings and uses 52 million square feet in about 3,300 Government-owned buildings. Here again they must plan and procure in advance the space they will need; provide new and replacement equipment, and through research develop mechanization and automation that will afford a more economical handling of the mail and the more expeditious movement of an ever-increasing workload.

Compare these problems with those of private enterprise. They, too, operate on a budget. But there the similarity ends. Their operating budget is tied directly to their volume of business. If their workload increases, their operation funds automatically go up. Variation from their original estimates may be as much as 25 percent, but this does not affect work schedules. Compare this with the Post Office Department which over the years has varied only a few percentage points at most from its estimates. Private business spends for modern space and equipment based on the economies involved; the Post Office can spend only what the Congress authorizes, regardless of what their real needs may be.

Mr. Chairman, it will be noted in the committee report accompanying the bill our committee has felt that the increase of 4.3 percent in volume projected by the Department months ago is too high and the committee feels that allowances for an increase of 2.5 percent will be sufficient in view of the best information we now have regarding the state of our economy. This clearly means, and there was considerable discussion in our committee on the point, that if the committee's figure proves to be unrealistic and a further volume increase develops, the Department through the President and the Bureau of the Budget can present new facts warranting appropriate consideration and action. Certainly the Department will want to reappraise the picture before the Congress adjourns later in the year and, of course, at the beginning of the second session next January. Meanwhile, as indicated in the report, the 5 percent transfer feature continued in the appropriation will present a safety factor.

The chairman has related the story of the Department's modernization program which has been developed at the request of the committee. With a 31 percent increase in population and a 131 percent increase in mail volume in the past 20 years, the Department has outgrown facilities available in thousands of communities. Surveys have indicated that approximately 2,500 federally

owned and 12,000 leased post office buildings need to be either remodeled or replaced and provided with modern equipment. Approximately $150 million allowed in this bill for capital and modernization programs is a real start on this mammoth undertaking.

The Washington, D.C. post office—now the world's most mechanized post office—is the latest answer to an ever-accelerating problem of moving an increasing volume of mail efficiently and rapidly through a big city post office. The reaction of employees to this and other types of automation in the Department has been very favorable.

Through the so-called Metro plan, more than 58 million Americans living withing 19 metropolitan areas are today receiving next-day mail delivery. During the 1959 calendar year, 40 more metropolitan areas will be embraced, the nationwide program to account for possibly 100 areas.

Mr. Chairman, if there are no questions at this time I shall proceed to yield time to those who have requested it.

Mr. Chairman, I now yield 10 minutes to my friend and colleague, the distinguished gentleman from Louisiana [Mr. PASSMAN], one of the members of our subcommittee.

Mr. PASSMAN. Mr. Chairman, I want to pay tribute to the distinguished chairman of the subcommittee, Mr. VAUGHAN GARY, and also the ranking minority member, Mr. GORDON CANFIELD, with whom I have been associated as a member of the committee for 11 years. I should like to say to you that when Mr. GARY and Mr. CANFIELD have finished with the examination of witnesses before the committee there is very little of real significance left for other members to ask, because they go into the subject so thoroughly.

This morning I was reading the Treasury statement for the fiscal year 1959. We have already withdrawn in excess of $8 billion more from the U.S. Treasury than we had withdrawn in the comparable period of the preceding fiscal year. We have gone completely wild on spending. I am moved to ask if the Congress has lost the will or the power to bring fiscal policies under control. I fear that this may be a fact. The administration is now requesting, for example, $8,700 million in deficiency appropriations applicable to the present fiscal year.

Even with very good management in the Post Office Department, this year there will be an operating deficit of $470 million, notwithstanding the fact that the Department today has fewer personnel employed than was the case 5 years ago. The Department, nevertheless, is doing an excellent job, and I certainly want to pay my respects to Postmaster General Summerfield and his able staff.

Mr. Chairman, sometimes we do not face factual realities in such a manner as we should. It costs a certain amount of money to carry the mails. We collect a certain amount of money in postage. We apply that credit to the total expense. Then we get a deficit or we get a credit. But for many years, because of our failure to increase the postage rates adequately, there has been a deficit, and certainly not a credit.

So far as I know, never before this year has there been a request for a nongovernmental supplemental appropriation. But this year a request came before the committee from the Director of the Budget for a $172 million supplemental appropriation to be applied to certain classes of mail. If we should recommend this $172 million subsidy, a nongovernment subsidy, it would have the effect of reducing the overall deficit, and present a more favorable picture for the classes of mail and for the publishers being subsidized. I think if we view this matter upon the basis of fiscal responsibility, we shall agree that this committee and the deficiency subcommittee acted wisely in declining to recommend this particular appropriation.

It is my understanding it is basic law that when the Government performs a personal service, as such, payment is required in return for that service. If a citizen writes to the Bureau of the Census, for example, for information, such as verification of birth dates, he pays for that personal service.

It costs a certain amount of money to carry the mail, and any deficit comes out of the pockets of the taxpayers of this country. So I think it is only proper that those who are using the mail should pay the freight.

Last year we were requested to raise the first-class postage rate to 5 cents, and we increased it only to 4 cents. This was the first increase at all since 1932. But had we been realistic and followed the upward climb in our economy with a rate of postage commensurate with that trend, the first-class letter rate would have gone up to 7 cents, and not 4 cents. I am personally prepared to support increase of the postage rate on first-class mail to 6 cents, and not 4 cents, because we are going to have to put the Post Office Department on a self-supporting basis or else we are going to have to ask all the people to make up the deficit. Why should all the people be subsidizing me in my business by carrying my mail for less than it actually costs the Government to handle it?

I want to see the Post Office Department put on a self-supporting basis, because its work is a personal service which is performed for the benefit of certain individuals. Therefore, I repeat, if I am given an opportunity to vote to increase the first-class postage to 6 cents, I am going to do so. Likewise, I am going to vote to remove the subsidy from these other classes of mail. Perhaps, this ought to be done gradually, over a period of years, so that the companies with heavy investments in the businesses involved will not be unduly damaged as the result of the loss of their subsidies.

Mr. Chairman, I think we have a sound bill before us, and I certainly hope that the committee will support it.

Mr. CANFIELD. Mr. Chairman, I yield five minutes to the distinguished gentleman from North Carolina [Mr. ALEXANDER], a member of the committee.

Mr. ALEXANDER. Mr. Chairman, it has been my pleasure to sit on the Subcommittee of the Post Office and Treasury of the Appropriations Committee and I have enjoyed the leadership and fellowship of our distinguished chairman and all of the members of this distinguished subcommittee on both sides of the aisle.

I feel the committee has done an outstanding job in going into the justification of all the requests and I wish to say here and now that I am going to support the recommendations of the subcommittee and vote with them on this appropriation bill.

I would also like to say that in my opinion the Departments whose requests we have scrutinized, such as Post Office Department, Treasury, Coast Guard, Customs, Internal Revenue, and Bureau of Narcotics, have all, generally speaking, done a workmanlike job with the funds which have been granted to them.

I would like to bring to the attention of the membership of the House, however, a trend which has been going on in government for sometime and that is the continual addition of Federal employees through Federal agencies. This has been done in spite of modernization and mechanization and facilities improvements, which have recently been increased to a large degree.

If I remember correctly the overall picture of the increase in Federal employment has been astounding; for example, on June 30, 1940, the grand total was 1,002,820 and on January 1, 1959, the total was 2,353,116. To break that down into the Departments which we are considering today, such as Post Office Department and Treasury—on June 30, 1940, the Post Office Department had 323,481 while on January 1, 1959, it had 542,551; the Treasury had 59,256 on June 30, 1940, and 75,801 on January 1, 1959. These figures were supplied by the Library of Congress and represent total employees as of the dates given.

The bill now under consideration will support additional increases in average employment in fiscal year 1960 of approximately 1,000 in the Treasury and more than 12,000 in the Post Office Department. This represents a reduction of approximately 500 from the request of the Treasury Department and more than 4,000 from the request of the Post Office Department, but still the trend continues upward.

We have appropriated money for modernization and mechanization in past years. The bill now before the House appropriates as much additional money for these modernization and mechanization programs as the committee believes can be wisely and economically utilized.

It is my hope that the Departments receiving appropriations under this bill will make every effort to restrict employment in every reasonable way and hold increases in employment to the most essential cases, and eventually that the modernization and mechanization improvements will allow the Departments to decrease, from year to year, total employment rather than continue in the present trend.

Mr. Chairman, I yield back the balance of my time.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman.

Mr. MORRISON. Mr. Chairman, I want to pay tribute to and commend the chairman of the Subcommittee on Appropriations and the members for the very excellent job they have done and for the diligence and tremendous amount of time and effort they have put forth on this bill in order to bring it to the floor today, but as ranking member of the House Post Office and Civil Service Committee, I cannot remain silent after reading the report of the House Committee on Post Office Appropriations. I am shaken to my very depths to find that this committee has taken it on itself to incorporate into an appropriations bill what amounts to a repeal of a law passed by the last Congress. I am referring to the 1958 postal rate increase act. I was one of the conferees on that measure, and I can assure my distinguished colleagues on the Appropriations Subcommittee that a decision on postal policy, which is to be voided by the pending appropriations measure, was not made lightly, nor was the language of that bill written in haste and without serious consideration of the import of every word and phrase.

I cannot understand the action of the Appropriations Subcommittee unless it wished to undo the postal policy provision of Public Law 85–426 since the postal policy section of the act does not, as the Appropriation Committee recognizes, call for any new appropriation of money. It merely sought to bring out into the open and allow for proper accounting of money being spent to maintain such public services as free mail for the blind, support of small-town newspapers, and other worthy causes approved by congressional action. The budget is not affected one way or the other by as much as one penny. The moneys appropriated in the bill before the House today are exactly the same amount which would have been recommended anyway. Only the ability of the post office to serve the people will be affected.

What the postal policy section was intended to accomplish and did accomplish was to highlight for the first time in a hundred years the various postal services that Congress provided below cost in the public interest, as well as the extensions and enlargements of service that were made because the national welfare was involved. These issues and many others were considered and made the basis of the statement of postal policy. No rates were changed by this section. No service was added or subtracted. No citizen received any special benefit or hurt because of it. What was intended, and in large measure accomplished, was a statement of national postal policy, just as we have in our laws a *statement* of national transportation policy.

Before this legislation was passed there were literally years of hearings and studies made by congressional groups on the need for a postal policy—most of them, to be sure, in the other body—the results, the background studies were freely available to Members of this body and in particular to the conferees who spent hour after hour trying to arrive at a clear and honest appraisal of the philosophy governing our postal system.

The action of the Appropriations Committee can only serve to distort the problem and might possibly lead to the curtailment of such vital services as post offices in smaller communities or make it impossible for some church organizations to raise missionary funds.

What Member here does not know of post offices in his own district that have been closed—a sacrifice on the altar of a phony deficit, despite the protests of the people it had served. Many fourth class offices, threatened with such extinction, have been saved only through the intervention of the Representatives of the districts involved. What Member is not aware of the great work done by the Scout groups, the various charities, and the fraternal organizations? Can we say that the below cost rates granted them are not a matter of postal policy? I could go on indefinitely but the time here is limited. I wish only to register my grief that legislation which culminated years of study and which passed both House of Congress after prolonged debate and which is the law today is to be thus uncermoniously dismissed and canceled—legislation killed within the framework of an appropriations bill.

Senator OLIN D. JOHNSTON, chairman of the Senate Post Office and Civil Service Committee, declared:

> The House Post Office Subcommittee on Appropriations is attempting to cover up postal subsidies.

I am quoting Chairman OLIN JOHNSTON:

> The action of the House Committee on Post Office Appropriations in refusing to earmark funds called for in title I of Public Law 85–426 is a refusal to recognize and to sell the public how much the free mailing privileges voted by the Congress is costing the Government. These very same members of this Appropriations Committee which have voted in the past to continue free in-county delivery of newspapers, free mail for the blind, preferential rates granted to so-called exempt or nonprofit publications, low rates on special services such as registered mail, money orders, and so forth, and who continue to bombard the Post Office Department with the request for extensions of rural free delivery routes and continuance of uneconomical 3d and 4th class post offices are apparently unwilling to tell the people of the Nation what this free service is costing the Government.

Senator JOHNSTON said this after reading the report of the House Committee on Appropriations released today.

Senator CARLSON, ranking Republican minority member of the Senate Post Office and Civil Service Committee, declared:

> Notwithstanding the clear mandate set forth in Public Law 85–426 which enumerates in detail the items of postal service that should be earmarked as public service, the House Appropriations Committee is seeking to inflict the minority opinion upon the majority of a Congress that approved this principle last year. It is unfortunate that this subcommittee does not recognize the 5 years of hard labor that went into the development of this postal policy concept and the effort on the part of Congress last year to tell the American people why there is a postal deficit and who is receiving the so-called postal subsidies.

Both Senators declared an intention to personally appear before the Senate Appropriations Committee in an effort to see that the Senate recognizes its obligation under Public Law 85–426, and earmarks the $172 million requested by the administration as public service cost.

During the debate on Public Law 85–426, the bill to increase postage rates last year on the Senate floor, at least 4 days were consumed on title I—Postal Policy. The Senate Post Office and Civil Service Committee had recommended at least $300 million which included losses incurred by the Post Office Department in operating uneconomical third- and fourth-class post offices and star routes as well as rural free delivery routes. The Senate agreed in conference with the House to eliminate R.F.D. routes from the list of public service items that had previously been approved by the Senate.

The request of $172 million which the House committee was considering did not include losses incurred in operating third- and fourth-class post offices and star routes.

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

Mr. MORRISON. I yield to my distinguished colleague from Minnesota.

Mr. WIER. I have listened with some interest, and I think the gentleman from Louisiana made the statement that in its deliberations the Subcommittee on Appropriations had repealed a public law, as I understand it, and he somewhat described what that repeal does. Now, that is what I am trying to have clarified in my own mind. What excuse or reason would there be for the repeal of any public law by the committee handling the appropriation? I thought that legislation came from the committee upon which the gentleman serves.

Mr. MORRISON. That is right; the gentleman is correct. And, this is a law that was enacted by Congress and is the law today. It was voted upon by a vast majority of the Members of Congress, and now the Appropriations Committee is attempting to actually repeal a law already passed by the Congress and signed by the President.

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

Mr. MORRISON. I yield to my distinguished colleague from Louisiana.

Mr. PASSMAN. I took the position I did on account of reading the gentleman's own prepared statement, and I shall quote the last sentence from one of the paragraphs: No matter what anyone calls it, the appropriation is the same in that it neither adds nor subtracts 1 cent from the General Treasury. So, if we are giving as much money to carry the same amount of mail, then what does the gentleman's law propose to do other than to hide the actual deficit? Now, I am asking for information. If your statement here—and I am sure the gentleman meant that—is true, how can you point then, that we may take away some of the services?

Mr. MORRISON. My statement, a part of which you read is true and cor-

rect. Evidently the gentleman was not listening to my remarks that I made a few minutes ago, because I definitely stated that the law was passed on postal policy in the last session, and this is the law today. Your Appropriations Committee is attempting to abolish a law of the land without legally repealing it. This is not only unethical but it is illegal.

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

Mr. MORRISON. I yield to the distinguished gentleman from Pennsylvania.

Mr. CORBETT. Is not the gentleman saying, and correctly so, that the provisions of the policy act of last year provide for a full and complete disclosure of where the money is allocated to public services or to postal deficit, and that if it is lumped simply as a deficit, there is no way of telling where it goes. It is just a big lump sum showing a deficit. So, without getting into the merits of whether or not it should be public service or deficit, this $172 million, certainly the law as passed last year provides for that full disclosure and earmarks it item for item.

Mr. MORRISON. The gentleman is exactly correct. I contend, and I think the vast majority of the Members of Congress contend likewise, that when this Congress passes a law, no committee, whether the Committee on Appropriations or any other, shall so attempt to erase it.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. CORBETT], a member of the House Committee on Civil Service and Post Office.

Mr. CORBETT. Mr. Chairman, a noted historian once said that the only certain thing he knew about history was that the people never learn anything from history. From time to time throughout the history of our Republic people have come forward with the notion that the Post Office should pay its own way, that the users of the mail should pay into the Treasury or into the Post Office Department an amount at least equal to that which it costs to handle the mail. Repeatedly throughout the history of the Post Office Establishment this has been proved to be not only unsound but decidedly unfair to the users of the mail. The reasons for that are quite obvious. I cannot read too much history to the committee today—I am going to read a little—but it comes down to this, if I can simplify it.

We, as Members of Congress and other Congresses have from time to time directed the Post Office to perform certain functions at a calculated loss. The clearest example is when Congress decided by law that all mail transmitted by the blind shall be free. We decreed that the Post Office Department render all kinds of services which cost, as a total, perhaps up to $300 million a year.

So the question comes to this: Should the users of the mail, or the Treasury, pay for these services which do not and cannot ever pay their own way? As I say, one example is free mail to the blind. That is a clear example of public service that should be chargeable to the Treasury.

When you get into the matter of third- and fourth-class post offices it becomes vague as to just what part of their total calculated loss each year is public service and what part is postal service used by the mailers. Certainly we know, I am sure no one will deny, that there is not a third- or fourth-class post office in the United States, not one out of some 28,000, that does not lose money. None of them makes a profit. If anyone wants to advocate that we close all the third- and fourth-class post offices, all right. The Carlson committee which made extensive studies of the rural free delivery service said that we lose in the neighborhood of $119 million a year, and they recommend that some portion of it—perhaps $70 million—be considered public service. This mail costs three times as much as ordinary mail to deliver.

If the Congress wants to put the Post Office on a pay-as-you-go basis, if they want to make it pay its own way, they ought to close every third- and fourth-class post office. They ought to shut down the rural routes, just as the American Express Co. would do if they were faced with that problem, or as any business would do.

You cannot just keep piling up the cost to the users of the mail because we keep piling up expenses against the Post Office Department. I say when people call this a dishonest policy they ought to say very frankly that we are taxing some segments of the public, some segments of American business, to finance the policies of Congress; that benefit somebody else.

Let us just take a moment of history. This is from Congressman Clyde Kelly's book "U.S. Postal Policy" published in 1935. He was one of the greatest chairmen of the Post Office Committee we ever had. He wrote a history of the Post Office. After pointing out how hard a time we had getting the postal service going he said that:

> In 1851 the Congress adopted the policy of service first and, although often vigorously assailed, that policy has continued, from that day to this, to guide the destiny of the Postal Establishment.

He goes on:

> It was no longer to be a question of arithmetic but of public good.
>
> The theory that postal progress must depend on receipts had been weighed in the balance and found wanting. The needs of a rapidly growing Republic doomed such a policy.

Later on that act of 1851 was attacked by politically appointed Postmaster Generals who did not know beans about the service or the establishment, and every time the self-sustaining policy was tried it resulted in almost a complete breakup of the Postal Establishment and had to be terminated.

May I say that this is a complex problem, and I am sorry the argument has got into a rather vitriolic tone.

The matter of the post office service involves the economy of the United States. If you want to study it carefully, I recommend to the Subcommittee on Appropriations that they look at some of the tens of volumes of testimony and reports and the years of history of this great debate on postal policy. They are very revealing. I think there is proper ground for compromise. I believe that the bill last year came close to that, and I think that whatever is the situation, I will agree that those things which are chargeable to the users of mail ought to be charged to them, and the things that ought to be charged to the Treasury because of acts of Congress ought to be charged to the Treasury. Then we could all feel that we were doing an honest job.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. LESINSKI], a member of the House Committee on Post Office and Civil Service.

Mr. LESINSKI. Mr. Chairman, I am not here advocating that second-class mail pay the same rate as first class, for it would tend to nullify second class. I believe, though, that we should be a little more careful as to what we say. Second-class mail today brings in a little over $65 million. If the second-class mail paid the same rates that first class does, we would be astounded, and we would have so much money left over in the Post Office Department that we would be able to build a lot of post offices and refund money back into the Treasury.

I have a letter from the Department dated in 1957, prior to the increase from 3 to 4 cents, and I will place the letter in the RECORD at this point.

> SEPTEMBER 4, 1957.
>
> Hon. JOHN LESINSKI,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR CONGRESSMAN LESINSKI: This is in reply to your letter of August 22 requesting confirmation of an unofficial report that the amount of revenues which second-class mail would bring in at first-class rates would be between $1.2 billion and $1.3 billion.
>
> Let me say at the outset, and I am sure you will agree, that in the event second-class rates were raised to the level of first-class rates, it would put an end to many of the publishers of the country, and in all probability produce little more revenues than are produced today.
>
> If, for the purpose of answering your hypothetical question, we assume that present second-class volume will remain unchanged, it may then be said that the amount of revenues cited above is correct on a strictly arithmetical basis.
>
> I trust that this answers your question fully, and if not, I will be happy to provide any additional information you may require.
>
> Sincerely yours,
>
> ——— ———,
> *Deputy Postmaster General.*

The letter states very simply that if the second-class mail paid first-class rates, it would bring in between $1,200 million and $1,300 million. The letter does not consider the additional increase of last year. I point that out not for the purpose of saying that second class should bear the same rates as first class, but to show the big discrepancy. Going back again into history, to Benjamin Franklin, second class received special rates. Congress has many times reiterated, if we check the record, that second-class mail is for the education of the American public or as stated for the dissemination of information.

Therefore the criteria is set by the laws and precedent preceding us. The American public is to be informed thoroughly on what is going on and second-class mail should be given special consideration. Do not forget in 1932 Congress raised second-class rates 30 percent and also raised first-class rates from 2 to 3 cents. In 1933 the second-class increase was repealed. In 1951 we raised second-class rates 30 percent and that rate was 18 years overdue at that time. When I tried last year to increase second-class rates an additional 10 percent a year to bring in additional revenue, I was a lone individual here with very little help. To criticize us on the Committee on Post Office and Civil Service and to say that we do not know what we are doing, I do not think is appropriate. We studied the problem thoroughly. We gave it full consideration. We have reviewed all the facts and figures. To say that in order to solve the problem, we should raise the first-class rate from 4 cents to 5 cents or even 7 cents is quite farfetched. First of all, they say the users should pay the freight. Then they say that first-class mail should be raised to 7 cents when, as a matter of fact, the second-class rates would have to be raised 20 times that to bring it up to the equivalent of the first-class mail.

To give you another idea briefly. I talked to a postmaster in the Detroit area. He claims that 100,767 copies of a paper were mailed out. The income from these papers was $592.29. That is just a little bit over a half cent per copy to pay for mailing. Many papers are sent for less and some for a little more depending on the weight and size. To give everyone an idea as to the differential of rates—why do not those who are criticizing the rates and advocating a first-class increase send a magazine like Life or any magazine first class? It now costs the publisher 1½ cents or thereabouts to send the same magazine.

Let us take a look at the following statistics showing the differences between first-class mail, which is used by the average American when he writes a letter, and second-class mail, which is used by the big magazine publishers. The figures are for the fiscal year 1958:

	1st class mail	2d class mail
Pieces handled	32, 218, 319, 000	7, 147, 956, 000
Total weight	921, 402, 000	2, 695, 076, 000
Total revenue	$1, 092, 441, 000	$65, 622, 000

Total income from all classes of mail, $2,314,038,000.

Therefore, of the total income to the Post Office Department in fiscal year 1958—which, incidentally, was before the 4-cent rate went into effect—first-class mail was already producing over 47 percent while the big business users of second-class mail contributed only a little over 2 percent. Add airmail revenue of $136,580,000 to first-class mail revenues and you will see that the everyday users of the 4-cent and 7-cent stamps are the ones who are carrying the burden of postal costs, while the postman who delivers your mail has to shoulder the burden of one-third of a pound on an average for each piece of second class mail, but only one thirty-second of a pound for each average piece of first-class mail.

I believe that all of us would do well to devote our efforts toward closing the tax loopholes and special concessions to big business in order to get additional revenue for the Federal Government, instead of constantly trying to milk the small individual taxpayer and small businessman.

Mr. GARY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I simply want to state the position of the committee on this question of public service. Last year, you will recall, when Public Law 426 was passed, which is the law increasing postal rates, it was first passed by the House and then went over to the other body which added this provision defining public services. It was not in the bill as passed by the House. It came back to this body right at the close of the session and was referred to a committee of conference. The conference committee worked over it and it was brought to the floor of the House, as I recall it, on the last day of the session of the Congress. Everything was in a state of confusion. The chairman of the legislative committee on Post Office and Civil Service said that he was opposed to it on the floor of the House. I expressed myself also as being opposed to it, but under the circumstances we agreed to the conference report. Now, what did it provide? It provided that the definition of public services should include the loss on star routes and on third- and fourth-class post offices. If anybody can tell me why the losses on third- and fourth-class post offices are a public service and the losses on first- and second-class post offices are not a public service, I would appreciate enlightenment.

I am perfectly willing to admit that the entire postal service is a public service; otherwise the Government of the United States would have no business operating the postal system.

But when you begin to single out certain parts of the service and say "This is public service, and this is not," it is absolutely ludicrous, in my judgment.

The President said that the Post Office Department could not determine the loss for star routes and third and fourth class post offices; therefore, nothing was included in the budget for that item.

Mr. CANFIELD. Mr. Chairman. Will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I wanted the gentleman to yield to me to express the President's position on signing Public Law 426 of the 85th Congress. The President said this:

> There are in the bill several matters which cause me grave concern. The first is the excessive amount of postal services costs which are assessed against the U.S. Treasury. Certain items identified as "public services," such as the star-route system, are not services at all but are basic components of the system of moving mail between post offices. The consequence of this misconstrual of the public services performed by the Post Office Department is to burden the Treasury annually with $100 million or more of operating costs which logically and equitably should be paid by the users of the mails by means of proper rates of postage. The concept of public service which is inherent in the bill is clearly in error and without precedent. The true measure of the cost of the public services performed by the Post Office Department is the loss of revenue arising from specific rate concessions made under the law to certain subclasses of mail users.

Mr. GARY. I thank the gentleman.

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

Mr. CANFIELD. Mr. Chairman, I yield the gentleman 2 additional minutes.

The CHAIRMAN. The gentleman from Virginia is recognized for 2 additional minutes.

Mr. GARY. Now, let me read you what Mr. Sessions, the Deputy Postmaster General, had to say about this matter. You will find it at page 105 of the hearings. He said:

> Mr. SESSIONS. My personal convictions are the public services concept is a most dangerous vehicle, and if it is carried out to its possible logical conclusion, I feel it can destroy the ability of the Post Office Department to operate on a pay-as-you-go basis. I foresee that successive sessions of Congress will be beset by pressure groups seeking to be included as beneficiaries of this concept.
>
> This will make it difficult for the Post Office Department to charge for its services which it is now giving.

We have been accused of a possible interference with the delivery of mail. Does the gentleman think that the Deputy Postmaster General would have condemned the public service concept if he had thought that it would help the postal service? The Post Office Department has expressed itself as opposed to the definition of public services as set forth in Public Law 426.

There is one other item I wish to mention, and that is the appropriation of $172 million to cover this so-called public service in handling free mail which is still in the bill. Instead of figuring the loss on the basis of what that free mail would pay if it were not free, in other words, because of the differential in rates between free mail and what it would pay, they are estimating the entire cost of carrying that free mail. The differential in rates would be only a difference of about $30 million. Therefore, under no circumstances should this item be considered as an item of $172 million. At the most it would be $30 million. But our committee was unwilling to recommend the appropriation of funds for a defective concept, unwisely conceived and inaccurately priced, and we struck the entire item from the bill.

Mr. CANFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, postal policy is a matter that concerns me. I want at this time to say that I think the report of the Committee on Appropriations is correct. I believe it is inadequate and wrong to charge as part of the postal policy, charge to the individual taxpayer the cost of such services as third- and fourth-class post offices and the star-route system.

We all recognize that this is an integral part of the entire system.

One of the things that concerns me about charging too much to postal policy

is this: The $172 million, as I understand it, will not really reflect the true deficit of the Department. In other words, if approximately $350 million, which is the deficit now, and the $172 million of public service are added up it reaches a total of something over $500 million of actual and real deficit to the Department.

I am concerned about charging too much to postal policy because I realize that when we come to facing a $350 million deficit it will not reflect the true deficit. We find very little sentiment to do anything about increasing the rates to make up that part which we claim is not public service yet shows up in the deficit. That is one of the things that concerns me because I believe when we face these rate problems we should take a look at the overall deficit of the Department.

There are some legitimate charges to public service, for instance, the mail of the blind, certain mail that is handled for nonprofit organizations. There are some real legitimate charges that can be made to public service, but I fail to see how we can justify $172 million. If we continue from year to year to increase the amount that we are going to charge for public service, then, in my opinion, we are going to put off inevitably or at least beyond a reasonable length of time when we will again face the very facts that rate increases are necessary.

What class of mail they should go on is a matter for the legislative committee to undertake to decide. It seems to me we are going overboard on this public service item, and unless we pare it down to something reasonable we are very apt to be in trouble. As I said before, I have no objection to legitimate public services being charged to the Public Treasury, but when we continue with deficits in the Post Office Department of something like $500 million a year, then I think we better take a good look at the situation.

I would like to say that even if we went for this $172 million for public services, what about the $350 million deficit that still exists? No one seems to be very much concerned about that. There is where the taxpayer picks up at least twice as much as is being charged to public service and I think that is wrong.

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I thank the gentleman for yielding to me. I simply want to support the statement made by my able colleague from Michigan [Mr. CEDERBERG], who served on the Committee on Post Office and Civil Service.

I want to call the attention of the House to the fact that during the 2 or 3 years that I served on the committee, during which the matter of postal rate increases was being considered, we were being constantly bludgeoned over the head with this argument of setting up some set of pubilc service standards. We were told continually that there should not be any rate increase until that was done. In other words, this whole concept which the gentlemen from the Committee on Appropriations have rightly identified was used for 2 or 3 years in an effort to forestall any rate increases. If it becomes established, and particularly on the scale that was proposed, as a permanent fixture, I am confident it will be used again and even more effectively as a device for preventing an equitable distribution of the cost of the postal service to the users of the service.

I commend the subcommittee for the stand it has taken.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

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 the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, namely:

TITLE I—TREASURY DEPARTMENT

Office of the Secretary

Salaries and Expenses

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem; and the purchase of uniforms for elevator operators; $3,300,000.

Bureau of Accounts

Salaries and Expenses

For necessary expenses of the Bureau of Accounts, $3,464,000.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, $21,500,000.

Bureau of the Public Debt

Administering the Public Debt

For necessary expenses connected with any public-debt issues of the United States, $47,000,000.

Office of the Treasurer

Salaries and Expenses

For necessary expenses of the Office of the Treasurer, $17,500,000.

Bureau of Customs

Salaries and Expenses

For necessary expenses of the Bureau of Customs, including purchase of seventy-five passenger motor vehicles for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U.S.C. 401); $53,865,000.

Internal Revenue Service

Salaries and Expenses

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed one hundred for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; $363,000,000.

Bureau of Narcotics

Salaries and Expenses

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and hire of passenger motor vehicles; $4,080,000.

United States Secret Service

Salaries and Expenses

For necessary expenses of the United States Secret Service, including purchase (not to exceed thirty-seven, of which twenty-five are for replacement only, including ten for police-type use which may exceed by $135 each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles, $4,000,000.

Salaries and Expenses, White House Police

For necessary expenses of the White House Police, including uniforms and equipment, and for performing such protective duties in the White House areas of the Executive Office Building as the Secretary may prescribe, $1,055,000.

Salaries and Expenses, Guard Force

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms, $338,000.

Bureau of the Mint

Salaries and Expenses

For necessary expenses of the Bureau of the Mint, including purchase and maintenance of uniforms and accessories for guards; purchase of one passenger motor vehicle for replacement only; and not to exceed $1,000 for the expenses of the annual assay commission; $4,300,000.

Coast Guard

Operating Expenses

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire to passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); $189,000,000: *Provided,* That the number of aircraft on hand at any one time shall not exceed one hundred and thirty-two exclusive of planes and parts stored to meet future attrition: *Provided further,* That amounts equal to the obligated balances against the appropriations for "Operating expenses" for the two preceding years, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation: *Provided further,* That except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

Acquisition, Construction, and Improvements

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); $22,000,000, to remain available until expended.

Retired Pay

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Uniformed Services Contingency Option Act of 1953, $29,500,000.

Reserve Training

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U.S.C. 751–762; 37 U.S.C. 231–319), including direct expenses and repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or reserve personnel while on active duty, engaged primarily in administration and operation of the reserve program; purchase of not to exceed two passenger motor vehicles for replacement only; and the maintenance, operation, and repair of aircraft; $15,500,000: *Provided*, That amounts equal to the obligated balances against the appropriations for "Reserve training", for the two preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation.

Liquidation of corporate assets

The Secretary of the Treasury is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available therefor and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1960 for the following functions, except as hereinafter provided:

Limitation on Administrative Expenses, Reconstruction Finance Corporation Liquidation Fund

Not to exceed $90,000 (to be computed on an accrual basis) of the funds derived from functions transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957 (22 Federal Register 4633) shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses, reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices.

This title may be cited as the "Treasury Department Appropriation Act, 1960".

TITLE II—POST OFFICE DEPARTMENT

Contribution to the postal fund

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1960, as authorized by law (39 U.S.C. 786, 794a), together with an amount equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

Current authorizations out of postal fund

Administration, Regional Operation, and Research

For expenses, not otherwise provided for, necessary for administration of the postal service, operation of the inspection service and regional offices, uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and conduct of a research and development program (including current increases in prior year contracts thereunder), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); management studies; not to exceed $25,000 for miscellaneous and emergency expenses; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law, and not to exceed $15,000 of such expenses to be accounted for solely on the certificate of the Postmaster General; and not to exceed $20,000 for rewards for information and services, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; and settlement of claims, pursuant to law, current and prior fiscal years, for damages, and for losses resulting from unavoidable casualty; $71,500,000.

Operations

For expenses necessary for postal operations, not otherwise provided for, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); for repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service, and for other activities conducted by the Post Office Department pursuant to law; $2,988,000,000: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration, regional operation, and research", shall not be increased by more than $1,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations.

Transportation

For payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail, $524,000,000.

Facilities

For expenses necessary for the operation of postal facilities, buildings, and field postal communication service; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); procurement of stamps and accountable paper, postal supplies, and equipment; and storage of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government; $188,660,000: *Provided*, That this appropriation shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia, and for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes.

Postal modernization

For postal modernization as authorized by title III of the Act of May 27, 1958 (72 Stat. 144), $75,000,000: *Provided*, That the funds herein appropriated shall be available for payment to the General Services Administration for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes, and for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

This title may be cited as the "Post Office Department Appropriation Act, 1960".

TITLE III—TAX COURT OF THE UNITED STATES

Salaries and expenses

For necessary expenses, including contract stenographic reporting services, $1,535,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This Act may be cited as the "Treasury-Post Office Appropriation Act, 1960".

Mr. GARY (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been hearing a lot, the last couple of days especially, about balancing the budget, and I certainly am in favor of balancing the budget. And, we have been hearing a lot also about the postal deficit or the deficit in the Post Office Department, and certainly we want to do what we can to eliminate any wasteful expenditures in that regard. But, I do think there is a big difference between investing three-tenths of a billion dollars in the future of America and some of these expenditures that are being made by the executive department that are going down the rathole, and I

am talking about some of the featherbedding in the upper echelons of the administrative branch of the Government. The real spenders are those who are featherbedding the upper echelons of the Government, and I will give you an example of just what I am talking about. We find that in the Post Office Department, in the position of postal supervisor, which is nonproductive work—this has nothing to do with the clerks and carriers—in the year 1952 there were 20,864; in 1953 there were 21,481; in 1954 there were 21,632; in 1955, 22,107; in 1956, 22,771; in 1957, 23,255; in 1958, 24,792; in 1959, 26,007; and request for 1960, 26,961. Figures are as of June 30 for each year.

Now we have a proposal for 26,961 in 1960, an increase of 6,097 nonproductive workers since 1952, and the cost of those additional nonproductive personnel is almost $50 million per year. Now, I think we should give more attention to the featherbedding in the upper echelons of this Government by the administrative branch of this Government and we should consider those expenditures much different than the investments in the future of America, such as dams on our rivers, airports for our ever-expanding and fast-moving transportation system, and housing for the citizens of our country.

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

Mr. SMITH of Iowa. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Is the gentleman suggesting that all supervisory personnel be eliminated from this bill?

Mr. SMITH of Iowa. I am suggesting that the additional 6,000 that have been added, that are not producing any additional service for the Post Office Department, should be eliminated.

Mr. LAIRD. Are you offering an amendment to eliminate them?

Mr. SMITH of Iowa. I am preparing to take care of the matter through the regular channels.

Mr. LAIRD. It would be in order to reduce the appropriation if the gentleman wants to eliminate those positions.

Mr. SMITH of Iowa. I want to make sure the executive department does not lay off productive personnel. The way they have been operating, they would probably lay off productive employees instead of reducing the number of upper echelon nonproductive employees.

Mr. LAIRD. It could be stated in your amendment that the reductions apply to that particular area.

Mr. SMITH of Iowa. I am also speaking here of the future appropriations that will come up for the different departments of the executive branch of Government.

Mr. LAIRD. Then, the gentleman has no amendment to offer at this time?

Mr. SMITH of Iowa. I am also taking the matter up with the Government Operations Committee, of which I am a member.

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

Mr. SMITH of Iowa. I yield to the gentleman from Massachusetts.

Mr. BATES. Has the gentleman determined the number of postmasters we have today compared with 1952?

Mr. SMITH of Iowa. I know this, that in the big post office in Des Moines there has been an addition of a good many postal supervisors, and I have been told that they produce nothing in the way of making the postal service better. As a matter of fact, the principal thing some of them do is to interfere with some of the work that is being done.

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

Mr. SMITH of Iowa. I yield to the gentleman from North Carolina.

Mr. WHITENER. I might undertake to answer the question of the distinguished gentleman from Massachusetts that, if they had been abolishing postmasters in his district like they have in mine, there would be a great many less postmasters than we had some 6 years ago.

Mr. SMITH of Iowa. I might say I am referring also to those other department appropriations which have not come in yet. Some have new consultants, so-called, nonproductive people, at $15,000 per year; some of which are getting $10,000 from the Government retirement fund at the same time.

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

Mr. SMITH of Iowa. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I represent a district with 12,000 post offices. They have abolished 12 of them. And I have endorsed the program every time, because it has been established that they get better service by abolishing these post offices, and, as a usual thing, the patrons are better satisfied. And so in the interest of economy, I shall continue to support the Post Office Department in abolishing these useless post offices in my district where adequate service can be rendered by RFD.

Mr. SMITH of Iowa. It does not do any good to abolish post offices if you are going to turn around and put on nonproductive personnel in the administrative branch. That does not excuse the expenditure of additional millions of dollars per year for nonproductive upper echelon personnel, and I say again that the featherbedding by the administration of the upper echelons of the departments should be stopped.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to address myself to the question of postal policy because I have been rather interested in the remarks I heard as I came into the Chamber a little earlier.

I had the opportunity of serving for 4 years as a member of the Committee on Post Office and Civil Service at a time when the question of rates was an annual experience, and I think that the committee, in its wisdom, made a very important forward step when it directed that appropriations should annually be made for public service costs.

I want to deal with just what those costs are, in my opinion. I think, first, they are the cost of handling as determined by the only yardstick employed in the Department, that of the cost ascertainment system, of the classes of mail which by law travel at less than cost, and the many free services, the activities the Department carries on for other agencies of the Federal Government, the maintenance of obviously nonpaying activities, or, at least, activities which cannot be expected to fully recover their costs from rates.

I have reference to the maintenance of many admittedly uneconomic post offices. We have them because it has been the policy of our Government to maintain them in order to bring about the widest dissemination of information and intelligence in this Nation.

We have the rural free delivery system which, in its very name, carries with it a part of the public service determination, a free system of delivery in rural areas. Never was it expected that the rates assessed would cover the cost of maintaining that system.

We have the free-in-county mailing privilege for newspapers, and the cost of free-in-county mail is not what it would have produced at lower than cost rates, but the actual allocable cost of handling. That is the cost and the public service cost is the difference between what a rate would produce and the actual cost of handling it. Because we cannot, by any rational approach, say that the man who mails a first-class letter—and this seems to be the policy being now pursued—the man who mails a first-class letter should not only underwrite all of the costs properly allocated to the handling of first-class mail, but should also pick up the deficits incurred in the free services of the Department and the less-than-cost services of the Department.

If it is to be the studied policy of the Congress of the United States as the Board of Directors for the Post Office to give service at less than cost, then it is my contention that that is properly a charge against the revenues of this Government and not against the other users of the mail.

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

Mr. MOSS. I am happy to yield to the distinguished chairman from Virginia.

Mr. GARY. Would the gentleman say that the fact that the Department is carrying magazines and newspapers and other commercial mail at less than cost would make that a public service?

Mr. MOSS. If that is the determination of the Congress, that the rate should be at less than cost, it is then a public service. It certainly is not properly a charge against the other users of the mail. I think there is where we have the exercise of congressional discretion, and we have long since determined that we would have subsidized rates.

Mr. GARY. In other words, if the lobbyists can successfully hold the rates down on those classes, we should call it a public service?

Mr. MOSS. Would the gentleman now respond to a question? Where would you look for the revenue? If it is the policy of the Congress which sets the

national policy that the rate not produce its full share of the cost, do you then look to the other rate users?

Mr. GARY. I would impose it on the people who are getting the benefits, and that is all we are trying to do. I think this move is to try to relieve them from paying the proper rates.

Mr. MOSS. The entire American public gets the benefit. The man who buys the magazine is not necessarily the one who mails the letter.

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

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. ARENDS. Reserving the right to object, Mr. Chairman, and I am not going to object, may I say that we have several bills we want to complete before this evening is over.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. I think it was unfair to imply that Congress has been yielding to the pressure of the lobbyists in the establishment of postal rates.

Mr. MOSS. I think that each of the Members of this body can speak only for himself. In stating my position I am speaking my personal conviction. I am convinced that our second-class rate is subsidized, but I do not think the man who uses the mail to send a first-class letter is responsible for that subsidy. I do not think his first-class rate should pick up the subsidy because the man who gets the magazine may never write a letter. They are not the same group of users, but they are all part of the great American public. That is the public policy determination, that we have subsidized rates, and then they should properly be charged against the general governmental revenues of this Nation and not against just the users of the mail.

Mr. GROSS. I want to associate myself with the statements made by the gentleman from Louisiana [Mr. MORRISON], the gentleman from Pennsylvania [Mr. CORBETT], and the gentleman from California [Mr. MOSS], who now has the floor, in support of the policy statement that was contained in the legislation enacted last year. I regret that the Subcommittee on Appropriations saw fit to scuttle, in effect, this policy by refusing to earmark the money to implement the policy that was established by law.

Mr. MOSS. I want to thank the gentleman and acknowledge the fact that during my 4 years of service on the committee I was privileged to work closely with him in an effort to bring about a policy statement, one which had long been needed in this Government. This Department, the Post Office, has operated far too long without adequate definition as to what constitutes its public service functions and those things which constitute its purely commercial functions.

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

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

Mr. CORBETT. I do not want to take the gentleman's time, but I would be remiss not to point out to this Congress that the gentleman now addressing the House has been 4 years doing exactly what I recommended to the Subcommittee on Appropriations, namely, trying honestly and conscientiously to find the proper definition of public service and to implement it as it ought to be done and as attempts have been made to do. I simply want to point out to the House that the gentleman from California did that job and did it well. I commend him for his efforts.

Mr. MOSS. I want to acknowledge the help of the gentleman from Pennsylvania, because it was a material contribution in our first pioneering effort to bring about a statement of postal policy.

I should like to point out to the members of this committee that the policy being pursued by our Government in connection with the operation of its Post Office is not one of consistency. We say that for many purposes our cost ascertainment system is inadequate, that it cannot be used and that it should not be regarded at all as a tool for the setting of rates, and yet by law we require the employment of that system in the setting of rates for fourth-class mail. We expect that one group of users to cover fully the allocable costs of handling their type of mail. So we have here a clear inconsistency and rather than avoiding the question of a clear definition of postal policy, we should bend our efforts and use the best of our intelligence to arrive at a really definitive statement of postal policy.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

I have asked for this time as I am a member of the appropriations subcommittee handling this bill. We are certainly not trying to repeal any law which has been recommended by any other committee. But, we know that even under the bill now before us, there is going to be a Post Office Department deficit for the fiscal year 1960 of $470 million. Under the legislation that we are discussing, there would be an appropriation of $172 million so as to make the deficit appear that amount less than the actual deficit. I should like to ask if there has been any other instance in the postal operations where request has been made for an appropriation for a nongovernmental subsidy.

Mr. CORBETT. I would like to reply to the gentleman in this way. The gentleman spoke earlier about a nongovernmental subsidy. Who gets this subsidy?

Mr. PASSMAN. Will the gentleman please answer my question? We do not have time to debate the question as the time is limited. Do you know of any instance where the Congress has appropriated money for a nongovernmental service? I am not arguing the merits; I am just asking the question, which can be answered "Yes" or "No."

Mr. CORBETT. The answer is that this is not a nongovernmental subsidy—certainly not like a subsidy to keep up the price of peanuts or tobacco.

Mr. PASSMAN. This is an appropriation that will serve to reduce the annual deficit though; is that not true?

Mr. CORBETT. The money is expended in any case. The question is as to the allocation.

Mr. PASSMAN. But the record would then show a deficit of $172 million less than if we had not followed such procedure.

Mr. CORBETT. You can call it a deficit, if you insist on calling it that.

Mr. PASSMAN. I am speaking of the record. Does it not stand to reason that if you could cover $172 million of the deficit by this vehicle, in subsequent years someone could come in with more legislation and cover, say, an additional $200 million; and finally get the entire matter under the rug to such an extent as to be showing the Post Office Department as being self-supporting, whereas there might actually be a $700 million or $800 million subsidy?

The time has come for us to recognize that there are 175 million Americans, all of them interested in the postal service. We are not going to carry the mail at any less cost by making one group subsidize another one. The time has come to let each user of the mail pay for his own postage. I hope that, in due time, the committee with the jurisdiction over such legislation will present a bill that will give us an opportunity to vote for measures that will serve to make the Post Office Department self-supporting.

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

Mr. PASSMAN. I am happy to yield to my colleague.

Mr. MOSS. I want to associate myself completely with the statement of the gentleman when he says that the time has come today, and I will just make this modification—that we have to look to each class to cover fully, if that is the determination of the Congress, the cost of handling its class of mail.

But so long as there is a deficit as a result of the considered ratemaking policy of this body, then that is a public service underwriting and not a deficit.

Mr. PASSMAN. That is the gentleman's own view. I say it is an attempt to reduce the annual deficit. If we should follow this policy we would be covering up annual deficits. I am not going to make myself a party to doing this.

Mr. DADDARIO. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we in Connecticut are particularly concerned about the Coast Guard Academy, and for some period of time the Connecticut delegation has concerned itself with living conditions of the cadets who are located there and the officer candidates who go there for training during the course of the year. We have been proud of the way the Academy has been conducted, and proud of the men who have participated in the operation.

I notice on page 622 of the hearing that the Officer Candidate School will be moved from New London, Conn., to Yorktown, Va. I note also that the question was asked of Admiral Richmond if this is a more expensive operation. Admiral Richmond said "Yes; it is."

Then he was asked what would be the annual cost, and his answer was: "The

annual increased cost would be about $950,000."

We are under considerable pressure to reduce governmental costs; yet in this instance we are being asked to add almost a million dollars a year to the budget. This was the recommendation of Coast Guard and Treasury officials—the same Treasury officials who have warned of the debt problem. The admiral explained that there was a problem of enlisted men and cadet relationships, but I have examined the report of the 1958 Board of Visitors carefully and I find no such concern expressed to us previously. Indeed, one of the recommendations of that Board of Visitors was that plans be made to replace the present wooden barracks for the Officer Candidate Indoctrination School at New London.

I am not persuaded that there is sufficient urgency about this proposed move to make it necessary. There will be a slowup in the number of men trained if we take on this base. An initial cost of $500,000 to outfit the Yorktown base must be diverted from other, more essential Coast Guard programs. Then an added cost of almost a million dollars a year must be faced, in the duplication of personnel and the provision of added maintenance. I find that when Yorktown was first suggested as a base, the suggestion was not followed up rapidly, and it is implied in testimony before the appropriations subcommittee that this lack of interest also cost the taxpayer some money, since the Navy was removing some facilities that will have to be replaced. I find that the Coast Guard has not looked at a prospective site in Massachusetts that is highly recommended.

It seems to me there is no reasonable and satisfactory explanation that we should have added to the cost of Government and particularly to the cost of the Coast Guard Academy expenditures and overhead an item of $1 million per year when the situation is certainly satisfactory the way the job is being done at one location. This increase of $1 million a year is entirely unnecessary.

Mr. Chairman, I yield back the balance of my time.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to get into this postal argument and the matter of cost. I am not an expert and I have never been a member of the Committee on the Post Office and Civil Service or of the Appropriations Committee, but I am concerned about just what our policy is.

I apparently have constituents who are somewhat different from those of my friend from Louisiana.

I would have to go along with the closing of every fourth-class post office in the United States if it is going to be the policy of this Congress, but I would like to ask a question of the gentlemen of the Appropriations Committee as to whether or not that is the policy we are talking about.

Mr. GARY. I will say to the gentleman that it has been the policy of the Post Office Department for a number of years to close fourth-class offices wherever possible. The postal system, as the gentleman knows, was established during the horse-and-buggy days. In those days a man could not drive more than 4 or 5 miles a day to the post office and back to get his mail. The Post Office finds that today, under modern conditions, with modern roads and modern transportation, they can give very much better service at much less cost by using the rural routes than they can with fourth-class post offices. Therefore, they have abolished and will continue to abolish a great number of fourth-class offices all over the United States.

I will say to the gentleman that he is not being favored by this policy at all; every other Member has closings in his district. They have adopted a policy of closing these post offices in most cases when there is a vacancy in the office of the postmaster or where there is a consolidation of offices.

Mr. SISK. That is the very point I want to get to. The gentleman mentions the economic aspects of it, but I am concerned about the part that politics play in these closings. I agree that there are some being closed all over the country, but I know there are thousands of them open in various areas yet. I have had a number of closings in my district, and my constituents are very unhappy about it and I might say that I have raised a bit of Cain with the Department about it. Maybe I am not in as good a situation as is the gentleman from Louisiana. I am insisting on some type of uniform policy. As I say, if it is going to be the policy of this Congress that we once and for all say that all fourth-class post offices are to be closed, let us consider legislation to establish the policy.

Mr. GARY. I agree with the gentleman most heartily that there should be a national policy. That policy should be carried out impartially and any attempt whatever to make political capital out of the closing of a post office would be reprehensible.

Mr. SISK. I agree with the gentleman in that statement 100 percent.

Mr. PASSMAN. I did not mean to infer I have received special consideration. The consideration has been in favor of closing up these post offices in my district. Where they substitute a service equally as good, then I do not protest; in fact, I endorsed the program. There was no favoritism. Let us get that straight. I did not want the gentleman to think we were not out in the open on this matter.

Mr. SISK. The gentleman from California did not mean to intimate that at all. I want to get quickly to this idea. It is my understanding that the reasons given for the closing of these fourth-class post offices has always been upon the economic factor. Then they say we are going to replace them by rural or star routes. I understand there are certain deficits and certain losses that were discussed here, showing a large deficit on these route operations. Actually, when you consider the deficit and the reasons for it in the Post Office Department, the small amount of deficit attributable to these fourth-class post offices is insignificant when compared to the deficit created by the carrying of a lot of this mail at less than cost. We have a situation here where certainly the tail is wagging the dog if we are simply going to resort to closing a lot of little post offices which are the heart of a lot of our rural villages across the country. This action will destroy thousands of our small towns across the Nation. That is the reason I am concerned so much about this matter.

The reason for my taking the floor today is because as late as this morning I have directed a letter to the Postmaster General requesting full information on the closing of post offices in California since 1955, with a designation of the congressional districts in which they were located.

I am vitally concerned with the community welfare of such towns in my district as Nippinawasee, Irwin, and Volta, and I want to find out whether or not they are being singled out to lose their post offices on any basis of political reprisal. I note that one of these offices was kept open, after an announced closing, until after the election of last November, and then was closed. Why?

It has been the established policy of this Nation since its founding that its postal service has been operated on the basis of public service. Now it appears other considerations are more important. I realize this is not solely a problem of the district I represent, but I want to find out what standards and policies we are now pursuing and whether or not those standards and policies are being equally applied with no political considerations involved.

Mr. PASSMAN. In many instances you will find that the R.F.D.'s pass in front of a fourth-class post office and the patrons can get better delivery by R.F.D. than through the post office. Some of these post offices may have only 10 or 15 patrons. The R.F.D. would render equally as good a service or even a better service.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLATNIK, 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. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

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.

A motion to reconsider was laid on the table.

INCREASE READJUSTMENT PAY TO CERTAIN RESERVISTS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 211 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. 5132) to amend title 10, United States Code, with respect to active duty agreements for reserve officers, and for other purposes. 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. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and myself such time as I may consume.

Mr. Speaker, House Resolution 211 makes in order the consideration of H.R. 5132, authorizing an increase in the amount of readjustment pay payable to Reserve personnel involuntarily released from active duty. The resolution provides for an open rule and 2 hours debate.

The proposed legislation has two main objectives; first, to raise the critically low rate of retention of Reserve officers beyond their obligated tours of active duty with the Armed Forces; and second, to provide for more equitable treatment of those Reserve officers who supplement the regular corps but who may not be continued on active service long enough to be entitled to retirement. These objectives will be realized by providing a substantial increase in the amount of readjustment pay made payable to Reserve officers involuntarily released to inactive duty.

After the Reserve officer completes his obligated service he is continuously subject to involuntary release. In the event of such release, the only compensation he would receive would be from the Readjustment Pay Act of 1956 which provides that for those officers involuntarily released after extended active duty in excess of 5 years, a readjustment payment amounting to one-half month's basic pay for each completed year of active duty. Unfortunately, this amount of readjustment pay has proven inadequate to eliminate the high degree of insecurity now felt by Reserve officers on active duty.

Out of the 40,000 young officers who complete their obligated service each year, the Defense Department has estimated it requires a minimum of 15,000 of these officers to remain on active duty beyond their obligated service to meet the annual needs of the Armed Forces. However, during the last year only 10,000 of this group of 40,000 indicated a desire to remain on active duty.

Another significant consideration relating to the high rate of turnover in junior Reserve officer personnel is the fact of training costs. For example, it is estimated that a newly acquired military pilot represents an investment ranging from a minimum of $80,000 to a maximum of $120,000. Therefore, if 1,000 Reserve officer pilots who would otherwise leave the Armed Forces upon completion of their obligated service, were induced to extend their period of active duty another 6 years, it would reduce significantly the requirement for training new pilots, with the consequent savings in training costs.

In addition to training costs, a reduction in the turnover of junior Reserve officers would create significant savings in transportation costs necessarily incurred in the processing of junior Reserve officers on entrance to and separation from active duty.

Because of the questionable career status of senior Reserve officers, the average junior Reserve officer, regardless of his motivation and desire to continue on active duty, has been forced by prudent judgment not to permit himself to remain on active duty beyond his obligated service.

Although the Congress, under the terms of Public Law 676, of the 84th Congress, did provide a lump-sum readjustment payment for Reserve officers involuntarily released to inactive duty, the provisions of this law have admittedly proven inadequate to provide sufficient inducement for junior Reserve officers to continue on active duty.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, H.R. 5132, which is made in order under the rule, is a bill which would correct an evident inequity which has existed in the Reserve Officers Incentive Act in the past and has the support of the members of the Committee on Rules and I think, if I am correct, the unanimous support of the entire Committee on Armed Services.

Mr. Speaker, I have no requests for time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOAN OF NAVAL VESSELS TO THE GOVERNMENTS OF ITALY AND TURKEY

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 213 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. 3366) to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey. 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. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and myself such time as I may consume.

Mr. Speaker, House Resolution 213 makes in order the consideration of H.R. 3366, authorizing the extension of loans of naval vessels to the Governments of Italy and Turkey, with the committee amendment to include the Republic of China. The resolution provides for an open rule and 1 hour of debate.

The purpose of this legislation is to authorize the extension of the existing loans of two submarines each to the Governments of Italy and Turkey and two destroyers to the Republic of China. The extension would be for a period of 5 years.

This proposal is designed to assist our country in carrying out its responsibilities in the North Atlantic Treaty area implementing recommendations of the Joint Chiefs of Staff concerning support of allied forces under the mutual defense assistance program. In view of the unstable situation in the Middle East, both Turkey and Italy are in vital positions to support the NATO organization and the 6th Fleet, if required. It is always important that our forces be placed at strategic locations prior to the outbreak of hostilities.

The Navy, under the delegated authority of the President, pursuant to Public Law 188 of the 83d Congress, loaned two destroyers to the Republic of China, the term of the loan being for a period of 5 years. The Government of the Republic of China has asked for renewal of the loan for an additional 5 years. In drafting the original agreement the renewable clause was inadvertently omitted, and it is for this reason that clear authority has been inserted in this bill.

Title to the ships remains in the United States even though the ships may be placed under the recipient Government's flag. Possession of the ships will not be relinquished without consent of the United States, and no claims arising as a result of transfer and operation of the ships may be assessed against the United States. Our Government may repossess these ships at any time if necessitated by its own emergency defense requirements. At the expiration of the loan, the ships will be returned in the same condition as when loaned, except for fair wear and tear.

This bill is a part of the legislative program of the Department of Defense for the 86th Congress and has the ap-

proval of the Bureau of the Budget. Since this legislation will involve only the extensions of existing loans, enactment would involve no additional cost to the Government.

I urge the adoption of House Resolution 213.

Mr. BROWN of Ohio. Mr. Speaker, this is a unanimous report of the Committee on Rules. I have no requests for time on this side.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASE READJUSTMENT PAY TO CERTAIN RESERVISTS

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5132) to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, 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 consideration of the bill H.R. 5132, with Mr. JONES of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, it is with pleasure that I rise in support of H.R. 5132, which if passed, will be known as the "Reserve Officers Incentive Act of 1959." This bill is the product of lengthy study and consideration by the Committee on Armed Services and the Department of Defense. Representatives of the Reserve Officers Association have wholeheartedly endorsed this measure. It deals with a problem which is of great importance to our Armed Forces in an era that is dominated by the continuing precarious international situation.

Since World War II and particularly since the Korean war it has been necessary for us to maintain a greatly expanded National Defense Establishment and the prospect is that this necessity will continue for the foreseeable future. Because there are not nearly enough Regular career officers to lead our Armed Forces large numbers of Reserve officers in the lower ranks are required to meet this essential need. During the past 2 decades the Reserve officer has taken his place beside his professional counterpart to render faithful and competent service. Indeed, he has made himself indispensable and it is now clear that his continued service is vital to our national defense posture.

Although this need has long been recognized—for the reservist actually constitutes the great majority of the officer corps—little has been done to make extended active duty attractive or rewarding for the loyal and competent reservist. He currently has no career security but can be released to inactive status at any time a fluctuating policy calls for a diminution in strength or change in character of the Armed Forces. Thus, the Reserve officer who is released is compelled to readjust to a new civilian career under difficult conditions, often on very short notice. This unfortunate circumstance was rather dramatically illustrated several years ago when thousands of Reserve officers were released from active duty pursuant to a substantial reduction in force. The return to civilian life after years of faithful service imposes in many cases a real hardship accompanied by a trying period of readjustment. As a result of this past experience and the ever-present prospect of repetitions of the same in the future there has developed a great reluctance on the part of young Reserve officers to serve beyond their initial obligated tour of 2 years' active duty. The natural consequence has been a critical shortage of the junior reservists who are so urgently needed to supplement the regular officer corps.

The present bill is designed to deal with this increasingly serious problem by providing for the reservist a limited measure of career security as well as certain other incentives so that a sufficient number will remain on extended active duty to meet the minimum needs of the services.

Thus, this proposed legislation therefore has two main objectives: First, to raise the critically low rate of retention of Reserve officers beyond their obligated tours of active duty with the Armed Forces, and second, to provide for more equitable treatment of those Reserve officers who supplement the Regular Corps but who may not be continued on active service long enough to qualify for retirement. These objectives, I believe, will be realized by providing a substantial increase in the amount of readjustment pay made available to Reserve officers involuntarily released to inactive duty.

These objectives are accomplished by five main features which highlight the bill as follows:

First. It makes contracts mandatory rather than permissive for Reserve officers on active duty after the first 2 years of commissioned service, but eliminates the present one-half month pay for these first 2 years.

Second. If he completes a contract, a Reserve officer would receive 2 months' basic pay for each year served under that contract, whether he is released involuntarily or not. Under present law he receives one-half of 1 month's basic pay for each year served, but receives nothing if he leaves the service at his own request.

Third. If the Reserve officer, while rendering satisfactory service, is involuntarily released during the term of the contract, he would, under this proposal, be paid 2 months' basic pay for each year that he has served under contract. In addition, he would receive 1 month's basic pay and allowances for each year of the uncompleted contract. Under the present law if he is involuntarily released during the term of a contract, he can receive only one-half of 1 month's basic pay for each year served, or 1 month's basic pay and allowances for each year of the uncompleted contract, but not both.

Fourth. As a transitional measure for those presently on duty who would be eligible for a contract under this proposal and who may be separated involuntarily, the bill would provide more equitable treatment for those who have served on active duty for more than 10 years by increasing the present rate from one-half of 1 month's basic pay per year to 2 months basic pay per year beyond the 10-year mark.

Fifth. Finally, this proposal would provide that if a Reserve officer has rendered satisfactory active commissioned service for a period of 14 years, he will either be given a Regular commission, be released from active duty with appropriate readjustment pay or given a contract that will carry him to retirement eligibility. Such a Reserve officer who has served 12 years under contract would, if released, receive the equivalent of 2 years basic pay as would a Regular officer with 14 years of service if involuntarily released.

Although the bill as originally recommended by the Department of Defense—H.R. 3369—appeared to be basically sound it did possess several weaknesses which the Committee on Armed Services resolved. These significant changes which have been incorporated into H.R. 5132 are as follows:

First. The bill failed to address itself to the possibility of a Reserve officer remaining on active duty beyond the 10-year period. Although the Department of Defense witnesses indicated that the bill was not to be construed as a prohibition against retaining a Reserve officer on active duty beyond the 20-year period they agreed that language should be inserted to clearly indicate this possibility. The bill was changed accordingly.

Second. The bill provides a grace period of 1 year for implementation. The committee recognized the administrative difficulties involved in initiating a contract program to allow Reserve officers to remain on active duty and therefore did not consider this unreasonable. However, since no provision was made for those officers presently on active duty who will on the date of enactment of the bill complete 14 years of active duty, the point in service at which the service department must resolve a reservist's future, the committee felt that these individuals should be protected from the possibility of a general reduction-in-force action. Accordingly the committee prepared an amendment to the bill which would provide all such individuals with a constructive contract of such duration to permit them to go on to retirement. It should be noted, however, that this action does not force the armed services to retain these officers on active duty but does provide the Reserve officer with the protection afforded by a written contract.

In this connection the Department of Defense witnesses stressed the fact that at the present time there are no plans for a reduction-in-force of Reserve personnel for now or the foreseeable future.

Witnesses for both the Departments of the Army and Air Force indicated that as a matter of departmental policy the bulk of their Reserve officer personnel will be provided an opportunity to continue on to retirement. On the other hand, the witness for the Department of the Navy indicated that because of the unusually high percentage of Regular officers in the higher grades in the Navy it was contemplated that approximately one-half of the 1,200 officers presently in the 14- to 18-year group would possibly not be given an opportunity to continue on to retirement. In view of these assurances the Committee on Armed Services will scrutinize most carefully further Defense and individual service policies in respect to involuntary release of Reserve officers, and the committee therefore wishes to emphasize that H.R. 5132 is in no way intended to provide the service departments with a statutory vehicle to effect a major reduction-in-force for Reserve personnel.

Third. The bill as written addressed itself to commissioned officers. The Committee on Armed Services felt that this bill should not be discriminatory and should apply also to warrant officers. Accordingly the Committee on Armed Services effected the necessary changes to accomplish this purpose.

Fourth. The Department bill provided that an officer, who once having completed a contract of any duration, would be entitled thereafter to voluntarily leave the service and benefit by being able to collect readjustment pay from the inception of his active service. This would be true after the effective date of the act for all officers who complete a contract agreement and included those officers who might have completed 14 years or more of service. The committee believes this particular feature might be an inducement for the trained, seasoned officer, whose services were critically necessary to the Armed Forces, to request voluntary release from active duty to permit him to take advantage of the large readjustment payment available to him. The committee felt that in such a case the service needs should prevail and if this officer were offered the contract to continue beyond the 14-year period and he refused to accept such a contract he should be penalized by not being given readjustment pay. However, the committee also felt that there might be an instance where an officer because of good and sufficient reason, such as extreme personal hardship or family difficulties should not be penalized under this rule. Therefore, the committee further amended this section of the bill to provide that under such regulations as may be prescribed by the Secretary of Defense exceptions may be made for the officer with over 14 years of service leaving the service voluntarily to permit him entitlement to readjustment pay.

Fifth. The committee also found that the language of the Defense Department bill was difficult to understand and accordingly large portions of the bill had been rewritten.

Sixth. The committee felt that the bill should properly be given a title and accordingly the bill has been named the "Reserve Officers' Incentive Act of 1959."

Seventh. Under the terms of the defense bill, individuals who may be awarded retired pay subsequent to their receipt of readjustment pay would be required to repay such readjustment pay as deductions from their monthly retired pay. The committee felt that title III retirees—reservists at age 60—should be exempted from this requirement since any effort made to recoup such readjustment pay from this group would, in addition to being difficult to administer, be inequitable since the recoupment feature would not affect those not ultimately awarded the benefits of title III retirement at age 60. Thus, this provision would for practical purposes treat the readjustment payment as a loan payable at age 60, a point in time when such individuals could least afford such payment. The bill was therefore amended to exclude from the repayment requirement reservists who may become eligible for modest retirement benefits at age 60.

After incorporating the foregoing changes to H.R. 3369, the Committee on Armed Services agreed to draft a clean bill in lieu of amending H.R. 3369 and accordingly reported the subject matter of this legislative proposal as H.R. 5132, the bill presently under consideration.

In conclusion, Mr. Chairman, I wish to emphasize that this bill is not a hastily contrived scheme to provide Reserve personnel serving on active duty with a handsome lump-sum payment in event they are involuntarily released to inactive duty—it is rather a most carefully designed legislative effort to provide some stability in the career service performed by Reserve personnel and to recognize that in event such reservists may be released to inactive duty prior to retirement—they be provided with monetary benefits similar to those available to members of the Regular forces similarly situated.

For the foregoing reasons I urge unanimous support of H.R. 5132 by the House.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 10 minutes, and rise in support of H.R. 5132.

This bill is long overdue. It satisfies a most pressing need—namely the statutory recognition that at the present time and for the foreseeable future large numbers of Reserve personnel will be required on extended active duty to supplement the Regular forces in the defense of our Nation.

Historically, since the Revolutionary War and every war thereafter, we, as a Nation, have been content to maintain a small Regular armed force secure with the knowledge that in the event of future hostilities we could mobilize our Reserve and Regular forces in sufficient time to properly defend our Nation.

This policy has therefore been evidenced in all our military legislation, and traditionally therefore the statutory benefits provided for members of the military have always been based on the acknowledged concept that, except in times of hostilities, the members of our Military Establishment will consist solely of Regular career personnel.

During World War II, our Regular forces were augmented by millions of citizen soldiers and sailors so that at the end of World War II we had increased the strength of our Armed Forces from less than one-half million to more than 12 million men.

However, once again after World War II we attempted to return to our traditionally small Regular military organization but suddenly discovered, to our dismay, that the world had changed and because of the precarious international situation we were forced to maintain a large standing military organization composed of both Regular and Reserve personnel.

Today, we have approximately 2½ million men on active duty with the Defense Establishment. A significantly large percentage of this number are necessarily Reserve personnel who have remained on continuous active duty with the military departments since World War II. For example, at the present time over 180,000 of the 322,000 officers on active duty with the Armed Forces are Reserve personnel. Thus, we are confronted with the stark fact that although approximately 60 percent of all officers presently on active duty are Reserve personnel, we have failed to acknowledge that these officers as a group have no statutory career status.

This failure to acknowledge the reality that since World War II, Reserve officers had represented from 60 to 90 percent of all officers on active duty, has resulted in the inequitable treatment accorded our Reserve personnel as outlined by my colleague and has given rise to the circumstances which today forced the Department of Defense to request corrective legislation.

In 1956 we made an effort to partially satisfy this need to provide equitably for our Reserve members on active duty and accordingly enacted legislation which provided a Reserve member involuntarily released to inactive duty, a readjustment payment of one-half month's basic pay for each year served on active duty and we also enacted legislation which required the armed services to maintain on active duty those Reserve officers who had completed in excess of 18 years of active service.

However, neither of these legislative efforts faced the problem squarely—since they failed to acknowledge that Congress must in fact establish an integrated and coordinated statutory basis for a limited-career status for Reserve officers. This legislation being considered by you today, I believe, goes far toward accomplishment of this purpose.

It will for the first time acknowledge that in troubled times such as these we must continue to augment our Regular Establishment with large numbers of Reserve personnel and therefore to insure that such reservists will volunteer for such extended active duty in consonance with the ever-changing needs of our Defense Establishment—we must provide them with a bill of rights which will assure them equitable treatment in any event.

I sincerely believe H.R. 5132 accomplishes this purpose, for it contemplates both the possibility of a limited career and a full career for reservists on extended active duty and assures such reservists equitable treatment in either case.

For these reasons I urge that the House unanimously approve H.R. 5132.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, it is with genuine conviction that I rise in support of H.R. 5132. I wholeheartedly endorse the statements made in support of this proposal by my colleagues.

I am certain all of you received an abundance of mail because of the unfortunate release of thousands of fine Reserve officers several years ago. You will recall that these capable officers were suddenly and on very short notice forced to leave the profession that they had chosen and sent back to civilian life. For some there was hardship. For many there was inconvenience. For all there was a necessary period of readjustment. At that time these individuals received, under the present law, one-half of 1 month's basic pay for each year of service provided they had at least 5 continuous years of service on active duty. This certainly was not adequate compensation for these loyal, efficient officers who were summarily separated at great inconvenience and personal hardship. Nor is it equitable when compared with the severance benefits paid to the Regular officer involuntarily separated who receives 2 months' basic pay for each year of active duty if he is separated before retirement.

We all know from firsthand knowledge, from our correspondence, and, I dare say, from personal inquiry, that the Reserve officer serving side by side with the Regular is vital to our national security and therefore should be treated with the same degree of equity as the very fine Regular. This measure does just that. I think it also is a forward step both for the career Reserve officer serving on active duty and for the Military Establishment itself that this measure requires the military departments to give contracts to these officers.

The Defense Department supports this bill and the Reserve Officers Association supports it. They feel, as I do, that this measure will have a great morale effect and bring greater stability to the Reserve officer structure. Furthermore, it has another most important salutary benefit. The Defense Department convincingly stated, and showed us statistics, which indicated that most of the Reserve officers who enter the services under the ROTC and other officer-procurement programs are not disposed to continue on active duty beyond the 2-year obligated tour. One of the important reasons for their not continuing is the fact that they have not been guaranteed even limited tenure. They were further discouraged because their readjustment pay was wholly insufficient to provide the necessary financial incentive. The Department of Defense has testified that this measure will induce many of these fine young Reserve officers who are returning to civilian life after their 2 years of mandatory service to remain on active duty. Yet the need for their retention beyond their first 2 years is vital to the maintenance of effective Armed Forces.

Testimony indicated that the Reserve officer with from 3 to 12 years of service is the one who is needed to lead our troops in combat if war is thrust upon us. Because there is a shortage of Reserve officers on extended active duty in this age group, the military services are forced to assign this important responsibility either to the young officer with less than 2 years of active service or the older officer who has had World War II experience. Thus, we are confronted with the problem of having our combat troops led and trained by officers who are either too young and inexperienced or too old and lacking in the vitality necessary for the rigors of combat. This measure will materially help us to get the right officer who is both youthful enough and experienced enough to fill the very important role of the combat leader. According to Defense Department testimony the bill's enactment is absolutely essential to the solution of this pressing problem.

I concur wholeheartedly with my colleagues and commend this measure to you as a forward step in the strengthening of our Defense Establishment. I would like to see it passed unanimously by this body, and hope that it then receives favorable and expeditious consideration in the Senate of the United States.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the distinguished chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, I rise in support of H.R. 5132 and urge its passage by this body.

BACKGROUND

This legislative proposal is the result of extensive hearings conducted by the Committee on Armed Services in connection with a legislative recommendation made to the Congress by the Department of Defense and introduced as H.R. 3369. This legislative proposal by the Department of Defense was largely based upon recommendations of the Defense Advisory Committee on Professional and Technical Compensation, more commonly referred to as the Cordiner Committee, and was designed to establish a program of adequate incentives to retain Reserve officers on active duty.

H.R. 3369 was subsequently modified and redrafted by the Committee on Armed Services on the basis of information obtained during the course of hearings on the problem and the legislative proposal was therefore reported out as H.R. 5132, the bill presently being considered by this body. However, I wish to emphasize that the bill as modified retains the basic recommendations made by the Cordiner Committee and the Department of Defense in respect to this problem.

The Cordiner Committee in its study of the need for adequate incentives for noncareer Reserve officers made the following observation:

> As previously noted, there exists a pronounced and, in fact, unique lack of security for the noncareer officer. Although the services have a great need for officers to serve for periods beyond obligated service but short of qualification for retirement, they are unable to provide an adequate incentive for such service. The basic officer pay proposal dealt with up to this point is designed to attract young officers for a full career, and for this reason does not hold particular appeal for the Reserve officer who considers his chances for a full career extremely slight. The Committee is convinced, therefore, that an inducement over and above the modest pay rates proposed for the lower officer grades is necessary to attract and retain the quality and number of officers required to supplement the career corps in the lower ranks.

As a consequence of this analysis of the problem the Cordiner Committee recommended the adoption of:

> A Reserve officers term retention incentive plan to retain adequate numbers of qualified Reserve officers on voluntary active duty following obligatory service, with the following features:
>
> (a) A contract for active service beyond obligated service.
>
> (b) An additional payment at time of release from service equal to 2 months' base pay multiplied by the years of commissioned service creditable for term retention payments, restricted to a maximum payment of 2 years' base pay.

These recommendations are concurred in by the Committee on Armed Services and included in this proposal.

THE PROBLEM

At the present time a Reserve officer, after completion of his obligated service, is continually subject to involuntary release. In event of such release the only compensation he would receive is that afforded by the Readjustment Pay Act of 1956, which amounts to one-half month's basic pay for each year of active service performed as an officer.

Over 70 percent of the officers who complete obligated service return to civilian life immediately. Some of these officers would not choose to serve in the Armed Forces for any incentive. However, many who would like to remain on active duty are deterred because of lack of adequate job security.

As a consequence of this almost complete lack of job security the average junior Reserve officer refuses to remain on extended active duty.

The Department of Defense has pointed out that approximately 40,000 young officers complete their obligated service each year. However, the armed services have been able to induce only 10,000 of this group each year to remain on extended active duty despite the fact that they require approximately 15,000 of these officers to meet their annual need for junior officer personnel.

Furthermore, the Department of Defense has pointed out that at the present time because of the size of our Military Establishment approximately 60 percent of all officer billets must be filled by Reserve officers. Therefore, since junior officers of proven professional competence refuse to remain on extended active duty in sufficient numbers to satisfy

these needs, a critical shortage of experienced Reserve officer personnel has developed in respect to these billets which must be filled by officers with 3 to 12 years of military experience.

Because of the critical need for the services of these officers, the Armed Forces accepted almost all of this group of 10,000 officers and, therefore, were precluded from exercising any degree of selectivity in respect to the quality of the individual Reserve officers retained. It is, therefore, evident that a continuation of this downward spiral in the number, experience, and quality level of junior Reserve officers on extended active duty with the Armed Forces can only result in unacceptable reduction in the overall combat effectiveness of our Armed Forces.

TRAINING COSTS

Another significant consideration relating to the high rate of turnover in junior Reserve officer personnel is the factor of training costs. For example, it is estimated that a newly acquired military pilot represents an investment ranging from a minimum of $80,000 to a maximum of $120,000. Therefore, if 1,000 Reserve officer pilots who would otherwise leave the Armed Forces upon completion of their obligated service were induced to extend their period of active duty another 6 years, it would reduce significantly the requirement for training new pilots, with the consequent savings in training costs.

SUMMARY

The question may arise, Isn't readjustment pay as enacted in 1956 designed to accomplish the same end as the term retention pay provided in H.R. 5132?

The Readjustment Pay Act of 1956 was designed to meet a particular problem which already existed for thousands of Reserve officers serving on active duty without an obligation. A great percentage of these officers faced involuntary release at some time before earning retirement. The readjustment pay provided in 1956 was, therefore, designed to tide over an officer so released until he found civilian employment. As such, it is not so much a positive incentive as it is a kind of financial cushion in time of need.

The term retention payment provided in this bill, however, is designed to attract some of the many high-quality young reservists who leave active duty each year. It must be of sufficient magnitude to encourage them to delay the commencement of their civilian professions. Therefore, the retention pay provided in this bill can be compared to the reenlistment bonus provided enlisted personnel and is primarily designed as a positive inducement to retain an officer who would otherwise leave the service at his first opportunity.

CONCLUSION

In conclusion, it is my firm conviction that the problem of retaining adequate numbers of qualified Reserve officers on extended active duty can best be met by legislative action which incorporates the basic recommendations of the Cordiner Committee and the Department of Defense. I, therefore, urge your support of H.R. 5132, which in fact embodies these recommendations in a manner which provides the statutory incentives necessary to encourage junior Reserve officers to remain on extended active duty and also provides equitably for those Reserve officers presently on active duty who may be denied the opportunity of remaining on active duty until retirement.

Mr. VAN ZANDT. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I want to review here very briefly certain phases of the pending bill. Prior to the military buildup immediately prior to World War II practically all officers in the U.S. armed services on extended active duty were members of the Regular services.

At the present time that situation has changed. A very large majority of the officers in the military services are reservists. There has been over the years a certain protection, and rightfully so, for Regular officers as to retirement and many other features. But the majority of officers on duty today are neither fish nor fowl. They are considered Reserve officers but in every other sense of the word they are Regular officers and have been for a period of many years.

This legislation in no way benefits the Reserve officer who goes on for his 2 or 3 years' active duty, fulfilling his military obligation; in fact, he does not get quite the compensation under this bill that he previously had or will have if this becomes law. The Reserve officer now on duty for his first 2 years receives no severance pay if he only remains for 2 years. Today he would get at the termination of his 2 years, 1 month's extra pay.

Under this legislation he gets nothing. So, this is not trying to change the status of the officer who merely comes in to do his duty for a 2- or 3-year stretch. As I stated earlier, there has been no, what we call, bill of rights, adequate bill of rights, for the Reserve officer on extended active duty. Not only has that been detrimental to him, but it also has been detrimental to the Government, because there are not enough in number of the 2-year officers—I am talking about those who only serve 2 years—remaining in the service to take care of the present needs of our Defense Department. The purpose of this bill is to change that situation and to encourage those whom the Government wants and needs, to sign up for additional duty.

Now, very briefly, I will explain the specific changes this legislation makes. It makes contracts mandatory rather than permissive for Reserve officers on active duty after the first 2 years of commissioned service, but eliminates the present one-half month pay for those first 2 years. Now, if this officer completes a contract, he would receive 2 months' basic pay for each year served under that contract. If he has a contract for 4 years, he would receive 8 months' basic pay when he finished the termination of that contract. That would encourage him to take these contracts if the Government needs him. Under the present law he receives one-half of 1 month's pay for each year served but receives nothing if he leaves the service at his own request. Now, if a Reserve officer who renders satisfactory service is involuntarily released during the term of the contract, whether it be 2, 4, or 6 years or whatever it is, he would be paid 2 months' basic pay for each year he served under the contract plus 1 month's basic pay and allowances for each year of the uncompleted contract. You see, in no way do we intend to make this a WPA project. We do not want the Government to use officers that they do not need, but we do insist—and this legislation, I believe, will help bring that about—that the Government make long-range personnel planning to take care of this situation.

Under this legislation those presently on active duty who have served more than 10 years and are separated involuntarily are entitled to one-half of 1 month's pay for each of those 10 years plus 2 months' pay for each year beyond the 10 years.

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

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

Mr. GROSS. Is that consecutive service or may that be broken service?

Mr. BRAY. I believe it could be broken service. The contract itself, however, must be continuous service.

Now, there is another provision in this bill that I believe is quite important. It would require the Government, for every officer who has completed 14 years of satisfactory active duty, to either take that officer into the Regular service, or to provide that officer with a contract which would enable him to complete the necessary additional service to make 20 years or to release him to inactive duty with appropriate severance pay, computed as previously indicated.

Now, we have in this legislation fixed two arbitrary divisions as to length of service. First as to 10 years. We thought that if an officer had served 10 years and the Government after 10 years released him he should get an additional rate of compensation. Also it would cause the Government in the future to take a rather careful look as to whether they want to keep him beyond that time. Also up to 10 years the officer does have a better opportunity to go back into private life. So if the Government keeps the officer beyond 10 years and then discharges him before allowing him to reach retirement the Government is going to pay him 2 months' pay for each of those years beyond 10 years.

Then we pick a time of 14 years. If the Government has kept the officer beyond 14 years, they must either give him a contract to finish his 20 years of duty or take him into the Regular service; or, they could discharge him. Let us say that he served 15 years. Then they would have to give him a contract for the remaining 5 years. If they broke the contract they would have to pay him one-half month's pay for each month of the remaining time for the 20 years plus the termination pay due him for the time served.

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

Mr. BRAY. I yield.

Mr. GROSS. Is this bill retroactive?

Mr. BRAY. It is not, only insofar as a person is already in service at the time the bill becomes effective. He would benefit by it. But the officer who went out yesterday or last month or will go out tomorrow, would not be affected.

Mr. GROSS. It would do nothing for the several thousand officers who were caught in a reduction in force 2 or 3 years ago, is that right?

Mr. BRAY. That is correct. We have not tried to remedy the situation that already existed. There has been great harm done. There has been legislation in the past that took care of that to a certain degree. But we are trying to take care of the situation in the future. We could see nothing that we could do in this legislation to take care of past injustices without endangering our chances of working out a good bill here.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman.

Mr. VAN ZANDT. The gentleman knows that under Public Law 676 of the 84th Congress we did take care of many Reserve officers who were separated from active duty.

Mr. BRAY. That is the legislation I was referring to in my discussion with the gentleman from Iowa [Mr. GROSS]. We have in the past attempted to take care of this situation. But we have not taken care of it to the degree that we have in this legislation.

Mr. VAN ZANDT. If this bill is enacted into law the benefits of it will not apply to the reservists who have already been separated from the service?

Mr. BRAY. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. BRAY. I yield.

Mr. GROSS. I think some legislation in this regard is necessary. I am not fully acquainted with the provisions of this bill, but I do think some legislation is necessary. Will the gentleman give us some idea of the cost?

Mr. BRAY. Yes. Of course, frankly, in legislation of this kind it is difficult to make a very accurate estimate, as the gentleman understands.

Mr. GROSS. Yes.

Mr. BRAY. For the fiscal year 1960 it will cost something over $3 million. For the fiscal year 1961 it will cost something over $7 million. For the fiscal year 1962 it will take almost $10 million. For the fiscal year 1963 it will take about $12.5 million. And beyond that about $12 million a year, assuming that the present planned strength continues.

Mr. GROSS. So it will cost some money?

Mr. BRAY. Yes, it will. The costs will increase, and the best estimate we can get up until the fiscal year 1963 is that it will reach $12.5 million. Then we think it will drop back to $12 million and continue at that rate.

Mr. GROSS. I do not predicate my support for or opposition to bills on whether or not it is supported by the Department of Defense. But I note in the report that the Department of Defense has not indicated its position in regard to this bill. I wonder if the gentleman would comment briefly on that.

Mr. BRAY. Yes; I shall try to explain that situation. We have been trying to get the Department of Defense to send over a recommendation for more than 2 years. Just before adjournment last year they told us they had been working very hard, spending the midnight hours, trying to bring out some plan, but had failed to do so. So then we passed a bill last year which we knew would not have time to get through the Senate, but we did it to show our determination to do something.

This year the Department of Defense brought over a proposal which is materially different from the bill which we have here. I will not have time to go into all that the Department of Defense proposed, but I believe every Member of the House would agree that this bill is fairer than the bill they brought over. However, as far as an official position by the Department of Defense on the matter is concerned, we do not have it.

Mr. GROSS. Since this is going to cost a fairly substantial amount of money, I wonder if I could urge on the Committee on Armed Services that they go thoroughly into flight pay and a few other things that are going on around here and save the money necessary to take care of this expenditure in what I think is a proper direction.

Mr. BRAY. I hope we can find an opportunity to take care of this. I can assure the gentleman we will try.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. CURTIS of Missouri. Along the line of thinking the gentleman from Iowa has developed, as I understand this piece of legislation, in following out the recommendations of the Cordiner report, the object is to stop this tremendous turnover of reserves so that we will not lose the money we are presently losing in training. I notice the report states that this would reduce significantly the requirement for training new pilots, with consequent savings in training costs. I wonder if the gentleman will develop that thought.

Mr. BRAY. Frankly, I believe that this bill is an excellent approach to the problem and will save many times the money it will cost. I think any military man will tell you that the one real failure in World War II was the handling of personnel problems. We may as well face the fact that many of the complaints of the Reserve officers are that they have been released in order to make room for the promotion of Regular officers. There is nothing that we can do in regard to that. But the Reserve officer who stays in the service should know exactly where he stands. This legislation is going to encourage the Reserve officers that we need to stay, and it will encourage the military to get rid rapidly of those they do not need. I think it will promote efficiency in the end and save a great amount of money.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

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

Mr. VAN ZANDT. The Department of Defense told the committee that the annual turnover is around 90,000 officers, and among the 90,000 officers are 40,000 younger officers. We were further told that to train a pilot for our aviation, whether Air Force, Navy, or Army, costs from $80,000 to $120,000 a year. So if we retain 1,000 young officers we can see what we will save. Therefore, it is impossible to establish what we will save and apply it against the cost of this bill.

Mr. BRAY. If it encourages, or really forces the services to make long-term personnel plans, it will be well worth all the effort.

Mr. GROSS. My reference to flight training goes particularly to overaged officers who are not going to be flying the jet planes, who should not be flying jet planes, many of them, particularly lieutenant generals. What business has a lieutenent general drawing flight pay if his work as a lieutenant general does not involve flying.

Mr. BRAY. I have some very strong opinions on that matter myself, and I feel something is going to be accomplished by the committee along that line.

Mr. VAN ZANDT. If the gentleman will yield further, is it not true that the Committee on Armed Services has a subcommittee which has the responsibility of studying the manpower question? I am sure the matter the gentleman from Iowa brings up will have the attention of that subcommittee.

Mr. BRAY. That is correct. I am not on that subcommittee, but I have discussed some problems with members of that subcommittee.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, it is a privilege for me to address the Committee of the Whole in support of H.R. 5132. First, I would like to congratulate my colleagues on the Armed Services Committee and particulary our able and distinguished chairman of our subcommittee, Mr. RIVERS, who have labored long and tirelessly to bring before you today a measure which will be known as the Reserve Officers Incentive Act of 1959.

To supplement the persuasive presentation of my coworkers on this measure I would like to take just a few moments to point out another very important aspect of the bill which has been mentioned briefly but which I believe should be emphasized in greater detail. Some of you undoubtedly are wondering about the additional costs that will be involved. Costs should be an important factor in every measure considered by this body. According to the revised figures supplied to the committee by the Department of Defense for fiscal years 1960 through 1963, estimated expenditures will be modest and certainly justifiable in view of the great benefit which this measure will promote in strengthening our national security. For fiscal year 1960, the costs estimated by the Department of Defense as to original Department of Defense bill, H.R. 3369, are $3,053,000;

for fiscal year 1961, $7,167,000; for fiscal year 1962, $9,833,000; and for fiscal year 1963, $12,509,000. And the committee report indicates there will be no significant increase in cost of enactment of H.R. 5132 over H.R. 3369.

Having in mind these modest cost figures, I would like to discuss a point which impressed the committee. The Department of Defense stated that a Reserve officer on active duty for 2 years spends approximately 1 year in training and 4 months in orienting himself to his several assignments and in travel time. Actually then, his productive time during the first 2 years' active duty amounts to about 8 months. In contrast with this the Department of Defense pointed out graphically that an officer who is retained on active duty for 6 years would have a productive time of 4 years and 8 months. Therefore, the productive time of seven officers serving 2-year periods is required in order to equal the productive time of one officer serving for 6 continuous years. Thus, it can readily be seen that if more young officers remain on active duty after their obligated tours there will be a substantial increase in the productive time of such officers at a lower cost to the taxpayer. Of equal importance will be the greater efficiency and reduction in the training load.

The Armed Forces require approximately 15,000 young officers each year. Only about one-fourth of the 40,000 who complete their 2 years' obligatory service apply for further active duty. Therefore, almost all of those who apply must be utilized. However, witnesses for the Department of Defense pointed out that there is a need for 15,000. Inasmuch as this measure will undoubtedly produce many more applicants for active duty beyond the initial period of 2 years it will result in a more efficient young officer corps than we have at present. The more selectivity we have, the higher will be the efficiency and capability of the officer corps.

Therefore, I am certain you will agree with me that the small increase in the overall defense budget that this bill entails will be more than justified by the resulting benefits to our national defense stature. I also agree with my able colleagues that this bill will be instrumental in establishing a more equitable position for our Reserve officers. Therefore, I urge favorable consideration by this illustrious body.

Mr. RIVERS of South Carolina. Mr. Chairman, we have no further requests for time.

Mr. VAN ZANDT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. 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 this Act may be cited as the "Reserve Officers' Incentive Act of 1959".

SEC. 2. Section 679 of title 10, United States Code, is amended to read as follows:

"§ 679. Active duty agreements.

"(a) Before ordering a member of an armed force under his jurisdiction to active duty (other than for training) as a reserve officer with his consent for a period of three months or more, or before retaining him on active duty with his consent for such a period, the Secretary concerned shall make a standard written agreement with that member requiring him to serve for a period of active duty that the Secretary considers is necessary to meet the needs of that armed force, but not more than six years. An active duty agreement may not be made in time of war, or of national emergency declared by Congress or the President after July 1, 1953, and an active duty agreement already in effect terminates at the beginning of a war or such an emergency.

"(b) Subsection (a) does not apply—

"(1) to an officer of the Medical Corps or Dental Corps of the Army or Navy;

"(2) to an officer of the Veterinary Corps of the Army;

"(3) to a medical, dental, or veterinary officer of the Air Force;

"(4) to an officer who has not completed at least two years of active duty as an officer;

"(5) to an officer who is hospitalized or under investigation, or against whom proceedings of a courtmartial or board of officers are pending;

"(6) to any officer authorized by the Secretary of Defense or the Secretary concerned subject to such policies as may be prescribed by the Secretary of Defense, to serve on active duty in connection with a special project or special assignment, or to serve on a board;

"(7) when the Coast Guard is not operating as a service in the Navy, to any officer of the Coast Guard authorized by the Secretary of the Treasury to serve on active duty in connection with a special project or special assignment, or to serve on a board; or

"(8) to an officer who has completed the minimum service required for retirement under section 1293, 3911, 6323, 6327, or 8911 of this title, or section 232 of title 14, as the case may be.

Notwithstanding clause (4), a written agreement may be made at any time with a person who agrees to serve on active duty as a reserve officer for a period of at least one year upon completing his first two years of active service as an officer. Such an agreement becomes effective on the first day after he completes those two years of active service.

"(c) Except in the case of an officer who has completed at least 13, but not more than 14, years of active service as an officer, and except as provided in subsection (d), no agreement may be made under subsection (a) for a period of active duty that is less than one year. However, no active duty agreement may be made with an officer who has completed less than 14 years of active service as an officer if that agreement would expire after the officer has completed 14 years of that service.

"(d) Each reserve officer who is eligible for an active duty agreement under subsection (a), and who has completed at least 14 years of active service as an officer, shall, except in time of war or of national emergency declared by Congress or the President after July 1, 1953, be released from active duty unless he is appointed as a regular officer or is offered and accepts an active duty agreement under that subsection. If such an agreement is made with an officer who has not yet completed the minimum service required for retirement under section 1293, 3911, 6323, 6327, or 8911 of this title, or section 232 of title 14, as the case may be, the agreement shall provide that it expires on the earlier of the following dates:

"(1) The date on which he completes the minimum service required for retirement under that section.

"(2) The date on which he is otherwise required by law to be removed from an active status.

"(e) Agreements made under this section are subject to such policies, procedures, and controls as may be prescribed by the Secretary of Defense for the armed forces under his jurisdiction or by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy. The policies, procedures, and controls prescribed by the Secretary of Defense and the Secretary of the Treasury shall be uniform so far as practicable.

"(f) If an agreement made under this section terminates, under subsection (a), at the beginning of a war or national emergency, the officer concerned may be kept on active duty, without his consent, as otherwise provided by law."

SEC. 3. Section 680(b) of title 10, United States Code, is amended by renumbering clauses (4) and (5) as clauses "(5)" and "(6)", respectively, and by inserting the following new clause after clause (3):

"(4) discharged from his reserve appointment because of failure to achieve the standards of performance prescribed by the Secretary concerned;".

SEC. 4. Section 265 of the Armed Forces Reserve Act of 1952 (50 U.S.C. 1016) is amended—

(1) by striking out the first sentence of subsection (a) and inserting the following in place thereof: "Except for an officer covered by clause (1), (2), or (3), a member of a reserve component who is released from active duty after the enactment of this amended sentence and after having completed immediately prior to such release at least five years of continuous active duty (except for breaks in service of not more than 30 days) as either a commissioned officer, warrant officer, or enlisted person, is entitled to a lump-sum readjustment payment computed on the basis of one-half of one month's basic pay in the grade in which he is serving at the time of release from active duty for each year of active service ending at the close of the eighteenth year and (unless he is discharged from his reserve appointment or enlistment because of failure to achieve the standards of performance prescribed by the Secretary concerned) an additional one and one-half month's basic pay in that grade for each year of active service in excess of 10 years ending at the close of the eighteenth year. An officer who would otherwise be covered by the preceding sentence and who—

"(1) is serving under, or has at any time completed a period of service under, an active duty agreement under section 679 of title 10, United States Code, and is not covered by clause (3), is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after June 30, 1959, under such agreement, except an agreement from which he is released at his own request;

"(B) one-half of one month's basic pay for each year of active service, ending at the close of the eighteenth year, that is not covered by clause (A); and

"(C) one and one-half month's basic pay for each year of active service in excess of 10 years, ending at the close of the eighteenth year, that is not covered by clause (A);

"(2) is not serving under, and has at no time completed a period of service under, but who is eligible for, an active duty agreement under that section, is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after the first two years of such service and after June 30, 1959, while he was so eligible;

"(B) one-half of one month's basic pay for each year of active service, ending at the close of the eighteenth year that is not covered by clause (A); and

"(C) one and one-half month's basic pay for each year of active service in excess of 10 years, ending at the close of the eighteenth year, that is not covered by clause (A); or

"(3) is discharged from his reserve appointment because of failure to achieve the standards of performance prescribed by the Secretary concerned, is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after the first two years of such service and after June 30, 1959, under any agreement under that section that is completed before his discharge;

"(B) one month's basic pay for each such year under the agreement under which he is serving at the time of discharge; and

"(C) one-half of one month's basic pay for each year of service, ending at the close of the eighteenth year, that is not covered by clause (A) or (B).

No person covered by this subsection may be paid a total of more than two years' basic pay in the grade in which he is serving at the time of release.";

(2) by amending subsection (b)(1) to read as follows:

"(1) A person who is released from active duty at his own request, other than an officer who has less than 14 years of active service and who has at any time completed an agreement under section 679 of title 10, United States Code, or any other officer who has completed such an agreement and whose release is approved under regulations to be prescribed by the Secretary of Defense.";

(3) by amending the second sentence of subsection (b)(5) to read as follows: "However, such a person is entitled—

"(A) to receive readjustment pay under this section even though he is also entitled to be paid under section 680 of title 10, United States Code; and

"(B) with respect to severance pay to which he is entitled under any provision of law other than section 680 of that title, to elect either to receive that severance pay or to receive readjustment pay under this section, but not both.";

(4) by amending subsection (c) to read as follows:

"(c) Under regulations to be prescribed by the Secretary concerned or the Administrator of Veterans' Affairs, as the case may be, there shall be deducted—

"(1) from the monthly retired pay of an officer who has received readjustment payments under the second sentence of subsection (a) and who qualifies for retired pay under any provision of title 10, United States Code, except chapter 67 thereof; or

"(2) from the monthly compensation of an officer who has received readjustment payments under the second sentence of subsection (a) and who qualifies for compensation under any law administered by the Veterans' Administration for a disability incurred during a period for which he has received that readjustment payment;

an amount sufficient to recover, during the life expectancy of the officer, that part of the readjustment payment based on service performed after June 30, 1959. However, the deduction may not be more, in any one month, than 25 per centum of the officer's monthly compensation. There shall be deducted from any severance pay to which an officer who has received readjustment payments under the second sentence of subsection (a) is entitled under section 1212, 3303(d)(3); 3786(b), 6382(c), 6383(f), 6384(b), 8303(d)(3), or 8786(b) of title 10, United States Code, an amount equal to that received as readjustment payments. However, in place of the deduction described above, a reserve officer who has received readjustment payments under the second sentence of subsection (a) may elect to have deducted, from the years of service with which he would otherwise be credited in determining his eligibility for retired pay and in computing the amount of his retired pay, all periods for which he received readjustment payments under that sentence."; and

(5) by repealing subsections (e) and (h).

SEC. 5. Except with the consent of that member and the Secretary concerned, section 679 of title 10, United States Code, as amended by this Act, does not apply to any member who, on the effective date of this Act, has not served the full term of his agreement, entered into before that date, to serve a specified minimum period of active duty. However, upon completing that period of active duty, he is thereafter subject to that section, as amended by this Act.

SEC. 6. During the one-year period following the date of enactment of this Act, the actions otherwise required by section 679(a) (1st sentence) and (c) of title 10, United States Code, are permissive and not mandatory. However, each reserve officer serving on active duty (other than for training) on that date, and who is determined to be qualified by the Secretary concerned and is otherwise eligible for a contract under that section, shall, if he has at least 14 but less than 18, years of active service as an officer and does not decline to serve under a contract or is not tendered an appointment as a regular officer of the armed force concerned, be considered to have accepted and to be serving under a contract under that section of such duration to enable him to complete the amount of service required to qualify him for retirement under section 1293, 3911, 6323, 6327, or 8911 of title 10, United States Code, or section 232 of title 14, United States Code. Section 680(a)(2) of title 10, United States Code, does not apply to an officer covered by this section if he is twice passed-over for promotion to any grade.

SEC. 7. Section 679(b) of title 10, United States Code, does not require an agreement to be made with a person who, before the date of enactment of this Act, has agreed to serve on active duty as a reserve commissioned officer for a period of at least three years upon being appointed as a commissioned officer. Such a person shall, for the purposes of section 679 and 680 of title 10, United States Code, and section 1016 of title 50, United States Code, be considered as having made an agreement under section 679 of title 10, United States Code, for the period he so agreed to serve in excess of two years.

Mr. RIVERS of South Carolina (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and that it be printed in the RECORD, at this point in full and that it be open to amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment my friend, the gentleman from South Carolina, and his Subcommittee on Armed Services for the action which is theirs in bringing this bill to the floor of the House for consideration at this early date in this session of the Congress. This is a bill which is worthy of the attention of the Congress, and it is a bill which should be enacted at a very early date in this session. This matter is not a new one. It represents the age-old problem between the regulars and the reservists. It represents the problem of the regular who makes a career in the armed services and the problem of the reservist who may be called temporarily to active duty and decides to attempt to make the service a career. In the fluctuations of the personnel of the services up and down, many hardships have occurred. The RIF program developed from this.

It was my privilege and pleasure to work for a long time on this particular problem with these able gentlemen of the subcommittee who are handling this legislation at this time. I can recall some 10 years ago that I assisted in developing the program of offering to the reservists under certain circumstances a contract of employment. At the termination of that contract, the reservist would be released back into civilian life. The idea then was to relieve some of the hardships attendant with the return of the reservist from the military to civilian life. I am sorry to say that after we authorized the use of a contract under certain limited conditions and for a limited period of time—think it was 5 years—that the use of this procedure was discarded to a large extent by military departments and it fell into disuse.

We did not have an aggravated problem until about 2 years ago when there was a great reduction in the personnel of the armed services and the RIF program came into being, as you people will remember. At that time many thousands of very competent and capable Reserve officers were returned almost without notice to civilian life. These Reserve officers in many instances had completely weaned themselves away from civilian life and were not prepared to go back to civilian life and pick up again under the competitive conditions existing in civilian life which some of them had forgone not once but twice and some even three times when they entered our military services.

The purpose of the bill which the gentlemen of the committee have brought in is very simple. It is to relieve these conditions so that when a Reserve officer who has been in for a certain extended period of time wants to remain in the armed services and through no fault of his own he has been riffed and returned to civilian life, you will cushion his return. I think it is a very meritorious proposition and certainly should be passed.

I am not going to go into the details of this bill because the members of the committee know the details as I do, but it does seek to tie the Reserve service closer to the provisions of the Retirement Act so that a Reserve after he has been on active duty for 14 years, with such a contract, will know that he will go through in active service to the retirement to which he is entitled after being on active duty for such a long period of time.

It also seeks to tie the service of the reservist closer to the provisions of Public Law 810 which is our Reserve Retirement Act.

The problem of the young reservist who goes in for 2 years or 3 years as an ROTC officer is somewhat different from that of the career reservist. The latter is the reservist who wants to make a career out of the armed services after a certain period of time.

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

(By unanimous consent Mr. BROOKS was allowed to proceed for 2 additional minutes.)

Mr. BROOKS of Louisiana. The services are very anxious to retain these younger officers. They are never going to have a large percentage of applications from them, because many of these Reserve officers are called into active duty because they have no election. The service calls them because they have the ROTC obligation to serve on active duty. If some of the young men can be induced to stay in, however, and make a career of the military it will save this country a great deal of money. That feature should not be overlooked.

All in all, the program is a good one. It should have passed last year. We needled the Pentagon last year every 30 days to get in a bill they would recommend. Finally they came in 5 days before adjournment and handed me a bill that they would recommend, a bill of this kind. Now they come up with more changes. It is time to act, and I certainly think this bill should go through.

The CHAIRMAN. If there are no amendments, under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. JONES of Missouri, 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. 5132) to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes, pursuant to House Resolution 211, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

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.

EXTEND LOANS OF NAVAL VESSELS TO CERTAIN GOVERNMENTS

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3366, to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3366), with Mr. JONES of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from South Carolina [Mr. RIVERS] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. VAN ZANDT] for 30 minutes.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. RIVERS of South Carolina. Mr. Chairman, this bill, H.R. 3366, would authorize the extension of the loan of two submarines to the Government of Italy and the extension of the loan of two submarines to the Government of Turkey.

The original loans will expire during 1959 and 1960, respectively.

The extension in each instance will be for not to exceed 5 years, and no authority is provided for any extension beyond that date.

Formal agreements similar to the original agreements will be entered into with the Governments and will contain all of the normal limitations and restrictions placed in such agreements.

For example, the agreement will provide for the return of these ships at an earlier date than the normal expiration date of the loan if such return is necessitated by the defense requirements of the United States.

The committee amended the bill to include the extension of the loan of two destroyers to the Republic of China. The requirement for this amendment raised an interesting legal question. The situation with respect to China is as follows:

In the same legislation which authorized the loan of the destroyers to China, authority was also granted for the loan of destroyers to Japan and Korea. In the case of Japan and Korea, the loan agreements were drafted in such form as to permit an original 5-year loan and a 5-year extension. In the case of China, however, through what was apparently a drafting error, the agreement was made for 5 years and without any language relating to the loan being renewed.

The authority of the President to make the actual transfer of these ships expired on December 31, 1956. The question, therefore, arose as to whether the President's authority to lend the ships had been exhausted.

Since it was the intention of the Navy to lend these ships for 5 years and to be able to renew the loan for an additional 5 years, the amendment to the bill merely is making legally certain an authority which is somewhat doubtful.

I know that every Member is aware of the importance of these ship loans in our total defense picture. It is obviously important that our forces be placed at strategic locations prior to the outbreak of hostilities. This bill will accomplish this very thing in that it will continue to keep these ships in operating condition in critical areas.

They will be ready and able to join us in any conflict which may arise and there will be no requirement that they be taken from mothballs, placed in operating condition, and then brought half-way round the world to their operating positions.

The course that is being followed in all of these ship loans has the further advantage of keeping the military personnel of our friends and allies currently informed with respect to operating procedures of our own Navy. Because of this, when they join in exercises with our fleet or join with us in any conflict, their contribution will be greatly increased in effectiveness.

So, in summary, the bill authorizes the extension of three loans—two of them involve two submarines each and the other, two destroyers.

Mr. VAN ZANDT. Mr. Chairman, I yield myself such time as I might require.

Mr. Chairman, the gentleman from South Carolina [Mr. RIVERS] has given a clear and concise description of what this bill will do.

Actually, all the bill will do is repeat what the Congress has already done in the past, and that is, extend loans which Congress has previously authorized.

Although we are, of course, most anxious to assist our friends and allies in any way that we can, I feel I am fully correct in saying that in the last analysis, it is our own defense position which is most assisted by the loaning and strategic positioning of these vessels.

It might be stated analogously that we are handing our friends weapons which they can use to help us if the occasion arises where this is necessary.

We are doing no favor to anyone. We are serving our own self-interest and the interest of all the free world. Quite obviously we have the choice of letting our friends help us with some of our equipment—in this case, ships—or placing our own men in these ships and positioning them in the far corners of the world.

It seems entirely clear to me the better choice here is to let our friends help us while at the same time assisting themselves in their own training of personnel and increasing their own ability to fight on our side.

I would like to draw attention to the report on this bill because it sets out the answers to many questions which might arise. A few of the highlights in the report are as follows:

On page 2, under the heading "Prior Legislation," the specific ships which are involved are described as is the manner in which they became available to the friendly foreign nations.

Just below that heading, are set out the basic considerations—which I have already dealt with in less detail—which dictate the wisdom of lending these vessels.

Further, on page 3, are set out in clear and unmistakable language the many mutual advantages which will flow from the extension of these loans.

On page 4, you will find the manner in which agreements are entered into with the recipient countries and there is even set out a form of typical agreement with the foreign country. In this typical agreement, it is clear that the interests of the United States are well protected in that there is a definite limit to the time of the extension of the loan. It also sets out the fact that the United States may recover these vessels at any time whatsoever if our defense requirements so dictate.

At the top of page 6 are set out some recent laws relating to the loan of vessels to friendly foreign nations and from this, it is clear that we are establishing no precedent in this legislation but merely carrying out, and furthering a matter which has become an essential element of our defense policy.

With respect to costs: the cost of taking these ships from mothballs, readying them for operation, and training the crews has already been paid for years ago. The continuing costs of operating

the vessels come out of mutual security funds which have already been appropriated.

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

Mr. VAN ZANDT. I yield to the gentleman from Iowa.

Mr. GROSS. As I remember it, we made an aircraft carrier available to the French. Not long ago the French announced that they were not pooling their naval forces with the NATO naval force. If we continue the lending of these warships, is there anything in the agreement by which they must pool these vessels with NATO, or could the Italians tomorrow withdraw these vessels from the NATO force?

Mr. RIVERS of South Carolina. We can get these battleships back at any time we make a demand on the country for them.

Mr. GROSS. We could withdraw that carrier from the French tomorrow then?

Mr. RIVERS of South Carolina. If our Government so decides, it can get these ships back tomorrow or the next day or the next day after that.

Mr. GROSS. I thank the gentlemen on both sides of the aisle.

Mr. RIVERS of South Carolina. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

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, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loan of two submarines to the Government of Italy, and may extend the loan of two submarines to the Government of Turkey, on such terms and under such conditions as he deems are appropriate. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 2. The extension of the loan to Italy authorized under this Act is an extension of the loan made under the authority granted by the Act of August 5, 1953 (67 Stat. 363). The extension of the loan to Turkey authorized under this Act is an extension of the loan made under the authority granted by the Act of August 7, 1953 (67 Stat. 471).

SEC. 3. Extensions shall be for periods of not to exceed five years and shall be made on the conditions that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 4. No loan may be extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all extensions made under authority of this Act.

With the following committee amendments:

Page 1, line 5, insert a comma following the word "Italy" and on lines 5 and 6, strike the words "any may extend".

Page 1, line 6, insert a comma after the word "Turkey" and add the following language: "and the loan of two destroyers to the Government of the Republic of China".

Page 1, line 11, change the word "loan" to "loans"; and on

Line 11, following the word "Italy", insert the words "and the Republic of China".

Page 2, line 1, strike the words "is an" and insert in lieu thereof the word "are"; and on

Line 1, change the word "extension" to "extensions"; and on

Line 1, strike the word "the" where it first appears; and on

Line 1, change the word "loan" to "loans".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Missouri, 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. 3366) to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey, pursuant to House Resolution 213, be reported 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 voted 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.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to authorize the extension of loans to the Governments of Italy, Turkey, and the Republic of China."

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

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.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

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

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will kindly announce the program for next week.

Mr. McCORMACK. The program for next week is as follows:

On Monday we will take up the Interior Department appropriation bill for 1960. If that is disposed of in time, we will take up H.R. 2575, authorization, pan-American games at Chicago. If that is not completed on Monday, then it will follow the second supplemental appropriation bill for 1959, which comes up on Tuesday. After the disposition of that bill and the pan-American games bill, that is, if that bill is not disposed of on Monday, the Bretton Woods Agreements Act, increase of funds, and after that a bill relating to the meeting in connection with the International Radio Consultative Committee. Then there is the usual reservation that if there is any further program, it will be announced later, and I will do that as quickly as I can. I want that reservation in case anything should arise. I might say that there are some bills to come up Monday out of the Committee on Ways and Means by unanimous consent. They have cleared the leadership and they are unanimously reported out of the Committee on Ways and Means and the chairman will ask for unanimous consent for consideration of them on Monday.

Mr. ARENDS. I thank the gentleman.

RECONVEYANCE OF CERTAIN LANDS AT THE JOHN H. KERR DAM AND RESERVOIR

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. ABBITT. Mr. Speaker, on Wednesday, I introduced a bill, H.R. 5775, which provides for the reconveyance of certain lands at the John H. Kerr Dam and Reservoir, in southern Virginia and northern North Carolina. The bill directs the Secretary of the Army to release certain lands there which are excess to the necessary requirements of the project. This is the land above the 320 foot contour line around the reservoir. Preference to purchase this land at fair market value would be given to the former owners and provisions are made for the orderly disposal of the land along well-defined lines of procedure. At the same time, the Government would be protected to the extent of reserving necessary flowage easements over the lands which would be sold under the bill. The former owners could reacquire their land at fair market rates, determined by the Department of the Army, by making application with the proper authorities.

This is a most important matter to many citizens of Mecklenburg County, which is in my congressional district, as well as to other taxpayers in adjoining areas. Not only is it important to those whose land is directly involved but to all citizens of the area concerned. When the Government purchased this land for the construction of the dam, considerably more land was taken than

was necessary for the proper functioning of the project. Experience thus far has shown this to be true and all indications are that the land now in question will not be needed for the fulfillment of the project's purposes.

The John H. Kerr Dam project has been of great benefit to our area and the people of this vicinity are well aware of it. They take pride in this project and feel it is a big asset to them. There is, however, a feeling that the land which the Government acquired in excess to its needs should be returned to the former owners. This excess land is lying idle, of no benefit to anyone, bringing in no revenue to the State and localities and, in my opinion, should be disposed of to private individuals and thus put back on the tax rolls and into effective use.

ANSWER TO KHRUSHCHEV'S CHALLENGE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. FEIGHAN. Mr. Speaker, the Associated Press dispatch of yesterday stated that "Khrushchev challenged the West today to come up with concrete ideas for a summit conference to blunt the threat of war over Berlin and Germany."

I have prepared concrete guideposts which I have forwarded to the Department of State, which I strongly suggest as guidance to President Eisenhower in the event that he again participates in a so-called summit meeting.

It appears that the Foreign Ministers will meet in May. The purpose of that meeting should be clearly stated to be (a) exploratory, and (b) to establish in advance an agenda which the heads of state can then take up.

There was no agreed-upon agenda at the so-called summit meeting held in Geneva in 1955. The consequences of that meeting were—that the position of the free world has been weakened, and the Communist leaders have become more aggressive, bold, and demanding.

The Foreign Ministers Conference must be examined and analyzed in the light of our experience with the summit meeting in 1955. If the Russian delegates are unyielding and are willing only to talk on the basis of our surrender, then a summit conference does not make any sense. If, however, they display some good will and agree to discuss really important problems at a summit conference, that will represent before world public opinion an obligation on their part. If the Russians, at the Foreign Ministers Conference, are not willing to consider the causes of the tensions which have created the cold war, there is no necessity for a summit meeting. It would be futile to have a repetition of the clinking of cocktail glasses of 1955.

Subsequent to the brief period of sweetness and light which followed the Geneva Conference, 12 million people in Indonesia were delivered to Communist slavery in North Vietnam.

I strongly suggest the following as guidance if President Eisenhower participates in another summit conference:

First. We must regard such a conference as nothing more than an opportunity for us to spell out for the entire world what we stand for and what we stand against. In this connection, we should make it clear that we stand for the rights of all nations, large and small, to national self-determination, and the natural rights of all people to the basic freedoms. We should make it equally clear that we stand unqualifiedly against any form of colonialism or imperialism and in particular, we will never acquiesce to the new Russian colonialism which is being carried out under the camouflage of Communist imperialism.

Secondly, a logical followup to this first condition, we must demand that the Communist-enslaved non-Russian nations be permitted to determine their own destiny by the use of free elections, including multiple political parties, the secret ballot, together with international supervision to guard these basic requirements. If we fail so to do, the good people of Estonia, Latvia, Lithuania, Poland, Czechia, Slovakia, Hungary, Rumania, Bulgaria, Albania, Ukraine, Byelorussia, Georgia, Turkestan, Idel-Ural, Armenia, Azerbaijan, Cossackia, and Russia will look upon any U.S. participation in a conference at the so-called summit as the failure of the last great hope of mankind and a sellout of all those moral and political principles which the United States has stood for during the 183 years of our national existence.

This also applies to Yugoslavia, which is generally considered as an independent country, but whose Communist rulers are actually pursuing the same domestic policy of ruthless oppression and the same foreign policy of Communist imperialism as Moscow and Peiping.

Thirdly, the Russians must agree to dismantling and completely removing the Iron Curtain which they have constructed from the Baltic Sea to the Pacific Ocean. They must remove the minefields, the barbed wire, the vicious dogs, the special squads of machine-gunners, and all other unnatural barriers which the Russians have concocted in order to divide the world into separate parts.

Fourthly, we must abide by the proven principle of "open covenants openly arrived at." There can be no secret understandings reached at such a conference. To insure against this possibility, the administration should avoid being party to any joint communique being issued from such a conference because the constant Russian demand for unanimity would mean that any joint communique would serve primarily the Kremlin interests. President Eisenhower would be wise to issue his own communique on a day-to-day basis, covering developments and any successes or failures that might come out of such a conference.

If the administration does engage in such a conference as is now contemplated and if it does act within the spirit of these recommendations, I would have no reservations on our entering into such a conference because the possibility of a sellout will have been eliminated. Moreover, such a formula as I have here outlined would assure us an outstanding success in putting across to all the people of the world those principles for which we stand and those evils we are dedicated to fight against. Such a victory as would be ours by pursuing the course of action I strongly urge, would provide a badly needed stimulant and well-deserved encouragement for the forces of freedom which exist in every nation of the world today.

FEDERAL ASSISTANCE FOR AIRPORTS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

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

There was no objection.

Mr. SPRINGER. Mr. Speaker, in the President's budget which came down to this Congress a few weeks ago, the President requested $200 million for Federal assistance to airports for the fiscal year beginning July 1, 1959.

The Senate, a few days after that, passed a bill providing for $465 million for Federal assistance to airports.

The bill which was heard by the House yesterday provides for $297 million in the form of Federal assistance for airports. Mr. Quesada, Administrator of the Federal Aviation Agency, who will have charge of the administration of these funds, has said that the President's request for $200 million is adequate, and that a good job can be done by his Agency with that amount of money.

Mr. Quesada has been the Administrator of the Federal Aviation Agency for almost a year. He is by far the best qualified man in the entire country on the needs of his Agency. Just how ridiculous can we become here in the Congress when we insist that he shall spend more than the $200 million he has requested—that he must spend in addition under the House bill an additional $97 million, or under the Senate bill, if adopted, an additional $265 million.

If we take the Senate bill of $465 million as an example, we are pushing through the budget ceiling by $265 million, or just a little over 2½ times the figure that the President and his Administrator have requested. The Federal budget as set by the President is $77 billion. If every other item in the budget was multiplied proportionately by the Senate figure for Federal assistance to airports, our budget would have to be in excess of $160 billion to meet the needs of the country.

Mr. Speaker, here is an issue squarely of the budget balancers versus the budget busters. How can we expect people back home to believe that we are retaining some kind of financial sanity in Government when we say to an Administrator that he must spend over twice as much as he believes is necessary to carry on the functions of his job? In short,

in this bill adopted yesterday, we are saying "Bust another hole in the budget. The sky is the limit."

We do not build railroad stations, truck warehouses or bus terminals for those forms of transportation. We did subsidize airports in the beginning in order to get the program started. We did the same thing for railroads a hundred years ago, but we did phase out that assistance after a reasonable length of time. I point this out because I believe it is important to the overall picture of transportation today.

However, the overriding issue yesterday was whether we should vote only the $200 million which the Administrator of the Federal Aviation Agency said is necessary, or whether we should cram down his throat additional millions which he says is not needed and he does not want.

The House in adopting H.R. 1011 exceeded budget figures by almost 50 percent in the first balloting between the budget balancers and the budget busters; the budget busters prevailed. I do think they will hear from the people back home when the implications of this bill is fully understood by the ordinary taxpayer.

We still have a long way to go in this session, and those of us who stood for some kind of financial responsibility on this bill can continue to make ourselves heard.

LESS-THAN-HONORABLE DISCHARGES

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter from the Veterans of Foreign Wars.

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

There was no objection.

Mr. DOYLE. Mr. Speaker, I take this brief time of the House to report on the subject of less-than-honorable discharges in our military establishments; on which subject, more than 30 Members of this distinguished body have already filed identical bills, and which bills are now in the Pentagon under consideration.

Since most of these bills were filed in this House early in January 1959, and since virtually the same bill as H.R. 88, and companion bills, passed the House during the 85th Congress by the overwhelming vote of 226 to 8, it would appear, would it not, that it should not take very many days longer for the Military Establishment to send its report, either favorable or unfavorable, or with or without suggested amendments, back to the House Armed Services Committee so that said distinguished committee can again have the early opportunity to act upon it and, I anticipate, send it to the floor of the House of Representatives again with approval.

In the 85th Congress it seemed so clear to me that there was unnecessary delay and delay in the Pentagon on this matter that I then told them so, and I now again inform the House that I hope it does not take any real effort to get a timely report from the Pentagon back to the Halls of Congress so that we can act at a very early date upon it. Hardly a day has passed in the last 30 days but that one or more Members of this body have asked me the status of the subject matter.

The bills this session, we believe, are a decided betterment on the same subject. I cannot but feel that the bills are entitled to most cordial and emphatic approval by the Military Establishment. For, Mr. Speaker, it is not legislation which will mean an increase in the budget. It is a distinctly humane bill. It deals with the human destiny of several thousand American young men who committed comparatively minor wrongs, errors or mistakes, or violation of either military regulations or of law during their short stay in the military and then were discharged—too many of them I would say—without courts-martial and without anything but administrative action. Nevertheless, Mr. Speaker, these lads, who were not criminals and who were not found guilty of committing crimes, carry though their lives as result of the type of discharge they received, a stigma and sentence of condemnation in their respective communities in our Nation for their entire lives. If they had committed similar wrongs and errors in civilian life, comparable to those for which they were given less-than-honorable discharges, to which these bills refer, they would have been given a comparatively short sentence or been put on probation for from 1 to 3 years, and then if they made good with exemplary conduct they would have been free of the burden. So, these bills of which I speak today are designed primarily to do two things, to wit, first, to remove at least a little of the stigma and the life sentence which the military type of discharge has stigmatized them for life with; and, second, to help them to some degree at least, to obtain more ready and remunerative employment for themselves and their families.

These bills do not propose a change in the type of discharge. They do not propose any Government benefits for the men. They do provide, however, that lads who make good in civilian life for not less than 3 years by proven exemplary conduct, shall have an opportunity to present adequate proof of that exemplary rehabilitation conduct and reputation in their communities for not less than 3 years to the Military Establishment. Even further, Mr. Speaker, the bills do not make it mandatory on the Military Establishment to issue such applicants anything whatsoever; not even the exemplary rehabilitation certificate proposed in the bills. It leaves it optional with the military. But, the bills and the authors thereof will expect that if the bills are passed again and become the law, that the Military Establishment will in good faith issue to any applicant who adequately proves he has made good by exemplary conduct for not less than 3 years, a certificate of exemplary rehabilitation. The bill last year proposed that applicants be given a general discharge limited. This is the one real difference between the legislation of the 85th Congress and this 86th Congress.

I repeat that this is humane legislation.

Granting that if the legislation becomes law, it will mean an additional amount of clerical work and some investigative effort in some cases by or for the Military Establishment, it would appear crystal clear, would it not, that the application for these exemplary rehabilitation certificates from the lads who undertake to prove they are entitled to them, after living exemplary lives in civilian life for not less than 3 years, should apply to the Military Establishment from which he was fired; in like manner should be entitled to receive the certificate of rehabilitation in civilian life from the Military Establishment. Heretofore I have informed the House of the fact of there being several thousand a year.

On behalf of the 30 or more Members of the House, who have already filed the same bill as H.R. 88, I cordially state that if any other Members of the House have cases in their respective congressional districts, they are welcome to take the same bill and file it in their own names. From my knowledge of the situation last year and this year to date on the subject, it would appear to me we have a right to expect that the Pentagon report, either for or against, should be back to the attention of the Armed Services Committee very, very soon. I repeat, this is a humane bill. It is strictly so. I further state, it is my firm conviction they should also continue to be charged with the responsibility of being definitely interested in rehabilitation of their personnel; not only during the time they are in the military uniform, but in those who make comparatively minor mistakes while in the military and then make manifestly good in their civilian experience so that their minor mistakes will not hang onto them all their lives.

I am fully and gratefully aware that in the last 2 years since the close of the public hearings by the special subcommittee of the House Armed Services Committee on the subject of less-than-honorable discharges the military has made some significant advancements in related fields. I congratulate them upon doing so. But, Mr. Speaker, they have not yet been willing to undertake to assume any responsibility for changing their procedures materially enough so that the rank and file of these lads can be given a definite procedure whereby they can present the facts of their rehabilitation in civilian life to the military, and then receive from the military at least some kind of a paper which will at least clear some of the onus from their life sentence and also help them get a dignified job.

Under the present military policy on such discharges all of these lads who receive a discharge less than honorable, unless the military is shown that it was the one that made the error or mistake, just simply will not change its mind or record. So in effect a lad once fired from the military even for a comparatively minor cause is discarded once and forever by the military because he has gone into civilian life. A theory of these bills

is that these lads are still American citizens; they are still valuable assets to the Nation; they may again be called upon to fight for the security and very existence of our beloved Nation. They are not like so much junk or waste material. No boy who rehabilitates himself for mistakes or errors or minor violations of law is invaluable or worthless.

Furthermore, Mr. Speaker, we believe there is plenty of evidence to the fact that in some percentage of these cases about whom we are concerned the military itself may have made serious mistakes in what they did.

When I was for several days in the Mediterranean Sea on official business for the Armed Services Committee I was a guest of Adm. Charles Brown, commander of the Sixth Fleet in the Mediterranean area and he authorized me to say in public or otherwise that he was for H.R. 88 and the companion bills; that he also, in his early days of naval training at the Academy, made serious enough mistakes there for which he would have been given a less-than-honorable discharge of some type if he had actually then been in the U.S. Navy. But, he authorized me to say he was put on probation for a year and before the year was up he rehabilitated his attitude and actions so that he was kept at the Naval Academy and, of course, we all know how very proud all American citizens are of his great and distinguished service in our U.S. Navy. There are many other Charlie Browns in the United States of America who can make similar adjustments in their own individual rehabilitation. We ask the Military Establishment to consider the principle involved in these bills and to cordially and promptly cooperate in making the principle involved effective in part of our national consciousness, experience, and pride.

Here, Mr. Speaker, follows the list of the Members of the House who have already filed the same bill on this subject:

Bills identical to H.R. 88

Bill No.	Introduced by—	Date
H.R. 88	Mr. Doyle	Jan. 7, 1959
H.R. 2243	Mr. Burns	Jan. 12, 1959
H.R. 2457	Mr. Berry	Jan. 16, 1959
H.R. 2462	Mr. Bosch	Jan. 15, 1959
H.R. 2470	Mr. Dollinger	Do.
H.R. 2478	Mrs. Granahan	Do.
H.R. 2498	Mr. Philbin	Do.
H.R. 2509	Mr. Widnall	Do.
H.R. 2543	Mr. Holifield	Do.
H.R. 2576	Mr. Zelenko	Do.
H.R. 2810	Mr. Wilson	Jan. 19, 1959
H.R. 2968	Mr. Bow	Jan. 21, 1959
H.R. 3023	Mr. Lane	Do.
H.R. 3073	Mr. Saund	Do.
H.R. 3182	Mr. McDonough	Jan. 22, 1959
H.R. 3184	Mr. McFall	Do.
H.R. 3201	Mr. Santangelo	Do.
H.R. 3340	Mr. Metcalf	Jan. 26, 1959
H.R. 3718	Mr. Farbstein	Jan. 29, 1959
H.R. 4281	Mr. Libonati	Feb. 9, 1959
H.R. 4324	Mr. Ashley	Feb. 11, 1959
H.R. 4368	Mr. Healey	Do.
H.R. 4417	Mr. Westland	Do.
H.R. 4503	Mr. Holland	Feb. 16, 1959
H.R. 4532	Mr. Roberts	Do.
H.R. 4998	Mr. Fulton	Feb. 25, 1959
H.R. 5057	Mr. Herlong	Feb. 26, 1959
H.R. 5780	Mr. Celler	Mar. 18, 1959

In closing I am pleased to present the exact text of a letter dated March 17, 1959, signed by the director, national legislative service, Veterans of Foreign Wars of the United States, Washington, D.C.:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., March 17, 1959.

HON. CLYDE DOYLE,
Member of Congress, U.S. House of Representatives, Washington, D.C.

DEAR MR. DOYLE: This is in response to your letter of February 16, 1959, with attached copy of H.R. 88 which proposes to amend present law to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges and Dismissals which give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge and dismissal in determining whether or not to correct certain discharges and dismissals and to authorize the award of an Exemplary Rehabilitation Certificate.

The Veterans of Foreign Wars is on record as having endorsed in principle H.R. 8772 of the 85th Congress and we gave this bill our full support. We shared your keen disappointment when the bill failed to move forward in the Senate and died with the adjournment of the 85th Congress. It is noted that H.R. 88 is almost identical to H.R. 8772, with one major exception: For those meeting the requirements of this legislation an Exemplary Conduct Certificate will be issued rather than a General Discharge Limited as was proposed in H.R. 8772.

The VFW wholeheartedly agrees with the principle of issuing an Exemplary Certificate based solely on the record of rehabilitation after service with no change in discharge—solely because of such rehabilitation. We endorse the proposal that an Exemplary Certificate is much more preferable and appropriate than General Discharge Limited. As has been pointed out this bill is not designed to grant or change Discharge Certificates but rather is intended to remove the stigma that attaches, sometimes for life, to a veteran with a less than honorable discharge certificate.

We certainly will lend our full support to the principles and objectives of H.R. 88. If further hearings should be scheduled with respect to this legislation, the Veterans of Foreign Wars will be deeply appreciative of being advised so that a representative from this office may be present and testify in behalf of our organization.

Thanking you for inviting the views of the VFW concerning this most meritorious legislation, I am,

Respectfully yours,
OMAR B. KETCHUM,
Director.

HON. ALBERT COHN, DECEASED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUCKLEY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BUCKLEY. Mr. Speaker, I include an address by Presiding Justice Bernard Botein, Appellate Division, Supreme Court, at memorial service for the late Honorable Albert Cohn, at the Hebrew Home for the Aged at Riverdale, N.Y., Sunday, March 1, 1959:

"His life was gentle, and the elements so mix'd in him that Nature might stand up and say to all the world 'This was a man!'"

These lines might have been penned of Albert Cohn, whose life and memory we honor this afternoon.

It is quite appropriate that we speak of him in this home, to which he was so devoted and to whose growth and present enormous stature he had contributed so much, as honorary chairman and in other capacities. And it is also appropriate that a former associate of Judge Cohn on the Appellate Division deliver this address. I daresay that aside from his family no one has had the opportunity to know him, appreciate him and love him as well as the small group of men who served on that court with him for so many years—day in and day out, and most weekends too.

Every Monday morning, over the span of two decades, Albert Cohn and six other judges would assemble in the courthouse conference room. There they would discuss and vote their decisions in the cases they had studied so exhaustively and heard argued the week before. In the fire of passionate but friendly argument, in the cold logic of objective, scholarly analysis, sham and pretense, virtues and vices, could not long be hidden from one's associates. I know I echo the sentiments of every judge who has sat in the Appellate Division for the past twenty years when I say that none has ever been loved more devotedly by his fellows, none more appreciated, respected and reverenced, than Judge Cohn. And these were sentiments faithfully forged in the fire of the most revealing fellowship any group of men has ever enjoyed.

He was unsparingly generous in offering his ripe experience and sound scholarship, his great fund of commonsense and resourcefulness to those less favored. I, who as a neophyte judge sat at his feet, was the recipient of innumerable kindnesses and sage advice—particularly on the many occasions when he graced our bench as the justice presiding.

Despite his devotion to this institution, his preoccupation was not entirely with the elderly. His faith in youth embraced law students, fledgling lawyers, young judges, perplexed young people from every walk of life, who surged through his door—and were never turned away. There is a legion of judges, public officials, and outstanding lawyers who proudly count themselves proteges of Judge Cohn. In a sense he continued throughout his life the teaching career that he followed for a few years after his graduation from City College. Perhaps his early struggles, before he hoisted himself onto the first rung of the ladder of success by dint of sheer willpower and self-sacrifice, gave him such sympathetic and perceptive insights into the problems of the young. He attended New York Law School while teaching in the public schools, practiced law for a few years; and then, in 1917, he was appointed an assistant district attorney in Bronx County, and his brilliant public career was launched. The rest is legal history—county judge, supreme court justice, and then, in 1936, associate justice of the appellate division.

He retired a few years ago because he had reached the chronological age of 70. His unabated mental and physical vigor, his buoyancy and spring make a mockery of the statutory retirement provisions. I have always felt that it was his absorption with young people that kept him so young, that stimulated and regenerated him.

This youthful spirit was reflected in his very outlook on life. He was never one to retreat from the onrush of new generations, or new ideas. He has never one to draw a curtain on the complex problems posed by a modern society—nor to refuse to reconsider old attitudes moulded in a horse-and-buggy era.

He had infinite faith in the law of which he was so superb a craftsman, particularly in the timeless capacity of the common law to cope with ever-changing economic and social conditions without sacrificing by one

jot its essential integrity and values. He brought an eager, inquiring mind into the contemplation of new or novel cases. Also, he was never one to run with the crowd that carried the aloof premise that legal principles are the thing, and not the people whose lives those principles shaped. His first concern was with the people whose destinies hung on the issues presented in the cold print of briefs and records—but never at the sacrifice of sound legal principles and the uniformity required of the law. He was always the champion of the poor and the underprivileged. How often he brought his extraordinary arsenal of learning and resourcefulness into play to convince us that we could do justice, as he saw it, without violating the established legal rules.

And yet, warm and kindly as he was, his judicial efforts never descended to mawkish sentimentality—and certainly never to a bid for personal popularity. Sentimental he was, however, in his personal relationships, although he liked to think of himself as practical and hardheaded even in extra-legal areas. And he was a fiercely loyal friend—for which many persons should thank their lucky stars.

There was a simple, unpretentious but nevertheless very real dignity about the man and his works. This evidently communicated itself to the bar, which clasped him to its bosom with informal delight and undisguised affection. Lawyers felt easy and comfortable in the presence of this soft-spoken, down-to-earth man, in court or in chambers; and yet never transgressed the proprieties because they also sensed the firmness behind the velvet. Best proof of the regard in which he was held is the fact that for many years he was chairman of the judicial and lawyers division of both the United Jewish Appeal and the Federation of Jewish Philanthropies—and the keen, practical gentlemen who direct the destinies of those organizations were obviously seeking the judge most highly esteemed by lawyers and judges. Lawyers and litigants left his courtroom with faith in democracy bolstered, reassured in spirit that a man of his caliber had been selected to sit in judgment on their affairs.

He was learned in the law, although not as one who made a touchstone of technicalities. He could have reaped much greater financial rewards in the practice of the law and rejected many attractive offers to join law firms because his heart and entire way of life were with the bench. Also, a wise, loving wife realized this, and encouraged him to remain where his happiness lay—although this decision meant great sacrifice on her part. When he no longer had any choice in the matter he practiced law brilliantly and successfully in the few years vouchsafed him after his retirement as a judge.

Only in the past few months he won a stunning victory in the case of Schuster against the City of New York. You may recall that 3 weeks after supplying information leading to the arrest of Willie Sutton, one Arnold Schuster was murdered in Brooklyn. Schuster had notified the police that his life had been threatened. Arguing before the court of appeals on behalf of the Schuster family, Judge Cohn secured a decision that the city could be held liable in damages for negligence. This ruling is a most important milestone in the development of the law. But then, his own opinions as a judge, illuminating the pages of scores of volumes of the official "Miscellaneous and Appellate Division Reports," are in themselves eloquent, learned testimony of the progress of the law in this State for the past generation.

He also served his profession well as a trustee of New York Law School, which honored him with a doctorate of laws, as a director of the New York County Lawyers Association, and as chairman of the judiciary committee of the Bronx County Bar Association.

I hesitate to poach on the preserves of the eminent Rabbi Kramer who spoke of Judge Cohn as a Jew. I shall content myself with saying that we worshipped in the same synagogue, and I always knew him as a deeply religious man in the finest sense of the term, without cant or affectation. And I shall not even try to do justice to his relationship with his family. To those who did not know him, I cannot hope to convey the measure of the love and tender devotion he shared with Dora, or his deep pride in his son, Roy, and their profound understanding and attachment. For those who did know Judge Cohn, I need not elaborate upon the warm and simple beauty of the home life enjoyed by this tightly knit family. He gave much to the two mainstreams of his life—his family and the law; and it is comforting to remember how much he in turn received during his lifetime. I kow how he was nourished by the love and devotion of his wife and son.

We who are gathered here this afternoon to do honor to his memory are thankful that we were privileged to know him. As his former associate, I count myself doubly fortunate in having enjoyed a rewarding and lasting experience in personal relationship. We mourn the loss of Albert Cohn, lifelong educator, dedicated public servant, loyal friend, devoted hubsand and father. May his soul rest in peace.

TENNESSEE VALLEY AUTHORITY TURBINE GENERATOR PURCHASE

Mr. MILLIKEN. 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 Pennsylvania?

There was no objection.

Mr. MILLIKEN. Mr. Speaker, on February 27, the Tennessee Valley Authority issued a statement in defense of its much-criticized award of a $12 million order to a British firm for the largest steam turbine generator ever purchased for installation in the United States.

I have noted that the General Electric Co. and Westinghouse Electric Corp. have each filed petitions with the Office of Civil and Defense Mobilization asserting that the purchase of this large generator from a foreign company threatens to impair the national security of the United States. Based upon the information in these petitions, I would say this award is the biggest step yet in the steady trend toward making important segments of America's vital electric power network dependent on foreign repairs and maintenance—repairs which might be completely cut off in case of war.

In its defense of this award, TVA makes a number of statements which, if erroneous as some believe, should not be allowed to go unchallenged. Because of my interest in the operation of section 8 of the Trade Agreements Extension Act of 1958, and my interest in fairness to all concerned when public affairs are in controversy, I have inquired regarding the points raised by TVA.

Perhaps most serious of the TVA charges are those implying that the American companies which bid for this contract—Westinghouse and General Electric were the lowest domestic bidders—are seeking exorbitant profits and that cheap foreign labor does not account for the difference in bids between the C. A. Parsons Co. of England and the American companies.

Some people, in fact, have said that all the American firms need to do is cut their prices to meet this foreign competition. I have no interest in defending the pricing or profit policy of any company, but it is very simple indeed to look at the annual reports of these American companies to determine whether they are making exorbitant profits or not. In the case of Westinghouse, evaluated by TVA as the low domestic bidder in this instance, that company's net income in 1957 and 1958 was reported as less than 4 percent. Does this indicate that Westinghouse could cut its prices more than 40 percent to meet these foreign bids?

While TVA did not deny that American electrical manufacturers pay wages at least two and one-half times greater than the English firms, they claim that the difference in labor costs between Parsons and the American companies on this steam turbine job would be only $1.5 million, while the difference in bids amounted to between $5 million and $6 million.

It is apparent here that the TVA people merely took a stated manhours figure which covered just the direct factory labor that would be affected by possible lay-offs and multiplied this portion of a total labor cost by the U.S. electrical industry's average hourly rate of pay.

A further check on this calculation reveals that the stated manhours of work used by TVA included only the time of the people in the factories who would have been directly and exclusively employed on this order—people whose jobs are now jeopardized by the loss of this order. The figure did not include the supporting service people in the factories who would have been assigned only part time to this order, such as crane operators, material handlers, boiler house operators, plant guards, inspectors, production clerks, purchasing, industrial relations, and supervisory personnel.

And the cost of such service personnel in these plants is approximately double the direct labor cost. Consequently the total labor cost in the factory alone is approximately three times the direct labor rate. And the average direct labor rate in these factories for the highly skilled labor involved is well above the electrical industry average which TVA used as its multiplier.

More than this, the manhours of labor stated by TVA obviously did not include the cost of research and development people whose efforts have kept American-made electrical apparatus ahead of its foreign competition in quality and efficiency. Such expense as this, along with many other types, are all true items of labor cost which a manufacturer must recover in price, over and above the labor cost of the people in the factories who are directly involved in producing a specific order.

To pretend that an American firm which is underbid nearly 50 percent need only "shade its prices" to get the order is ridiculous, particularly when competition

is as keen as it is in the American electrical industry.

The TVA statement claims also that the British firm of C. A. Parsons is equipped to provide promptly repair service and replacement parts which may be necessary during the life of the machine. It claims further that Parsons maintains service facilities and personnel in Canada.

The facts just do not support these claims at all.

Parsons has no manufacturing plant in Canada. Parsons stated in their bid that they have only three service engineers in Toronto to service their equipment on the North American continent. A firm like Westinghouse, in contrast, has over 1,000 field service engineers plus many more at a number of factories throughout the United States.

What about this matter of using Canadian facilities for major repairs of steam turbine generators? Actually there is no Canadian plant whatever, capable of satisfactorily performing a major repair on a turbine generator like the one TVA has ordered from Parsons. A major repair job requires the facilities of the mother plant of the builder 9 times out of 10. This means Parsons would have to ship the unit back to England or receive major parts from overseas—if overseas transportation were available, which it might not be in time of war.

TVA asked why GE and Westinghouse did not include in their bids a provision for liquidated damages—a provision whereby the company would pay a large amount for each day that delivery might be late. It seems that this is the first time TVA ever included a liquidated damages clause in a steam turbine generator bid.

The reason the American firms did not include such a clause in their bids is simply that such a provision requires miles of red tape and needless detailed record-keeping just to protect the company from unjust claims of delay. This adds to the cost of production unnecessarily. It is not the normal way of doing business. And it would have been strictly a one-way street. TVA offered no bonus clause for achieving early delivery.

It is significant that the British Central Electricity Authority does not buy foreign-made heavy electrical apparatus because they know they cannot depend on foreign supply for spares and maintenance in time of emergency.

TVA's statement presents some very tortuous reasoning and "assumptions" intended to prove that despite loss of American jobs in this case, the American working man really will benefit through these dollars that will come back to him in the long run from overseas.

Can anyone really believe that awarding $12 million of business to England will create more prosperity at home than to award an $18 million order to an American manufacturer?

And, finally, TVA says the money for the Parsons equipment will not come from taxes. I ask, is there any real difference between payment from taxes than from revenue or profits developed by investing the American public's tax payments?

But these economic arguments are needless. Why not take a leaf from the British book of policy which shows that on the basis of the national security issue alone there is no question but that such heavy electric power apparatus as this should be bought from American manufacturers.

ESTABLISHMENT OF MINUTE MAN NATIONAL HISTORICAL PARK (MASSACHUSETTS)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a bill which I am introducing today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am today introducing a bill to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes.

Senator SALTONSTALL has introduced a similar bill in the Senate.

I have been asked to introduce this bill in the House and I do so with great pleasure.

In 1955 the Congress created the Boston National Historic Sites Commission and authorized this Commission to undertake a study of historic objects, sites, and buildings in Boston and the surrounding area to determine the advisability of establishing a coordinated program by Federal, State, and local governments and private historical societies for the preservation of the important colonial and Revolutionary properties in that area which form a part of America's historical heritage. In its report to the Congress, the Commission has recommended the establishment of a national historical park to preserve the last relatively unspoiled section, about 4 miles, of the historic Lexington-Concord Battle Road, which was the scene of the opening events of the American Revolution on April 19, 1775.

Mr. Speaker, I believe that the establishment of this park is indeed a fitting way of memorializing and preserving for future generations the site at which the War for American Independence was born. The proposed park to be established under the terms of this bill would consist of two tracts of land in Lexington, Lincoln, and Concord along the route traversed by the British on their march from Boston on the morning of April 19, 1775, and used by the minutemen and Provincial militia to rout the British into a fighting retreat.

The larger part of the proposed park would form a stretch of about 4 miles of the historic Battle Road from Lexington to Meriam's Corner in Concord. Part of this route was covered by Paul Revere in his famous ride to alert the countryside and includes the site of his capture by the British. The smaller part would consist of properties adjacent to the battleground at the North Bridge in Concord, scene of the first attack on the British by the minutemen and Provincial militia and location of the famed minuteman statue. Authority is urgently needed for immediate acquisition of the vacant parcels of land in both parts, as well as for the establishment of a long-range program for acquisition and preservation of other sites in the proposed park area. This area has been undergoing rapid development and is threatened with more. As recently as 1957 the Air Force proposed to use for a military housing project a relatively unspoiled roadside parcel of 8 acres through which the Battle Road passes in Lincoln. The march of the British from Boston to Concord covered a distance of more than 20 miles.

The establishment of this park is indeed a fitting way of memorializing and preserving for future generations the site at which the war for American independence was born. The proposed park to be established under the terms of this bill would consist of two tracts of land in Lexington, Lincoln, and Concord along the route traversed by the British on their march from Boston on the morning of April 19, 1775, and used by minutemen and Provincial militia to rout the British into a fighting retreat. All of these towns are in my congressional district, as are others mentioned in the bills. The larger part of the proposed park would form a stretch of about 4 miles of the historic Battle Road from Lexington to Meriam's Corner in Concord. Part of this route was covered by Paul Revere in his famous ride to alert the countryside and includes the site of his capture by the British. The smaller part would consist of properties adjacent to the battleground at the North Bridge in Concord, scene of the first attack on the British by the minutemen and Provincial militia, and location of the famed minutemen statue. Authority is urgently needed for immediate acquisition of the vacant parcels of land in both parts, as well as for the establishment of a long-range program for acquisition and preservation of other sites in the proposed park area. This area has been undergoing rapid development and is threatened with more. As recently as 1957 the Air Force proposed to use for a military housing project a relatively unspoiled roadside parcel of 8 acres through which the Battle Road passes in Lincoln.

I shall speak to the House again on this vitally important matter.

The bill which I have introduced follows:

A BILL TO PROVIDE FOR THE ESTABLISHMENT OF MINUTE MAN HISTORICAL PARK IN MASSACHUSETTS, AND FOR OTHER PURPOSES

Whereas the outbreak of the War of the American Revolution was essential and prerequisite to the achievement of American independence and the creation of a Federal Government; and

Whereas the events relating to the beginning of Revolutionary hostilities on the 18th and 19th of April 1775, and associated with Paul Revere, the Minute Men, and the British are of great importance in American history; and

Whereas a number of historic properties, buildings, sites, and objects in Boston, Massachusetts, and the vicinity thereof, including the road and roadsites between Lexington and Concord, are intimately connected with the events that opened the war, and conse-

quently merit preservation and interpretation in the public interest as prime examples of the Nation's historical heritage: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit of the American people certain historic structures and properties of outstanding national significance associated with the opening of the War of the American Revolution, Minute Man National Historical Park is hereby authorized to be established in the Commonwealth of Massachusetts.

The park shall comprise not more than seven hundred and fifty acres as may be designated by the Secretary of the Interior from within the area beginning at Fiske Hill and thence lying along Massachusetts Avenue, Marrett Road and Marrett Street in the town of Lexington, along Nelson Road, Virginia Road, Old Bedford Road, and North Great Road or State Route 2-A in the town of Lincoln, and along Lexington Road, Monument Street, Liberty Street and Lowell Road in the town of Concord to and including the North Bridge and properties on both sides of the Concord River in the vicinity of the North Bridge.

SEC. 2. The Secretary of the Interior is authorized to acquire by donation or with donated funds, or to acquire by purchase with funds hereby authorized to be appropriated, lands and interest in lands within the area designated for the park. Administrative jurisdiction of Federal lands lying within the area designated for the park shall, with the concurrence of the Federal agency involved, be transferred to the Secretary of the Interior for administration as a part of the park.

The park shall be established as Minute Man National Historical Park by notice in the Federal Register when the Secretary of the Interior finds that sufficient lands within the designated area have been acquired to warrant such establishment.

SEC. 3. To provide further for the preservation and interpretation of historic sites, structures, and properties lying along the entire route or routes where significant events occurred on the 18th and 19th of April 1775, in the cities of Boston, Cambridge, Medford, and Somerville, and the towns of Arlington, Brookline, Concord, Lexington, and Lincoln, including the area generally described in section 1 as lying between Fiske Hill and the North Bridge, the Secretary of the Interior is authorized, in accordance with the purposes of this Act, to enter into cooperative agreements with the Commonwealth of Massachusetts, political subdivisions thereof, corporations, associations, or individuals, and to erect and maintain tablets or markers, in accordance with provisions contained in the Act approved August 21, 1935, entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes" (49 Stat. 666).

SEC. 4. The Secretary of the Interior is authorized to appoint an advisory commission of five members to advise him on the development of Minute Man National Historical Park, to consist of one member to be recommended by the selectmen of each of the towns of Concord, Lexington, and Lincoln, Massachusetts; one member to be recommended by the Governor of the Commonwealth of Massachusetts; and one member to be designated by the Secretary.

SEC. 5. When established pursuant to this Act, the park shall be administered, protected, and developed by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4), as amended and supplemented, and the Historic Sites Act of August 21, 1935 (49 Stat. 666; U.S.C. 461-467).

GALLUP POLL ON SCHOOL INTEGRATION

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. FORRESTER] is recognized for 10 minutes.

Mr. FORRESTER. Mr. Speaker, on March 13, 1959, the Gallup poll released the results of its survey in the North and South to determine the attitude of white parents in both sections regarding school integration.

Mr. Gallup says the northern parents had very little objection to integration "as long as only a few of the children are Negro." However, "the proportion of northern white parents who would have no objection to sending their children to a school where more than half of the children are colored is only about one in three," according to the poll.

I commend this survey as a thought-provoking document for honest people everywhere. As long as the mixing of races is token mixing, very little objection is heard in the North, but when these northern parents come to grips with cold facts presented by integration on a 50-50 basis, they react exactly the same as white southerners. Mr. Gallup refers to the reaction by the northern parents as prejudice. I think Mr. Gallup is wrong there. The objections are not based on prejudice but on intensely real evils that they now know integration brings. The more experience our northern friends have with this problem, the more united they will be in their objection to integration and the more they will be satisfied that God Almighty was right when he segregated us in the first place.

The Gallup Poll result is no surprise to me. It is reliable information. It is information that public servants need to know because segregation is getting quite popular wherever real integration has had the opportunity to prove itself wrong. Candidates for office in the North are waking up to the fact that segregation is becoming more popular than integration.

The article released by Gallup reads as follows:

THE GALLUP POLL: PROPORTIONS ALTER VIEWS ON SCHOOL INTEGRATION

(By George Gallup)

PRINCETON, N.J., March 13.—Despite the collapse of Virginia's policy of "massive resistance" to comply with the court's ruling on integration, survey evidence shows that Southern white parents of school-age children are still not basically sold on the idea.

Nor is prejudice limited to the South. Many northern parents, if faced with a similar problem to that which exists in the deep South, express misgivings over integration.

Their attitudes on integration are greatly influenced by the proportion of Negro children to white children, in a school, the survey finds.

Sentiment among northern whites is overwhelmingly on the side of integrated schools as long as only a few of the children are Negro. But the proportion of northern white parents who would have no objection to sending their children to a school where more than half of the children are colored is only about one in three.

Gallup poll reporters put this series of questions to an accurate sample of white parents of school children in all areas of the country—both North and South:

1. "Would you, yourself, have any objection to sending your children to a school where a few of the children are colored?"

The replies of white parents:

NORTH	*Percent*
Yes, would object	7
No, would not	92
No opinion	1
SOUTH	
Yes, would object	72
No, would not	25
No opinion	3

Of interest is the fact that although sentiment among southern white parents on this question shows virtually no change from a survey in September of last year, there has been a change of sentiment among northern white parents.

The number of northern whites who say they would object to sending their children to a school where a few of the children are colored has dropped about half—from 13 percent in September to 7 percent today.

The next question:

2. "Would you have any objection to sending your children to a school where half of the children are colored?"

NORTH	*Percent*
Yes, would object	34
No, would not	63
No opinion	3
SOUTH	
Yes, would object	83
No, would not	12
No opinion	5

The September survey showed 39 percent of northern white parents objecting, compared to 81 percent of southern white parents.

The third question:

3. "Would you have any objection to sending your children to a school where more than half of the children are colored?"

NORTH	*Percent*
Yes, would object	58
No, would not	35
No opinion	7
SOUTH	
Yes, would object	86
No, would not	8
No opinion	6

The September survey showed the same proportion, 58 percent, of white parents in the North objecting as today, while sentiment among southern white parents was 84 percent opposed in September, compared with 86 percent today.

MANDATORY QUOTAS ON OIL IMPORTS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BOLAND. Mr. Speaker, I was extremely disappointed this morning with the reply I received from the White House rejecting my plea of last Monday to President Eisenhower that

he reconsider his March 10 decision imposing mandatory quotas on oil imports of crude unfinished and finished oil products, including residual oil.

OIL PRICE INCREASES WILL COST NEW ENGLAND DEARLY

I had asked the President to exempt New England from these import quotas, which, it is estimated, will result in increased oil costs for New England consumers of approximately $100 million yearly. This is the reply I received from the White House today, signed by Mr. Gerald D. Morgan, the Deputy Assistant to the President:

DEAR MR. BOLAND: The President asked me to acknowledge and thank you for your telegram on the oil import matter. After the most careful consideration, the President decided that he had no alternative but to put into effect a system of mandatory controls, being convinced that the present level of imports was threatening to impair the national security. A copy of the Proclamation and Statement which the President issued on March 10 are enclosed for your information. The President appreciated your wiring.

With kind regards.

Sincerely,

GERALD D. MORGAN,
The Deputy Assistant to the President.

BLOW TO NEW ENGLAND ECONOMY

Mr. Speaker, New Englanders are suffering enough due to the recession and its consequent unemployment, and the loss of industries that have been moving to other sections of the country for the last 15 years, without having this further discrimination imposed upon them. New England depends upon imports if it is to maintain a healthy and competitive economy. The President's mandatory oil import edict imposes a 400,000 barrel a day quota for residual oil which is so much in demand by New England industries, power plants, colleges, schools, and the State and municipal institutions and buildings. By placing a ceiling on the quantity of foreign residual oil that may enter this country, New Englanders will be forced to buy domestic oil at higher prices.

OIL IMPORTS DO NOT IMPAIR NATIONAL SECURITY

Mr. Speaker, I disagree with the administration when it says that the present level of oil imports "was threatening to impair the national security." On the contrary, as the respected Senator AIKEN, of Vermont pointed out yesterday, the imposition of mandatory oil import quotas will result in a drain on the limited American oil supplies that would be useful to this country in time of war.

I agree with Senator AIKEN when he says that these mandatory oil quotas will not only encourage domestic oil price increases, but will harm our relations with neighboring Canada and friendly oil producer nations, and will work to the disadvantage of American industry competing in world markets.

Mr. Speaker, under animous consent I include with my remarks an editorial that appeared in the Washington Post and Times Herald this morning:

MR. AIKEN INDICTS

Senator AIKEN has delivered a courageous and comprehensive indictment of the administration's recent clamp-down on oil imports to which, by their ineffectual replies, the President's defenders in Congress have conceded there is no good answer except politics. As Senator AIKEN noted in his devastating critique, the import quotas discriminate against regions of the country dependent upon imports, encourage price increases, harm our relations with Canada and other friendly producer nations, disadvantage American industry in world markets and drain limited domestic oil supplies that would be useful in event of war.

To this, Minority Leader DIRKSEN was able to say only that President Eisenhower's decision was a considered one and that the quotas for lead and zinc, imposed last year, had established a precedent. These were, in our judgment, similarly ill advised. For the United States to preach freer trade when it doesn't affect a politically powerful home industry and practice flagrant protectionism when the interests of the strategically represented producer States like Texas are involved is the worst kind of foreign policy. It is not only narrowly nationalistic but inconsistent. It is not only a policy in aid of one particular industry but a policy that harms other American business and the consumer. Senator AIKEN has spoken well and wisely, and his counsel should be heeded.

ASSISTANCE TO RAILROAD AND FERRY COMMUTERS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may address the House for 1 minute and revise and extend his remarks.

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

There was no objection.

Mr. DANIELS. Mr. Speaker, today I have introduced a bill to amend section 13a(1) of the Interstate Commerce Act which would prohibit carriers—ferry or train—from discontinuance of service until a hearing is completed and the Interstate Commerce Commission comes to a decision, no matter how long it may be. It would also do the following:

First. Investigation and hearing made mandatory.

Second. Thirty days' notice prior to hearing required to be made by ICC to Governors.

Third. Time limitation, in which ICC must dispose of application, is stricken.

Fourth. Seven days' notice instead of 10 days' notice prior to time of discontinuance of service would be given the railroads by the ICC that service must be continued.

Fifth. Service shall be continued during the period of investigation and hearing.

The enactment of this bill would assure that the commuter groups and other interested agencies have a hearing in every instance of a discontinuance or change. It would also assure that the service be continued until the hearing is completed and the Commission comes to a decision, however long that may take.

The bill was prompted by the continuing problem of train and ferry discontinuance and how it affects commuters in New Jersey and other parts of the country.

A bill has also been introduced in the Senate by Hon. HARRISON A. WILLIAMS, JR., Democratic Senator from New Jersey, to attain the same result.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ASPINALL, for the week of March 23, 1959, on account of illness.

Mrs. KEE (at the request of Mr. ALBERT), for March 20 to 23, on account of official business in West Virginia.

Mr. MULTER (at the request of Mr. ADDONIZIO), for Friday, March 20, 1959, on account of illness.

Mr. FOLEY (at the request of Mr. FALLON), for today, on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. FORRESTER, for 10 minutes today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. DIXON.

Mr. LINDSAY (at the request of Mr. ARENDS) and to include extraneous matter.

Mr. WALTER.

Mrs. KEE and include a newsletter.

Mr. MCCORMACK and to include extraneous matter.

(At the request of Mr. STRATTON, and to include extraneous matter, the following:)

Mr. BOWLES.

Mr. GALLAGHER.

Mr. HOLTZMAN.

BILL AND JOINT RESOLUTION 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 and a joint resolution of the House of the following titles:

H.R. 2294. An act for the relief of the Ellis Timber Co.; and

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p.m.), under its previous order, the House adjourned until Monday, March 23, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

747. A letter from the Chairman, Federal Communications Commission, transmitting

a draft of proposed legislation entitled "a bill to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended"; to the Committee on Interstate and Foreign Commerce.

748. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation entitled "a bill to amend section 409(c) of the Communications Act of 1934, as amended, with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission"; to the Committee on Interstate and Foreign Commerce.

749. A letter from the Assistant Secretary of the Interior, transmitting a report on the activities of, expenditures by, and donations to the Lignite Research Laboratory, Grand Forks, N. Dak., for the calendar year 1958, pursuant to the act of March 25, 1948 (62 Stat. 85); to the Committee on Interior and Insular Affairs.

750. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "a bill to provide for the appointment of additional circuit and district judges, and for other purposes"; to the Committee on the Judiciary.

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. DAWSON: Committee on Government Operations. H.R. 1321. A bill to amend Reorganization Plan No. 2 of 1953; with amendment (Rept. No. 235). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. House Joint Resolution 300. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States; without amendment (Rept. No. 236). Referred to the House Calendar.

Mr. KIRWAN: Committee on Appropriations. H.R. 5915. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 237). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 5916. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 238). 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. ABBITT:

H.R. 5881. A bill to provide that the Secretary of the Army shall make certain payments to the counties of Mecklenburg, Halifax, and Charlotte, State of Virginia, from the proceeds of sales of timber located on that portion of the land within the John H. Kerr Reservoir, Va. and N.C., situated in the State of Virginia; to the Committee on Public Works.

H.R. 5882. A bill to provide that the Secretary of the Army shall make certain payments from the proceeds of sales of timber cut from land acquired by the United States within a State for flood control, navigation, and allied purposes, to the counties in which such land is situated; to the Committee on Public Works.

H.R. 5883. A bill to provide that the Secretary of the Treasury shall make certain payments to the counties of Dinwiddie, Nottoway, and Brunswick, State of Virginia, based upon the proceeds of sales of timber located on land within Camp Pickett, Va.; to the Committee on Armed Services.

By Mr. BROCK:

H.R. 5884. A bill to provide economic assistance to the American Indians; to the Committee on Interior and Insular Affairs.

By Mr. DORN of New York:

H.R. 5885. A bill declaring Good Friday in each year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. HAGEN:

H.R. 5886. A bill to amend the act of June 5, 1948, relating to the Meat Inspection Service of the Department of Agriculture and to permit recognition of the meat inspection services of the various States; to the Committee on Agriculture.

By Mr. KEITH:

H.R. 5887. A bill to amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 5888. A bill to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands; to the Committee on Armed Services.

By Mr. McMILLAN:

H.R. 5889. A bill to provide for the representation of indigents in judicial proceedings in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON:

H.R. 5890. A bill to amend the Internal Revenue Code of 1954 to make it clear that the tax on transportation of persons does not apply to ferry service provided by State-operated ferryboats; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 5891. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H.R. 5892. A bill to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUTHERFORD:

H.R. 5893. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H.R. 5894. A bill to clarify the application of section 7(c) of the Trade Agreements Extension Act of 1951; to the Committee on Ways and Means.

H.R. 5895. A bill relating to the treatment for income tax purposes of certain redemptions of paid-for preferred stock; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 5896. A bill to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 5897. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. DANIELS:

H.R. 5898. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNN:

H.R. 5899. A bill relating to the observance of holidays occurring on Saturday; to the Committee on Post Office and Civil Service.

By Mr. FORAND:

H.R. 5900. A bill to correct injustice by providing for the payment of certain amounts of compensation to officers who were found under the provisions of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to have been removed from the active list of the Army without justification and who were subsequently restored to the active list; to the Committee on Armed Services.

H.R. 5901. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit hospitals from certain excise taxes; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 5902. A bill to amend the Internal Revenue Code of 1954 to provide that employment taxes paid under the Federal Insurance Contributions Act by two or more employers with respect to the same individual shall constitute overpayments to the extent that the aggregate compensation paid to such individual during any one calendar year exceeds $4,800, and for other purposes; to the Committee on Ways and Means.

By Mr. GRANT:

H.R. 5903. A bill to control the preparation, distribution, importation and exportation of virulent hog cholera virus, and for other purposes; to the Committee on Agriculture.

By Mr. GUBSER:

H.R. 5904. A bill to amend section 3914 of title 10 of the United States Code to provide for the granting of retired pay to certain former enlisted members of the Armed Forces discharged after having served 20 or more years on active duty; to the Committee on Armed Services.

By Mr. HOLTZMAN:

H.R. 5905. A bill to grant civil-service employees retirement after 30 years' service; to the Committee on Post Office and Civil Service.

By Mr. McDOWELL:

H.R. 5906. A bill to amend section 13 of the Fair Labor Standards Act of 1938, as amended, to provide an exemption from the minimum wages, maximum hours, and child labor provisions of such act with respect to homeworkers engaged in the making of natural holly, pine, cedar, or other evergreen wreaths; to the Committee on Education and Labor.

By Mr. MACDONALD:

H.R. 5907. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for making payments in lieu of taxes with respect to certain industrial manufacturing plants owned by the United States; to the Committee on Government Operations.

By Mr. SCOTT:

H.R. 5908. A bill to provide for the disposition of certain lands above the 320-foot contour of the John H. Kerr Dam and Reservoir to the former owners, and for other purposes; to the Committee on Public Works.

By Mr. KIRWAN:

H.R. 5915. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. THOMAS:

H.R. 5916. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. FULTON:

H. Res. 219. 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 Alaska, memorializing the President and the Congress of the United States relative to requesting passage of legislation that will admit Hawaii to the Union on an equal footing with the other States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to remove the limitation on the number of acres of public lands which the State may acquire; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States relative to objecting to limitation of public lands; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H.R. 5909. A bill for the relief of Charles H. Stype; to the Committee on the Judiciary.

H.R. 5910. A bill for the relief of Zelda Glick; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 5911. A bill for the relief of Omer W. Guay; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 5912. A bill for the relief of Henry Y. C. Huang; to the Committee on the Judiciary.

H.R. 5913. A bill for the relief of Florence May Cox; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 5914. A bill for the relief of Dr. Radboud Louwrens Beukenkamp; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

122. The SPEAKER presented a petition of James O'Leary, Wellsboro, Pa., relative to a redress of grievance relating to a World War I pension, which was referred to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

The Works of Peace

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 20, 1959

Mr. HUMPHREY. Mr. President, it was my privilege to address the National Council of Jewish Women here in Washington on March 10, 1959. I ask unanimous consent that my address, entitled, "The Works of Peace," be printed in the RECORD.

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

EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY BEFORE THE NATIONAL COUNCIL OF JEWISH WOMEN, MARCH 10, 1959, WASHINGTON, D.C.

Even as we demonstrate to the world that we are utterly determined to resist Communist aggression, in this latest Soviet-precipitated crisis over Berlin we must be alert to the opportunities to wage peace—consistently, vigorously, and dramatically.

We must constantly seek to express the American dedication to people, peace, and progress throughout the world—not only in the words of peace, but in the very deeds and works of peace.

American foreign policy must recapture the initiative. And it must be reoriented to make better use of America's natural advantages.

With our magnificent food and fiber production in a hungry world, with our leadership in medicine in a world filled with disease and suffering, we are in a magnificent position to spearhead an international drive to feed the hungry, clothe the naked, heal the sick, and to teach the illiterate.

The works of peace: Food for peace, health for peace, education for peace, science for peace, atoms for peace.

The works of peace ought to be as conspicuous in American foreign policy as the Washington Monument in our Capital City.

We must hammer away on this theme unrelentingly—and develop a whole series of specific, concrete programs to implement—generalities are not enough.

The Senate will shortly take favorable action on one such concrete program—the proposal by LISTER HILL, myself, and others, to establish an International Medical Research Institute.

Here again is an example of constructive programing, with dramatic impact—the kind of action and program that cannot be effectively disparaged or destroyed by the most virulent Communist propaganda attacks.

As another example of how we could dramatically underline a constructive American foreign policy founded on health and education and food for peace, we could develop with a small expenditure of funds a new American white fleet of hospital ships and disaster relief vessels—as a dramatic symbol of American intentions and American concern with the well-being of other peoples.

I intend shortly to introduce legislation to provide two such white fleet task groups of presently mothballed U.S. Navy ships—designed to be operated partially by Government and partially by voluntary agencies—as disaster relief and technical assistance units along the coasts of Africa and Asia.

For a maximum cost of between $10 million and $15 million per year, the United States could provide effective—and vivid, easily recognized—relief to coastal areas which are the victim of earthquakes, floods, hurricanes, famine or disease epidemics; and in between they could carry on a dramatic program of medical and public health training and technical assistance.

Each of these white fleet task groups—composed perhaps of one 800-bed hospital ship, two cargo vessels for emergency supplies and food, and a converted electrical power ship, could throw into an emergency situation 800 to 1,000 hospital beds, operating facilities and laboratories, power for a good-sized city, and emergency rations for 300,000 to 500,000 people for a full week.

An earlier American White Fleet was used by President Theodore Roosevelt to dramatize to the world the emergence of the United States as a world power. Today a white fleet of mercy, armed with food, clothing, and medicine, literally stretching out the hand of friendship and compassion to other peoples, would do more to bring home to the peoples of Asia and Africa the real spirit of the American people than 10 years of broadcasting of American good intentions. Outstanding progress of health and medicine in Israel is one of the great achievements of the Jewish culture—a vivid example of what can be done through the works of peace, a dramatic beacon light to encourage similar achievement throughout Asia and Africa.

OUR SENATE WORLD HEALTH STUDY

As you know, it is my privilege to serve as chairman of a Senate subcommittee which is making a study of international health. We have invited judgment of the great medical leaders of the world.

Included in the responses have been many messages from outstanding medical leaders of Israel, including, of course, from the famed Weizman Institute and other facilities.

Israel has, as you know, perhaps the greatest and most favorable ratio of doctors to population anywhere in the world. It has a reservoir of scientific talent which is proportionately unmatched in almost any other country.

I know that Israel is going to play a great role, therefore, in expanding international medical research. Expansion of research was my topic in testifying this very morning on our farsighted bill to create a new International Institute of Medical Research. I know, too, that in the International Public Health and Medical Research Year, commencing in mid-1961, Israel can become a great radiating center of health works of peace.

SEPTEMBER 1959 CANCER MEETING IN ISRAEL

Let me cite a specific illustration. In September of this year, there will be held an International Symposium on Cancer Causation. The International Union Against Cancer has an International Cancer Research Commission which is the sponsor of this meeting. This commission selected the Weizmann Institute as the site for the symposium. Eleven countries will be represented, including: Canada, Great Britain, France, Finland, India, West Germany, Holland, New Zealand, U.S.S.R., Israel, and ourselves.

A moving figure in the plans for the symposium is the distinguished head of the experimental biology department of the institute, Prof. Issac Berenblum.

I cite this symposium as one excellent illustration of what the United States and Israel can and should do to multiply the works of peace.

Here in the United States, cancer wipes out a quarter of a million lives a year. In the Soviet Union, as I pointed out in Moscow to the Soviet authorities in December 1958, another quarter of a million lives are snuffed out by cancer. In the State of

Israel, a somewhat proportionate toll is taken. And the Arab States as well, are hardly immune to cancer.

What I am saying, in effect, is that Israel can spearhead international medical research.

It can also spearhead international medical assistance. Why? Because it is one of the few nations which has a relative surplus of doctors which it can make available to other less fortunate countries.

You are all familiar with Israel's technical assistance program which is already under way—ranging from its agricultural help to Burma, to its maritime help to Ghana.

I would like to see Israel's medical technicians working throughout the developing world. And I envision the day when its medical know-how will become available throughout the Arab countries as well. You and I are aware that today the Arab population within Israel receives the benefit of Israel's high health standards. This should become just as true within the Arab countries themselves.

But this is more than a matter for Israel itself; it is a matter for action throughout the free world.

PHILANTHROPIC TRADITION IN JEWISH FAITH

Welfare work is a special tradition of the Jewish people and of Jewish women, in particular.

I need not remind you of the hundreds of hospitals, homes for the aged, organizations for the orphaned, for the blind which Americans of Jewish faith, yes, which you of this audience serve in your respective communities.

The dedication to philanthropy is a deep tradition among the Jewish people, and I say that the world is in great need of further like-minded efforts among all faiths.

From the standpoint of American foreign policy, however, it is absolutely essential that we make available more of the scientific, medical, educational talent from the free countries to the underdeveloped world.

You and I read each day of riots sweeping Africa, Nyasaland, the Belgian Congo, and other areas.

The answer to riots and rioters is not clubs and police; the answer is housing and doctors and schools and jobs and equality and basically freedom.

I want the U.S. Government to help make available this answer to Africa and south Asia.

HOW TO AVOID MORE DYNAMITE IN AFRICA

Colonial Africa will explode in more violence unless the fuse is put out and unless the TNT of bitterness and frustration and fear are converted into a new and more stable type "chemical."

I refer to the chemistry of hope and growth, fulfillment and pride. This is the social chemistry from which will come not explosions, but peaceful development and building.

I point out, therefore, to the colonial powers that they may keep the lid on temporarily if they fly in more armed troops and tear gas and if they fly out into exile more native leaders.

But this is not the answer to statesmanship. It is not a permanent answer, nor one compatible with the Judaeo-Christian heritage.

Colonial Africa needs more point 4, not pointblank fire of water hoses or rifles. It needs additional responsible leaders, and not to be deprived of the few native leaders which it already has.

It needs the spirit of Tom Jefferson and Abe Lincoln and Chaim Weizmann—builders, creators, men of uplift and inspiration, not overseers of downgrading and repression.

This, then, is the challenge to the United States and to all like-minded nations.

Keenotes

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD I include copy of my newsletter for this week:

KEENOTES

(By Representative ELIZABETH KEE)

What is it like to dine on surplus agricultural commodities—the sole source of food supply for about 300,000 unfortunate West Virginians?

Members of the West Virginia congressional delegation found out at its weekly delegation breakfast in the Vandenburg Room of the Capitol recently. The meal was prepared exclusively from the food items which are now available to recipients of surplus commodities.

Each breakfast consisted of 1¾ ounces of flour, three-quarters ounce of meal, two-thirds ounce of powdered milk, one-third ounce butter and one-third ounce of rice. But the breakfast served to each of the two Senators and six Members of the House was equivalent to a one-meal ration for an entire family up to three persons.

As I ate the breakfast I could not help but think of the thousands of families who have nothing more to look forward to each day than the skimpy meal which can be prepared with available commodities. And I was further reminded of how tragic it must be for a family of three to have to make an entire meal from the amount which I was eating for breakfast.

The diet of surplus commodities is wholly inadequate, especially for growing children. It provides only 26 percent of the needed calories, 36 percent of the necessary protein, and 46 percent of the necessary calcium.

Yet, many families have to depend entirely upon the commodities made available to them from Government warehouses. They do not have the means to supplement them in any way.

Members of the delegation hoped, by dining on the surplus commodities, to dramatize the plight of so many of our people. It is a part of our campaign to convince leaders in the executive branch of our Government and in the Congress of the need to start a coordinated program to provide both immediate and long-range help to West Virginia.

We have hammered away at this one thing ever since Congress reconvened. We are working as a team to bring flood control and other public works projects to the State to create desperately needed jobs. We are demanding that other commodities be added to the list which is now available to our unfortunate families. And more importantly, we want an economic redevelopment program under which West Virginia can attract new industries and businesses to provide permanent jobs for our people.

It is tragic that with warehouses literally bulging with surplus commodities of all kinds a more adequate diet cannot be provided to people who are unable to find employment. This is not a problem confined to West Virginia. Other States, in all sections of the country, are also suffering from substantial and persistent unemployment.

In West Virginia able-bodied men simply cannot find work. At the end of January 67,928 active applications for employment were on file. Regular State unemployment benefits had been exhausted by 47,432 of our people, and 19,468 unemployed had exhausted benefits under the temporary extension program. Thousands of others have joined them in the last 3 months.

People should not be permitted to go hungry in this land of plenty. I am more convinced than ever now that people who must live on the skimpy diet surplus foods provide are hungry citizens. And I am afraid that their children will carry through life the effects of the insufficient diet they are now forced to eat.

Lt. Gen. Joseph M. Swing, Commissioner of Immigration and Naturalization

EXTENSION OF REMARKS

OF

HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. LINDSAY. Mr. Speaker, Lt. Gen. Joseph M. Swing is a man to whom the country owes a vote of thanks. For the past 6 years Joseph Swing has held one of the most difficult posts in Government—Commissioner of Immigration and Naturalization. This is a job in which there are only heartaches, headaches and brickbats. It takes a man with a tough skin and a steady hand. Such a man is Gen. Joseph M. Swing.

What is little known about this man, however, is that he has a heart as big as an elephant and has administered a difficult law liberally, fairly, and with as much compassion as the law will allow. He showed his toughness and his ability to get a job done when he took by the horns an appalling situation along the Mexican border where the so-called wetback invasion had assumed unbelievable proportions. The Commissioner, acting swiftly but carefully, and without additional cost to the taxpayers, reversed this avalanche and not only stopped a tide that was daily in the thousands, but made it possible for Mexicans here illegally to return to Mexico of their own accord and without penalty. In the summer of 1954 about 65,000 illegal aliens returned to Mexico of their own accord. This was a situation which nobody liked and which demanded correction and control. The Mexican and the U.S. Governments both have been grateful to General Swing for bringing this unhealthy situation under control.

This man is responsible, probably more than anyone in Government, for taking action at all levels to facilitate travel—all to the advantage not only of the United States but also commerce and industry, including, of course, the transportation industry.

There is much left to be done in this regard and I assure my colleagues, Mr. Speaker, that Commissioner Swing is not resting on the improvements thus far achieved. Within the executive branch of the Government he has fought to eliminate redtape and senseless procedures which have proven so embarrassing and annoying to international travelers. His efforts contributed to a change in the law permitting a

waiver of the fingerprinting requirement of people coming temporarily to or through the United States. He is presently seeking to obtain a waiver of the visa requirements for tourists and visitors coming to the United States, as permitted by law in certain cases with respect to neighboring countries and contiguous islands. He lent support to legislation enacted by the 85th Congress which corrected a number of hardships that had been encountered in the administration of the immigration laws.

When the October revolt broke out in Hungary, General Swing was among those in the forefront pressing for the immediate participation of the United States in a crash program designed to relieve the misery of anti-Communist refugees and escapees from Hungary and pressures on Austria. He was quickly on the spot in Austria and Germany and took extraordinary measures to expedite the processing of emergency admission of 30,000 deserving Hungarians to this country.

General Swing is a West Point classmate of President. Eisenhower. Although he was the youngest member of this distinguished class he achieved in his career preeminence and excellence in his chosen profession. It would take far too long, Mr. Speaker, for me to recount to this Chamber the whole history of General Swing's professional achievements. It is enough to point out that he achieved distinction as one of the foremost experts in this country on airborne tactics. In December 1943, he planned and conducted the first airlift by planes and gliders of an entire division. Thereafter, in the Pacific theater, General Swing proved himself one of the most skillful, effective, and courageous combat officers of World War II.

General Swing has been awarded the Distinguished Service Cross; Distinguished Service Medal; Silver Star with two oak leaf clusters; Legion of Merit; Bronze Star Medal with one cluster; Air Medal with one cluster; French Legion of Honor; and Chief Commander, Philippine Legion of Honor.

I had the pleasure of working with Commissioner Swing in my capacity as executive assistant to the Attorney General of the United States in 1955 and 1956. He is a devoted and effective public servant. All who strive toward the improvement and betterment of the public service can look to men like Joseph M. Swing for inspiration and leadership.

Connecticut's Stake in Area Redevelopment Legislation

EXTENSION OF REMARKS

OF

HON. CHESTER BOWLES

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. BOWLES. Mr. Speaker, there is a growing interest in Connecticut over the area redevelopment legislation now under consideration in the House Banking and Currency Committee.

This morning the Connecticut General Assembly's Joint Committee on State Development held public hearings on a resolution relating to the legislation. I prepared the following statement for that hearing. It deals with the general aspects of area redevelopment legislation, the situation in Connecticut, and how our State would benefit from the proposed legislation.

This statement expands the testimony I gave to Subcommittee No. 3 of the House Banking and Currency Committee yesterday and includes up-to-date statistics on Connecticut unemployment.

STATEMENT BY CHESTER BOWLES ON AREA REDEVELOPMENT LEGISLATION TO CONNECTICUT JOINT COMMITTEE ON STATE DEVELOPMENT IN HARTFORD, MARCH 20, 1959

I am very glad that the Joint Committee on State Development is undertaking a study of area redevelopment legislation at a time when hearings are being held in Washington with widespread interest in the legislation developing here in Connecticut.

Because of its great importance to us in Connecticut, I shall go into the legislation in some detail.

I shall describe what I believe are the broad merits of my bill, H.R. 3450, what the situation is here in Connecticut and how it would benefit from the legislation. I shall also take up some of the questions and objections that have been raised concerning the legislation.

A FEDERAL RESPONSIBILITY

The extent of our recovery from last year's recession is a debatable point. For the nearly 5 million people still unemployed, the recovery has been very slight, indeed.

This bring us back to one of the main pieces of legislation passed since World War II—the Employment Act of 1946. This legislation recognized the responsibility of the Federal Government to help assure maximum full employment.

This new area redevelopment legislation—which Senator PAUL DOUGLAS introduced in the Senate and which I and others introduced in the House—recognizes our responsibility to alleviate unemployment of a persistent and chronic nature wherever it exists.

The President, too, has given verbal support to this responsibility in his economic reports to the last three Congresses. The administration bills that have been offered to Congress have accepted the principle, though the effort to make the principle an actuality is a very limited one.

Very simply the motivation of this legislation springs from a natural instinct to help eliminate innocent suffering.

In my mind, there is a close analogy between the reasons for extending Federal aid to communities stricken by the sudden disaster of a flood or tornado and the reasons for extending aid to communities stricken by a more gradual disaster—whether it be the exhaustion of a coal mine that had previously been a primary source of employment, or the closing of a railroad line or the transfer of a textile mill hundreds of miles away.

In both situations, the men and women in these communities are faced with suffering and hardship through no fault of their own.

In eastern Connecticut and in other parts of the State, many people have lost their jobs because a textile mill closed down.

These are people who have worked for many years, who have developed very high skills. They have sunk deep roots into their communities. Their children are in school, their homes are paid for, their friends and relatives live nearby.

Yet all of a sudden they find themselves out of work. And they wonder what happened to the opportunity and bright future they had dreamed about.

Sometimes you hear the statement that in time these problems will work themselves out, that the people will sooner or later move elsewhere and find work.

I reject that philosophy. I think we have moved far beyond the harsh laws of economics reflected in statements of this sort. Such an answer to our problems would not only inflict great hardship on the individuals involved and uproot their lives, but it would also foster a costly and totally unnecessary wasting of human and material resources that have been built up over the years. It would be a waste of the potential and skills of the people, and it would be a waste of the schools, stores, hospitals, banks, office buildings, homes and churches.

THE ECONOMIC ADVANTAGES

When you look at the economic side of this situation, the reasons for area redevelopment legislation become even more compelling.

With the threat to our security from the Soviet Union growing more critical and with the needs for schools, roads, hospitals in this country becoming increasingly great, we cannot afford the continued wasting of our vital human and material resources.

By attacking this problem of chronic unemployment head on wherever it exists, we can greatly increase our national productivity and job opportunities.

At the same time, by putting our idle plant and human capacity to work, we can greatly increase the tax revenue needed to keep our economy on an even keel. Consider how much revenue we are losing by allowing 10 percent of our plant capacity and 6 percent of our human capacity to lie idle.

By putting these wasted resources to work, we can also cut down on the amounts that the Federal, State and local governments now have to spend in providing unemployment compensation and other relief measures.

CONNECTICUT CONDITIONS

Now let me briefly sketch the situation here in Connecticut.

This is, of course, a highly industrialized State with one of the most progressive administrations in the country. Under the dynamic and farsighted leadership of Gov. Abraham A. Ribicoff, we have made tremendous strides in improving our living and working conditions which, in turn, have attracted many new industries to the State.

Our roadbuilding, slum clearance, law enforcement, and unemployment compensation programs are among the most progressive in the country, and the citizens of Connecticut can be justly proud of their accomplishments.

Yet, like many other States, we have problems that require Federal assistance to bolster our vigorous State and local efforts.

One of the most pressing of these problems is that of alleviating the chronic unemployment that has been caused by our hard-pressed textile and related industries.

At present, the three areas having the most serious difficulties are those of Danielson, Norwich, and Bristol, including the surrounding communities. Danielson, which is in my own district, has been the hardest hit of all for the longest period of time.

In 1955 the population of the Danielson area—which includes Putnam, Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Sterling, Thompson, and Woodstock—was a little more than 47,000. The textile industry provided more than 40 percent of the total manufacturing employment of 11,460.

Since 1955, however, the area has been practically denuded of this vital industry with the closing of more than 18 textile plants.

As a result, the per capita income has dropped in this area to the lowest in the

State and this has caused a decline in business generally throughout the area. Fewer new homes are being built and fewer cars are being bought. Unemployment, as of this last January, was twice as high as the national average.

The people of Norwich, many of whom I know very well, have had similar though less severe difficulties.

In 1954 the textile industry accounted for more than half of the manufacturing employment in that area—which includes Bozrah, Colchester, Franklin, Griswold, Lisbon, Preston, Sprague, and Voluntown.

In the last 10 years, the textile employment declined from 6,500 to 2,200. Here too the total unemployment is nearly twice the national average.

Bristol has been hard hit by the decline in the nonelectrical machinery, brass, instruments, and clock industries. By last January its unemployment had risen to almost three times the national average, with 16.7 of the labor force out of work.

Other areas are also suffering similar difficulties. The Thompsonville area, for instance, lost nearly 1,000 jobs with the closing of the wool, yarn, and velvet carpet mills of the Bigelow-Sanford Carpet Co.

BENEFIT TO CONNECTICUT

Now how would this area redevelopment legislation help us?

There has been some talk that Connecticut cities and towns would benefit very little from the legislation.

This depends on which bill is passed.

Under the administration bill, only two areas—Danielson and Bristol—would qualify.

However, under my own bill, which is similar to the one introduced by Senator DOUGLAS, Connecticut would be eligible for much greater assistance.

If this bill is passed and signed, more than half of those now unemployed—48,400 people—would be included in the cities and towns that would be eligible for assistance by this July unless there is a marked upturn in employment between now and then.

Looking at it another way, Connecticut is made up of 18 labor market areas. By July 14 of them would be eligible for assistance.

Right now, according to the Connecticut Development Commission, 55 Connecticut cities and towns are eligible under my bill. These communities are included in 8 labor market areas designated by the Department of Labor as: Ansonia, Bridgeport, Bristol, Danielson, Meriden, New Britain, Norwich, and Torrington.

Unless employment improves by July, 78 more communities will have been added. These are the communities surrounding the labor market areas designated as Danbury, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic.

From this standpoint, Connecticut's stake in the program makes the legislation a matter of vital State interest.

PROVISIONS OF THE BILL

Briefly, this is what the legislation would provide:

Loans of $100 million for the construction and expansion of factories and other industrial projects in the eligible urban areas.

Loans of another $100 million to communities for the construction of public facilities. This would help these communities with land acquisition and the development of such facilities as access roads and sewer and industrial water supply systems to make the communities more attractive to new industries.

Loans of $100 million for the development of rural areas.

An additional $75 million in grants for the construction of public facilities.

Grants of $4.5 million for technical assistance to help communities and businessmen plan for coordinated development and growth.

Finally, it would provide $10 million in subsistence payments for 13 weeks to those undergoing vocational retraining.

At this point, I would like to call attention to a provision which I have also introduced and which I believe is of the utmost importance in speeding the development and revitalization of our hard-pressed areas.

This is a provision which would give tax relief to those manufacturers in the eligible areas who are willing to invest their own capital in expanding their facilities.

It would allow them to amortize the cost of expanding and constructing new facilities over a period of 5 years rather than over the useful life of the building, which may run to 40 or 50 years.

This rapid tax amortization provision is similar to the incentive now available to defense industries.

I have talked with a number of industrial leaders from my district and all of them have told me that of all the suggested methods of help, tax incentives would be the most effective.

Such a provision, it seems to me, would greatly encourage the investment of private capital. It would give the manufacturers greater flexibility. I believe we would get much quicker results and, in the long run, we would be more than compensated by steadily increasing tax revenues. Therefore, I plan to press for the inclusion of this provision in the final bill as hard as I can.

These, then, are the main provisions, and they are substantially greater than those provided by the administration bill.

At the same time, three quarters of the money that would be expended under the provisions of my bill are in the form of loans. These loans would be fully repaid over a period of 30 years with interest.

In other words, the bill is not a dole; it is an investment in the future.

It would go a long way toward helping these communities to help themselves to a brighter future in an economy that is constantly expanding with a population that is increasing by nearly 3 million a year.

QUESTIONS ABOUT THE BILL

This brings me to some of the fears and questions that have been raised concerning this legislation.

Some people have expressed a belief that aid to one community will only hurt some other community.

I think this is a baseless fear. It seems to me that we should be worrying whether these people who have been capriciously thrown out of work will be able to fully share in the expanding opportunities that lie ahead.

They have worked hard, and so have the local and State governments, to adapt to changing economic conditions. Area redevelopment legislation would help them realize their full potential, which might otherwise go to waste.

Second, it has also been said that many of our local communities which would be eligible for help are not now prepared to participate in the program under the formula stipulating that the State and local governments must contribute a share to any loan that is made.

This is, of course, no reason to oppose the legislation. Certainly our Connecticut communities are just as well prepared to take advantage of the program as the communities in any other State. What we should be doing is making plans to get prepared, rather than spending our time fretting about the difficulty.

Third, there is a suspicion that Connecticut might not get as much aid as the other States, so that any Federal assistance would work to our disadvantage.

I covered this point earlier with the fact that 14 of our 18 labor market areas would probably be eligible for assistance by July. You couldn't ask for much more. It is obvious that Connecticut would be as eligible for as much aid for urban industrial development as any other Northern State, and far more than any Southern State.

Finally we come to an argument that apparently has caused some confusion here in Connecticut.

ANTIPIRACY PROVISION

This has to do with the so-called antipirating provision of the legislation. Very simply, it is argued that if we pass this bill, other States, particularly those in the South, will use the Federal assistance to steal industry away from Connecticut.

I must say here that this is a completely irrelevant concern.

In the first place, all the proposed area redevelopment bills, including my own, contain antipirating provisions which would prohibit the use of Federal funds to assist industries in relocating when such assistance would result in a detriment to the original area by increasing unemployment.

Now there have been some semantic arguments over exactly how this provision should be worded. Many of the proponents of the bill are worried that some of the amendments that have been proposed would invite a lawsuit each and every time someone makes an application for a loan. If this happened, the whole program might be wrecked.

But the worry that the bill would allow other States to steal industry from Connecticut is groundless on the face of it.

Of course, there are going to be a certain number of transfers of industry from one State to another. There always have been in this competitive world of ours, and there probably always will be.

But the allocation of funds under this area redevelopment program is not going to encourage industries to leave New England or Connecticut one bit. On the contrary, the bill can only work to our advantage.

In the first place, our State has more to offer than any other I can think of. We have progressive and friendly State and local governments. We have many cities with excellent facilities, many beautiful communities to live in, and an abundance of every kind of skilled labor. For these reasons alone, there is every reason to face the future with confidence.

The provisions of the area redevelopment bill would only enhance the prospects of a bright future for us in Connecticut.

The whole purpose of the bill is to help us restore and revitalize industrial and public facilities in certain handicapped communities, to make them once more attractive places in which to live and work.

By so doing, we will encourage, not discourage, the location of new industries in Connecticut. By improving our community conditions, the bill would also provide an incentive for our existing industries to stay and expand their operations.

Looking at it from another angle, I mentioned before that $100 million would be available for the development of urban areas. Another $100 million would be available for the development of rural areas.

Now almost all the eligible urban areas are located in the Northern States, and I have already pointed out that Connecticut would participate as fully as any other Northern State. Only a very few eligible urban areas are located in the Southern States.

On the other hand, most of the eligible rural areas are located in the South, with only a few in the North. So that the South, of course, would receive most of the $100 million for rural development, to enable them to form farm cooperatives, or develop timber resources, or limestone quarries, or what have you.

The important fact, however, is that almost all of the funds for industrial development would go to the Northern States.

With this being so, how can anyone say that the area redevelopment program would help the South in an effort to steal industry away from Connecticut? It just isn't so.

I hope this clears up some of the misunderstandings and questions that may have arisen over area redevelopment.

The legislation is perfectly sound in its conception, generous and sympathetic in its motivation, and fair in its application.

Last year the legislation received broad bipartisan support in Congress and from our Connecticut Representatives. It would be deeply unfortunate if such support should be lost through political division.

Connecticut has too much to gain from this legislation to let this happen.

Following is a list of the Connecticut cities and towns which are, or may be, eligible for area redevelopment assistance, and three tables showing the unemployment in the major labor market areas:

The labor market areas now eligible, according to the Connecticut Development Commission, are: Ansonia, Bridgeport, Bristol, Danielson, Meriden, New Britain, Norwich, and Torrington.

These areas include the following surrounding communities:

Shelton, Derby, Oxford, and Seymour in the Ansonia area; Easton, Fairfield, Monroe, Stratford, and Trumbull in the Bridgeport area; Plymouth in the Bristol area; Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Putnam, Sterling, Thompson, and Woodstock in the Danielson area; Southington and Wallingford in the Meriden area; Berlin and Plainville in the New Britain area; Colchester, Franklin, Griswold, Lisbon, Preston, Sprague, and Voluntown in the Norwich area; and Burlington, Hartland, Barkamsted, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, and Winchester in the Torrington area.

The following areas will have become eligible by next July if unemployment does not improve: Danbury, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic.

These areas include the following surrounding communities:

Bethel, Brookfield, New Fairfield, Newtown, Redding, Ridgefield, Sherman, Bridgewater, Kent, New Milford, Roxbury, Warren, and Washington in the Danbury area; Chester, Clinton, Cromwell, Deep River, Durham, East Haddam, East Hampton, Essex, Haddam, Killingworth, Middlefield, Old Saybrook, Portland, Westbrook, and Marlborough in the Middletown area.

Bethany, Branford, East Haven, Guilford, Hamden, Madison, North Branford, North Haven, Orange, West Haven and Woodbridge in the New Haven area; East Windsor, Enfield, Suffield, Windsor Locks, Ellington, Somers, Stafford, Tolland, Union, Vernon, and Willington in the Thompsonville area; Bethlehem, Thomaston, Watertown, Woodbury, Beacon Falls, Chesire, Middlebury, Naugatuck, Prospect, Southbury and Wolcott, in the Waterbury area; and Lebanon, Andover, Columbia, Coventry, Hebron, Mansfield, Ashford, Chaplin, Hampton, Scotland, and Windham in the Willimantic area.

TABLE I.—*Connecticut.—Ratio of unemployment to the labor force in distressed areas* [1] *1957–59*

Labor market area	January	February	March	April	May	June	July	August	September	October	November	December	Annual average
Smaller:													
Bristol:													
1957	7.6	6.5	6.5	6.8	5.9	5.9	7.9	7.2	6.6	8.1	9.5	11.3	7.5
1958	17.1	16.7	18.0	21.8	20.9	23.4	27.8	19.0	17.9	16.5	14.5	13.1	18.9
1959	16.7												
Danielson:													
1957	7.7	7.1	6.5	6.7	6.0	6.5	10.7	8.9	7.8	9.2	11.8	12.4	8.4
1958	13.7	14.5	14.4	15.0	15.3	14.7	15.4	12.3	10.7	10.2	9.5	9.7	13.0
1959	12.3												
Norwich:													
1957	7.1	4.6	4.3	4.9	4.9	5.9	6.3	5.1	5.0	5.9	7.7	10.0	6.0
1958	10.9	11.0	12.3	11.4	10.3	12.9	13.8	11.1	10.0	9.1	10.5	10.0	11.1
1959	11.9												

[1] Eligible for assistance under the Douglas bill, i.e., unemployment of 6 percent or more in at least 18 of the previous 24 months or 9 percent for 15 out of 18 months.

Source: Connecticut Department of Labor.

TABLE II.—*Connecticut—Ratio of unemployment to the labor force in areas of labor surplus, 1957–59*

Labor market area	January	February	March	April	May	June	July	August	September	October	November	December	Annual average
Major:													
Bridgeport:													
1957	3.2	3.0	3.1	2.7	2.9	3.2	4.1	3.5	4.1	4.7	6.1	7.4	4.0
1958	9.3	10.7	10.0	10.8	12.4	13.0	12.2	12.1	11.0	10.0	9.5	9.4	10.9
1959	11.3												
New Britain:													
1957	3.3	3.8	3.6	4.0	2.9	2.6	3.9	4.4	3.4	4.4	5.0	6.4	4.0
1958	8.6	9.8	10.4	11.0	12.9	14.4	13.6	12.8	11.2	10.1	10.1	9.2	11.2
1959	10.5												
New Haven:													
1957	2.8	2.4	2.2	2.1	1.8	2.2	3.1	3.0	2.2	2.5	2.9	4.3	2.6
1958	5.4	6.2	6.6	7.1	7.3	8.5	8.6	7.7	6.9	6.5	6.2	6.5	7.0
1959	7.9												
Waterbury:													
1957	5.8	5.9	5.7	6.7	4.5	4.8	6.4	5.4	4.7	4.8	5.2	6.5	5.5
1958	9.5	9.6	10.5	13.2	13.4	13.9	13.7	11.9	10.2	9.8	9.0	8.2	11.1
1959	10.5												
Smaller:													
Ansonia:													
1957	4.4	3.6	3.6	4.3	3.6	4.3	5.5	6.6	4.8	4.8	5.2	6.7	4.8
1958	9.5	11.4	11.9	13.8	13.7	14.7	14.7	14.4	12.4	12.0	10.5	10.8	12.5
1959	14.8												
Danbury:													
1957	4.6	4.0	3.9	4.3	4.0	3.3	4.1	3.7	3.6	4.3	5.4	6.4	4.3
1958	9.3	9.7	9.6	9.3	7.9	9.0	9.4	6.7	5.9	6.5	5.8	6.1	7.9
1959	9.6												
Meriden:													
1957	3.5	3.3	3.2	3.5	3.6	3.6	5.0	4.9	3.8	6.0	7.5	8.5	4.7
1958	9.8	11.3	11.8	13.0	12.5	13.8	17.9	12.1	9.9	11.9	9.2	9.2	11.9
1959	10.8												
Middletown:													
1957	4.2	3.6	2.9	2.8	2.4	2.5	3.7	4.0	3.4	4.0	5.0	6.1	3.7
1958	7.7	9.4	9.1	10.1	9.4	10.1	10.1	9.4	7.8	7.7	8.3	8.5	9.0
1959	10.2												
Thompsonville:													
1957	2.2	2.4	2.3	2.8	2.8	2.8	3.4	3.5	3.5	4.6	7.2	8.2	3.8
1958	8.2	8.4	8.5	12.6	11.6	12.5	12.3	10.3	9.7	9.5	9.9	8.7	10.2
1959	11.4												
Torrington:													
1957	4.1	4.0	3.8	3.3	3.4	4.5	5.2	4.4	4.1	4.9	6.0	8.2	4.7
1958	11.2	12.5	13.4	14.2	14.7	15.1	15.9	11.4	10.1	10.3	9.5	9.9	12.4
1959	12.9												
Willimantic:													
1957	2.9	2.5	2.4	2.5	2.8	3.4	4.5	4.2	2.8	2.7	5.2	6.5	3.5
1958	9.8	10.4	10.5	9.8	10.6	11.3	14.1	9.1	8.7	7.5	7.5	7.2	9.7
1959	10.5												

NOTE.—4 labor market areas were not in surplus category as of January 1959: 1. Hartford. 2. New London. 3. Norwalk. 4. Stamford.

Source: Connecticut Department of Labor.

TABLE III.—*Connecticut.—Labor force and unemployment in labor market areas January 1959*

Labor market area	Labor force total	Unemployment total	Number in excess of 6 percent
A. State, total	1,045,200	92,300	
B. Distressed areas [1]	57,100	7,800	4,374
Smaller	57,100	7,800	4,374
Bristol	19,800	3,300	2,112
Danielson	15,400	1,900	976
Norwich	21,900	2,600	1,286
C. Other labor surplus areas	598,000	61,800	25,920
Major	409,700	40,500	15,918
Bridgeport	141,000	16,000	7,540
New Britain	46,700	4,900	2,098
New Haven	145,000	11,500	2,800
Waterbury	77,000	8,100	3,480
Smaller	188,300	21,300	10,002
Ansonia	20,300	3,000	1,782
Danbury	28,000	2,700	1,020
Meriden	39,000	4,200	1,860
Middletown	30,500	3,100	1,270
Thompsonville	28,900	3,300	1,566
Torrington	26,300	3,400	1,822
Willimantic	15,300	1,600	682
D. Other labor market areas	390,100	22,700	
Hartford	248,200	14,900	
New London	39,400	1,900	
Norwalk	34,000	2,400	
Stamford	68,500	3,500	

[1] Eligible for assistance under the Douglas bill, i.e., unemployment of 6 percent or more in at least 18 of the previous 24 months or 12 percent for 12 months.

Source: Connecticut Department of Labor.

Congratulations to the Allentown Morning Call, Allentown, Pa.

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. WALTER. Mr. Speaker, at a time, in our history and the affairs of the world when it was never more important that the American people be well informed, it is regrettable that the number of daily newspapers in the United States has been declining.

As the result of high costs of production and newsprint, as well as competition for the advertisers' dollar from other media of communication, many newspapers have ceased publication or been merged with others, in spite of the country's increasing population.

In view of this situation, Mr. Speaker, it is particularly heartening to note a landmark in the history of the Morning Call and Evening Chronicle, of Allentown, Pa.

The Call-Chronicle newspapers have just passed a mark of 100,000 in their daily net paid circulation—a position achieved by less than 10 percent of all daily newspapers in the Nation, either individually or in combination.

This puts Allentown with Philadelphia, Pittsburgh, and Harrisburg as the only communities in Pennsylvania, with newspapers that reach more than 100,000 homes.

The paper is subscribed to by thousands in the Lehigh Valley. We have many common interests in the welfare of the entire Lehigh Valley and I am happy to congratulate the management of the Call-Chronicle upon its achievement.

May it continue to prosper and serve the people of this area for many long years to come.

Speech by Congressman Carl Albert, Democratic Whip, Third District, Oklahoma, at Grover Cleveland Democratic Club, Bethlehem, Pa., March 17, 1959

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. McCORMACK. Mr. Speaker, on the evening of March 17, 1959, at Bethlehem, Pa., in the district represented by our outstanding and distinguished colleague from Pennsylvania [Mr. WALTER], the Grover Cleveland Democratic Club held a banquet at which the distinguished Democratic whip, the gentleman from Oklahoma, made a truly great address.

In my extension of remarks I include the address made by our friend, the gentleman from Oklahoma [Mr. ALBERT].

SPEECH BY CONGRESSMAN CARL ALBERT, DEMOCRATIC WHIP, THIRD DISTRICT, OKLAHOMA, AT GROVER CLEVELAND DEMOCRATIC CLUB, BETHLEHEM, PA., MARCH 17, 1959

Ladies and gentlemen, I am honored to be here tonight.

I am honored to be a part of this meeting in a great Democratic community in a great Democratic State.

I am happy because we are meeting on the feast day of St. Patrick, the great patron saint of Ireland. No segment of our population has contributed more to the spirit and vitality and life of our country, or more to the leadership of the Democratic Party, than the sons of St. Patrick.

I am happy to be here, too, because this is a great club honoring the name of Grover Cleveland, and meeting on the eve of his birthday.

I am happy to be here because this is the congressional district of my distinguished colleague, your great Congressman FRANCIS WALTER.

You people of Pennsylvania's 15th District know as well as his colleagues in the Congress the quality of this man who has spent 26 years in your service.

You have recognized the mettle of a man who spotlighted the Communist Party as an international conspiracy designed to overthrow democratic government.

You have recognized the compassion of a man who fought for quota-free entrance of alien wives, husbands, and children of United States citizens.

You know the intellectual stature of a man who fused into a single statute the 200 existing laws dealing with immigration.

You know the tolerance of a man whose determination broke down the final barriers of discrimination against admission of Asiatics to the United States.

As chairman of the great Committee on Un-American Activities, and ranking Democrat of the powerful Committee on the Judiciary, your Congressman is one of the great leaders in the House of Representatives.

Author of the Administrative Procedures Act of 1946, the Internal Security Act of 1950, and the Immigration and Nationality Act of 1952, he has given this country some of its most monumental landmarks of statutory law.

Big enough and strong enough to hold any position in the Congress, or in any other branch of the Government, your Congressman is not only an outstanding legislator, he is one of the great Americans of our time.

We meet on the eve of the birthday of one of our greatest Presidents, Grover Cleveland, author of modern American democracy. Cleveland applied Jeffersonian principles to new problems. It was he who bridged the gap between the agrarian democracy of Jefferson and Jackson and the industrial democracy of Wilson, Roosevelt, and Truman. His policies are current policies. His influence transcends his time and is manifest in the dominant position of the Democratic Party in the statecraft of this country today.

The success of a political party in the final analysis depends upon the extent to which it serves the interests of the people. That means you and you and you and your families.

The 86th Congress has the largest Democratic majority of any Congress in more than 20 years because the 85th Congress wrote the finest legislative record for you and you and you than any Congress in more than 20 years.

The 85th Congress has been heralded editorially across the country as a do-something Congress, and indeed it was.

It passed the first Department of Defense reorganization bill in more than 10 years.

It admitted a new State to the Union for the first time in more than 40 years.

It passed the first civil rights bill since reconstruction days.

It created a new science agency and a new space agency.

It passed the first general aid-to-education bill in all history.

It passed a new social security bill, a new atomic energy bill, a new public works bill.

It appropriated more money for national defense than any Congress since the Korean war and more money for public roads and highways than any Congress in history.

Another page in this record of constructive service for you and you and you is being written in the 86th Congress. The job is under way. The Hawaiian statehood bill has already passed. The 50th star will be added to Old Glory before the 49th star is an official part of the American flag.

A new and far-reaching airport bill may well become law by Easter.

A new gigantic omnibus housing bill will be sent to President Eisenhower in a matter of weeks if not, indeed, of days.

In the 86th Congress we are going to extend unemployment benefits.

We are going to enact an area redevelopment bill.

We are going to pass a labor reform bill and not a labor persecution bill such as Republican spokesmen are demanding.

We are going to pass a new school bill.

We are going to pass a new civil rights bill.

We are going to provide adequate funds for both the development and the defense of our country.

These things and many more we are going to do in the 86th Congress, and we are going to do them in spite of the Eisenhower administration and the Republican leadership in Congress.

Ladies and gentlemen, while the 86th Congress is thus engaged in a constructive program on behalf of the American people, what is the Republican Party offering? What is the Eisenhower administration doing? Let's look at the facts:

On the home front the administration has been blind to the problems of unemployment and to the growing crises which now exist in many depressed areas. With nearly 5 million unemployed, and with over 400,000 jobless workers facing the loss of their unemployment benefits by April 1, this administration has not even attempted to offer a solution.

The gray specter of hunger and deprivation persists in many States. What has President Eisenhower done about it? He vetoed the area redevelopment bill by a pocket veto in September 1958. Although the depression has deepened in many areas in almost every State in the Union, his administration has not offered one single recommendation to cope with this economic blight. In many communities people are out of work. Their needs are not satisfied by the administration's claim that we are on a curve of rising prosperity. These words smack of Hoover days. They remind us of the days when prosperity was just around the corner. They bespeak a callousness to the welfare of human beings, American men, women, and children, unbecoming to the role of any administration charged with the responsibility of governing this great Republic.

This lack of leadership pervades every facet of the Eisenhower administration. It enfeebles our military posture. It cripples our diplomatic leadership. When President Truman was in the White House he met the Communist threat with vigor and imagination on every front. Not one important new idea has been added in over 6 years of the Eisenhower administration.

Herein lies our great problem, our principal difficulty. Our trouble at home and abroad is not with our scientists or military leaders. Our trouble is at the summit. It is the lack of effective leadership at the top management level of the Government.

The experts tell us that defensewise we are in mortal danger. Yet defense since World War II has cost us over $441 billion. Our strength or lack of it cannot be measured in terms of dollars spent. The only realistic way to measure our defense is in terms of the power of our potential enemy. During the last 3 or 4 years warnings have been sounded by scientists, military men, and congressional investigating committees that we were falling behind Russia in the race for ballistic missiles. These warnings failed to jolt the White House or the Secretary of Defense into action.

In 1952 the combined military strength of the United States was greater than that of any other nation. Today we are winning the race for second place. On every single day during the Truman administration the lead time of American arms over Russia was maintained on the side of our own safety. Every day since the Eisenhower administration took over, Russia has been closing the gap.

The Roosevelt and Truman administrations developed the A bomb, the H bomb, the atomic cannon, the jetplane, sonar, radar, and proximity fuses. They developed guided missiles and atomic submarines. They made outstanding advances in landing craft and in aircraft carriers.

In 1952 the United States was the undisputed leader of the world in scientific knowledge. Today we find ourselves wearing an international dunce cap, while the rest of the world concludes that our shortsighted policies have almost given the game to the Kremlin.

The mounting crisis in Berlin reemphasizes the importance of our military preparedness or the lack of it. We agree with President Eisenhower that this country must stand firm and united in this crisis. We insist, however, that our firmness must be predicated upon strength and not upon weakness. In the Berlin exchanges, Khrushchev has displayed a cool confidence and singlemindedness which did not characterize his past dealings. It may be that he has mistaken debate for division. We make this unmistakably clear to Mr. Khrushchev that Democrats in Congress will cooperate with the President in resisting Kremlin ultimatums anywhere in the world. Where we differ from this administration is in our conviction that firmness should be supported by preparedness.

Our position is the position of the Senate Armed Services Committee which has recommended that we put more emphasis on the missile program and on increasing the strength of the Strategic Air Command by adding more B-52's, B-58's, and tanker planes. Our position is the position of our military leaders who believe that our Army, Navy, and Marine Corps should not be reduced. Our position is that an ounce of prevention is worth a pound of confidence to the Western Powers in their discussions on Berlin and in other clashes between the free world and the Kremlin.

Ladies and gentlemen, meeting in these perilous times as we do tonight on the eve of the birthday of a great American President of another day, we cannot help but be reminded that the age-old differences between the two major political parties still exist. The same differences still distinguish the followers of Jefferson on the one side and of Hamilton on the other. It is the never-ending struggle between action and reaction—between government devoted to the few and government dedicated to the many. Our party since its foundation has been the party which, in each succeeding generation, has adopted the principle of positive action on behalf of the American people. It was the Democratic Party in the time of Thomas Jefferson that gave us our Bill of Rights. The Hamiltonians opposed the Bill of Rights. Had it not been for Thomas Jefferson you would have had no habeas corpus or trial by jury. You would have had no right to freedom of speech or to freedom of the press. You would have had no right to petition Congress, no right to religious freedom.

It was the Democratic Party in the time of Andrew Jackson that rescued control of the Government from the banking interests and gave it back to the people to whom it belonged.

Let me say to the members of this great Grover Cleveland Democratic Club that it was the Democratic Party in the time of Grover Cleveland that gave us our first antitrust laws, the forerunners of the great social and economic reforms of the generations that were to follow.

It was the Democratic Party in the time of Woodrow Wilson that carried this country through World War I and with the League of Nations gave us the chance to avoid World War II.

It was the Democratic Party in the time of Roosevelt and Truman that brought this country out of the deepest, darkest depression in history, strong enough to win World War II. From soup lines to production lines, from relief rolls to pay rolls, from closed banks to guaranteed deposits, was the indisputable record of the Roosevelt-Truman administration.

This country needs Democrats in public office throughout the land. This country needs a Democratic President in 1960. This is the answer to Republican ineptitude. The Democratic Party and the Democratic Party alone can supply the leadership, the formula, and the program that will make this country strong and will keep this country free, prosperous, and at peace.

Address by Hon. Lyndon B. Johnson, of Texas, at Jefferson-Jackson Dinner, Hartford, Conn.

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, March 20, 1959

Mr. DODD. Mr. President, last night in Hartford, Conn., our great majority leader, LYNDON JOHNSON, was the principal speaker at the annual Jefferson-Jackson dinner of the Democratic Party in Connecticut. This was his first public appearance in New England, and the reception which he reecived there must have cheered him greatly because it was further evidence of the esteem in which he is held all over the country.

From the moment of the announcement that Senator JOHNSON would appear, the success of this important fundraising dinner was assured. The Democrats of Connecticut stood in line to pay $100 to hear LYNDON JOHNSON speak.

More than 1,600 persons crammed into every nook and cranny of the great ballroom of the Statler-Hilton and overflowed into all other dining rooms. This crowd surpassed by far any dinner attendance in the history of either party of Connecticut, and the hotel management announced that it was the greatest turnout of any kind in its history.

From the moment the Senator from Texas entered the banquet hall, the reception accorded him was tumultuous. Hundreds crowded close to the head table to shake his hand and wish him well.

Connecticut newspapers report this morning that Senator JOHNSON captivated with his warm personality the largest political gathering of this kind ever assembled in Connecticut, and that he then moved and inspired it with a masterful address. His speech was perhaps the most eloquent statement of principle and policy that I have heard. In it he sets forth, in words which will not be forgotten, the goals of our country and our party.

I ask unanimous consent that Senator JOHNSON'S compelling address be printed in the RECORD.

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

THE WAY OF STRENGTH

(Address by Senate Democratic Leader LYNDON B. JOHNSON at Jefferson-Jackson Dinner, Hartford, Conn., March 19, 1959)

Governor Ribicoff, Senator Dodd, Chairman Bailey, fellow Democrats, Thomas Jefferson was a partisan. So was Andy Jackson. The world barely remembers what they were against. The world will never forget what they were for.

This lesson is eternal. History measures men by what they support, not merely by what they oppose. It is by this standard that we should measure what we do—and what we say.

RESPONSIBLE PARTISANSHIP

This is a partisan gathering. I come with a partisan title. It has always been my be-

lief—and my guide—that the first rule of responsible partisanship is responsible citizenship. By this rule the Democratic Party has served and by this rule we now shall abide.

No one man speaks for the Democratic Party.

One man does speak for the United States.

In those concerns of war and peace—addressed to other nations—his voice is our voice and the voice of all Americans.

We want neither our friends to misunderstand this nor our enemies to misinterpret this.

For those vital meetings under way now, our President has our support as Democrats, Mr. Macmillan has our warm welcome as Americans, and the statesmen of the free world have our prayers as free men.

FREEDOM'S DEADLINES

Tonight the world is little concerned with Democratic headlines.

The world is much concerned with freedom's deadlines.

It is to this concern we speak, for there is before us all a fundamental decision of our times:

Shall free men live their lives under deadlines?

This is not complex or complicated.

The choice it presents is simple.

Which do we value most?

Western freedom or Khrushchev peace?

THE ROAD TO BUDAPEST

Like all tyrants before him, Khrushchev offers the peace of darkness. We know that to accept it we would have to put out the candles men have lighted through centuries past—and stumble blindly down whatever road Khrushchev might lead.

That road would not be the road to Berlin.

It would be the road to Budapest.

This is not a road down which free men of the free alliance will ever turn. I say it is not a road down which we are forced to turn.

THE WAY OF STRENGTH

There is another way—a way more worthy of the West.

That is the way of strength. I speak not alone of the strength of arms but, in a greater sense, of the strength of freedom unbound.

Men speak of lost initiative, of new approaches, of flexibility. These would seem to be the consuming anxieties of Western freedom today. I do not believe this needs to be—if we face squarely the basic fundamentals.

Freedom has no flexibility when it has no strength.

Give freedom strength and it will make again the approach no tyranny has ever successfully resisted.

Give freedom strength and it will have again the initiative that has remade and reshaped the world.

The point is this: When we add strength to our freedom, most of the anxieties which consume us disappear.

This is the way the West must choose. This is the way we must walk once more—proudly and uprightly—with confidence in ourselves and faith in our cause.

BERLIN: OUR IMMEDIATE CONCERN

Our immediate concern is Berlin. None can know and none can presume to say what will be the ultimate consequences of the trial we face. I will say what we have learned from the expert witnesses who have testified before our Senate Preparedness Subcommittee.

Our best military minds believe we now have in the Armed Forces of the United States the strength that will be necessary to meet any situation in Berlin.

The Commander of NATO wants more of our strength deployed to his command. If he wants such strength, I believe it is the will of the American people that he should have it.

It is a fundamental beyond debate that freedom is going to remain in Berlin.

Finally, we are going to maintain the men, equipment, supplies, and, above all, the will to support the foreign policy of the United States.

These points relate to the present. They deal with Berlin.

But I would emphasize the point that is often overlooked.

BEYOND BERLIN

Free men—if they are to respect their freedom—must think and plan beyond Berlin. If we do not, the drama being enacted now will become the continuing serial of the world stage.

We have now the capacity for one Berlin. But the Communist nations have the capacity to impose upon us a dozen Berlins—or more.

We can respond, and will respond, with strength at Berlin. As we do so, we leave the position of freedom at its other outposts exposed and freedom stands at those points not by the strength of its defenders but the grace of its foes.

Neither freedom, nor free men, can long live in such a world. There are limits to the advantages prudent men can afford to concede to their enemies, and there are limits to the concessions proud men will ever make against their freedom.

I do not believe that the people of the West, and most certainly the people of America, are prepared to concede first place in strength to the Communist powers.

I will say to the Communists, and I will say to our own allies, that whatever the race, Americans reject second place as our goal.

Most assuredly in the building of missiles, and the maintaining of strength, we reject the conception that for a decade or for a day second place can be the place of freedom.

FIRST PLACE IS OUR GOAL

The fundamental truth, beyond Berlin, is that the sights of America and the sights of the free world must be raised.

What is first in our hearts must be first in our policy.

Freedom is first in our hearts. The strength of freedom must be first in our policy always.

This raises a basic point. The strength of tyranny is always, and only, the strength of arms. With freedom this is not so, for freedom draws on many sources for its strength. This we must never forget.

We and our allies are partisans of freedom. As such we must remember that history will measure us by what we support, not merely by what we oppose.

We talk now at length of what we oppose. At home we are against recession and depression, against inflation, against unbalanced budgets, and unsound dollars. Abroad, all members of the free alliance are against war and aggression, and beyond question against retreat and surrender.

Of these things there has never been doubt and there is none now. Of all issues we might choose to debate, these are the least rewarding, for on these there are no differences among us, and our debates in no way delineate what we are for.

The statesmanship of the times is not the reaffirming of what needs no affirmation. The leadership of the West is not to extricate ourselves from the impossible but to involve ourselves in the probable.

NEW DIMENSIONS OF FREEDOM

I say let us willingly and enthusiastically involve ourselves in the probability that freedom is the way the world will choose if free men give to freedom the fullness of its meaning.

We have united against aggression.

Let us unite now as well against poverty, against illiteracy, against disease, against injustice. Let us unite to trade, unite to educate, unite to offer opportunity. Let us add new dimensions of freedom by adding new dimensions to our treaties and make them into treaties of prosperity and compassion and human dignity.

It is with works like this—as well as with armed strength—that we should give our answer to Mr. Khrushchev.

Yes, this is new. This is a new reach. I would call to mind, though, a brief stanza which Dr. Frederick Brown Harris, the Chaplain of the Senate, recently quoted:

"Some men die by shrapnel,
Some come down in flames;
But most men perish inch by inch
Who play at little games."

Free men must not in these times play at Mr. Khrushchev's little games, for if we do we shall perish inch by inch.

The outer limits of human freedom remain unexplored. The challenge there awaits. For our times—beyond Berlin—we must have a sense of adventure to carry us across the threshold of glory—not to leave us standing, wondering if this is the doorstep of bankruptcy.

I say free men must act because they want to act—not merely because they are forced to act. This is the creed by which the West must now live.

WHY SAY THESE THINGS?

Why do I say these things at a party meeting now? There are two reasons. I have tried, first, to speak as an American, not as partisan, because that is the only context in which we should speak tonight.

Secondly, I remember 20 years ago—in 1940—a great American President called me to the White House. He said, "LYNDON, I have accepted an engagement for you—to keynote the convention of Young Democrats at Louisville, Ky. What I want you to tell those young people is this: There will be no danger to freedom in America if young Americans are as fanatical about freedom as Hitler's young Germans are about nazism."

That I believe remains true today. We face a resolute and zealous foe. We and all free men must match that resoluteness and that zeal with a sense of adventure into the new dimensions of freedom.

In these things, there is no party and no partisan concern.

The line we defend is not the line across the heart of Berlin. It is the line across the heart of free men—the eternal line between freedom and serfdom, honor and shame. As we will not retreat a literal inch in Berlin, so we will not retreat a figurative inch from the line across our hearts.

LET US MOBILIZE FOR PEACE

There is no thought of retreat in the minds of free men and no room for retreat in their hearts. We know that and we want the world to know it. But the world must know something more.

Standing against retreat is not the only stance of freedom.

Freedom is more than a fortress. Freedom is the fountainhead of peace—and free men must stand willing and able to carry forward the cause of honorable peace.

This is our cause and this is our calling.

Let the free nations of the world, in this hour of challenge, respond as only they can respond. Let us now mobilize our resources and our strengths and our will in a grand mobilization for peace. Peace is the work of all. Let us make room in this work for all our people—every veteran, every parent, every man, every woman, every child.

That is the real statesmanship of the West in these times.

To a waiting and watching and wondering world, let us—and all free nations—offer the

leadership only we can offer by uniting our forces in a great adventure for peace.

Mobilize for peace—mobilize all that we have, our talents, our minds, our spirit as well as our force—and this generation will be honored in history as responsible partisans of freedom.

DAV Services in New Jersey

EXTENSION OF REMARKS

OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. GALLAGHER. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of New Jersey 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 New Jersey 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 legislative director is Elmer N. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its national service headquarters at 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 its 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.

The DAV national service officers in New Jersey are Mr. John W. Bill, Mr. Alexander M. Zbylut, and Mr. George Gregor, located at the VA regional office, 20 Washington Place, Newark. The department commander is Mr. David W. Smith, 63 Circle Place, Red Bank, and the department adjutant is Mr. William J. Dodd, War Memorial Building, Trenton. The VA hospitals coming under the jurisdiction of the national service office are a 950-bed general medical hospital at East Orange and a 2,009-bed neuropsychiatric hospital at Lyons.

Mr. James F. Patten, 1075 Maurice Avenue, Rahway, is NEC from the second district and Mr. Joseph Burke, 38 East 34th Street, Bayonne, is a past national commander.

During the last fiscal year, the VA paid out $141,671,000 for its veteran program in New Jersey, including disability compensation to its 76,150 service disabled veterans. These Federal expenditures in New Jersey furnish substantial purchasing power in all communities.

Only about 7 percent—4,919—are members of the 67 DAV chapters in New Jersey.

This 7 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of New Jersey veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimated)	118,057
Claims folders reviewed	98,381
Appearances before rating boards	45,752
Compensation increases obtained	6,538
Service connections obtained	2,513
Nonservice pensions	1,252
Death benefits obtained	276
Total monetary benefits obtained	$3,773,424.18

These 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 New Jersey 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 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, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civic 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 defendant, 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 affidavit 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 3 percent—0.036—of such discontinuances and reductions have probably occurred as to disabled veterans in New Jersey, with a consequent loss of about $840,000 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 New Jersey 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 $54.00 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 in 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, 428 of whom, during the last 8 years, were New Jersey 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 generous 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.

As a DAV life member, I am pleased to enroll as one of the benefactors on the memorial honor roll of the DAV Service Foundation, with the realization that only the interest earnings therefrom will be available for appropriation to the DAV for its use in continuing to maintain its national service officer setup in my State of New Jersey.

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 New Jersey 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 2 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.

Retirement of Federal Civil Service Employees

EXTENSION OF REMARKS

OF

HON. LESTER HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. HOLTZMAN. Mr. Speaker, I am introducing today in the House of Representatives a bill which will provide for retirement for Federal civil service employees after 30 years of service, regardless of age.

Much consideration has been given during the past few years to a liberalization of retirement benefits. However, at the present time an employee must have reached the age of 60 before he can qualify for a full retirement annuity after 30 years of service.

In checking into the situation we find that many employees started their Government careers immediately after completion of their schooling, and would thus actually be eligible for retirement after 30 years' service before they reach the age of 60. Of course, under the present law, they can retire between the ages of 55 and 60 after 30 years' service, but on a reduced annuity. In this day and age, with increased living costs, it is neither practical nor possible to attempt to live comfortably and securely on such an annuity.

In addition, statistics show that the percentage of older citizens is steadily growing, and that within a period of 20 years we will have over 20 million Americans over the age of 65. Another factor to be given serious attention when studying this problem is the increasing labor force in this country. With more young people and women becoming available on the labor market, our industries cannot absorb all these potential workers without the necessity for some adjustments. We hear many suggestions urging early retirement, and our older workers are encouraged to retire from private industry as quickly as possible to make way for the younger employees. The Federal Government could take the lead in setting such an example by permitting retirement of its employees after 30 years' service.

May I urge my colleagues to give this matter serious consideration, with a view toward enacting such legislation in the very near future.

That All May Learn To Survive and Stay Free—Junior Colleges: One Answer to Higher Education for All

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. DIXON. Mr. Speaker, the American Association of Junior Colleges held its 39th annual convention last week in Long Beach, Calif. Representatives from colleges all over the Nation were present at this convention to discuss how to realize the ideal of providing higher education for all and the best methods for accomplishing this.

Junior colleges, registering with the office of education, have grown from 10 in 1920 to 667 today. One out of every four college students is enrolled in a junior college, with the total junior college student body at over a million students.

Considering the practical, economical and varied education the junior college is able to provide, it is easy to understand the reason for this unprecedented growth and why this type of college will be one of our major solutions to providing higher education for the flood of students which will soon converge upon the colleges.

The dream of the ages has been to establish a society of cultural achievement and economic abundance with individual liberty. Our Western civilization has nearly succeeded in converting this

dream into a reality, but only through a series of bold revolutions and hard-won victories over ignorance and autocracy.

WESTERN CIVILIZATION IS IN PERIL

Now Western civilization, so worth saving, faces by far its most perilous challenge—that of communism. We have been able to withstand the Dunkirks and Pearl Harbors of the past, but whether we can withstand disciplined men in a far superior geopolitical position who are armed with the best tools and weapons tyrants have had in the history of the world, will depend on our ability to learn to survive.

In the national monument area near Vernal, Utah, archeologists dig up the fossil remains of the dinosaur. His tragic story is that he was unable to adjust to a new set of conditions and a new environment. He did not learn to survive. He became extinct in spite of an advantage he had in the structure of his central nervous system. The curator at the monument told me years ago that the dinosaur had a brain in his cranium and one at the base of his spinal column, so when an idea missed his first brain he had a saving afterthought.

Many pessimists say that Western civilization, like the dinosaur, is in the Mesozoic Saurian era of man and that centuries from now whatever is left of civilization may be picking over our remains and pondering our downfall.

This is not hard to imagine in light of Communist accomplishments to date and Khrushchev's dramatic threat to the West that, "We will bury you." Since this has been the cry of Communist doctrine for more than a century, it would be a grave error not to take this threat to Western civilization seriously.

THE IDEOLOGICAL CHALLENGE

The lethargy and indifference on the part of many leads me to think there is altogether too much truth in the challenge that one of the Red leaders threw at us, when he said:

> In Christianity you of the Western World have a far better and nobler philosophy than we have in atheistic communism, but we will prevail nonetheless for wherever there is a Communist there is a dedicated ambassador of communism. Western civilization lacks both this vitality and dedication.

With this missionary-like zeal, backed by military force, the Communists have made great strides.

Dr. Daryl Chase, president of Utah State University, recently asked an alumni group:

> What will historians record as the most important world development in the next 50 years? Will it be man's mastering the weather or perhaps learning to reap prodigious quantities of food from the sea?
> Neither—

Was his answer.

> It will be whether freemen continue to be free. In only 40 years Communists have taken control of 1 billion of the earth's people. There has never been anything like it.

THE MILITARY CHALLENGE

While Western civilization is in peril, I do not believe we are in imminent danger of a military attack. Our power of mass retaliation is still far too great for that. But we cannot shut our eyes to the Russian military crash program designed to surpass the United States in atomic power or to the fact that they have surpassed us in the thrusting power of their jet engines and are apparently ahead of us in intercontinental ballistic missiles and intermediate range ballistic missiles.

THE CHALLENGE OF ECONOMIC WARFARE

I believe, too, that the Reds still think they can bring us to our knees through other means, such as destroying capitalism and free enterprise through an economic war.

I observed their efforts in this regard first hand a month ago when I went to the Far East as a representative of the House Agriculture Committee at a conference of U.S. agricultural attachés at New Delhi, India.

Most Far East countries secured their independence at one sudden blow within the last 15 years without the century and a half of preparation that America had before we obtained independence. Though they fear communism, they detest even more the colonial nations which kept them in bondage and suspect the motives of Western countries. They have not the widespread literacy, education, technical training, and the capital to step up their productivity and living standards, but their people are demanding these high living standards. So they are restive and the countries are in turmoil.

The Communists exploit this great unrest by promising pie in the sky if the people will accept their political belief. I saw evidence of this wherever I went.

I saw countries in the Soviet orbit dumping products into the Far East markets at prices much lower than we can produce them in the United States just to strangle our trade—determined to capture our markets at any cost.

I saw Russians trading arms to eastern countries. These arms are followed by thousands of Russian technicians who in turn believe in the Soviet doctrine as strongly as men of the Western World believe in their way of life.

I saw evidence that Russia had provided India with 500 trained steel technicians, when at the same time we had promised 700 but could furnish only 100.

I saw American private industry virtually at a standstill in the Orient, whereas it used to be expanding. Soviets will step in where our firms fear to tread. They will risk heavy economic loss for strategic political gains, whereas our private industry cannot take such losses. If the Reds are selling at a loss, all they need do is to make their people, virtually in servitude already, work longer hours, accept less food and fewer of the necessities of life. They can cut the costs of production in ways that our private industry could not and would not do.

I saw Red China playing with Hong Kong as a cat toys with a mouse. Red China is the source of nearly all Hong Kong wood for fuel. China cut off the source completely without warning. In desperation Hong Kong business people ordered shipments of wood from Borneo and other places. Upon the arrival of this wood, the Red Chinese flooded the market at prices so low that it bankrupted many of the Hong Kong merchants who had come to the rescue of their people.

I saw Chinese textile workers slaving 12 hours a day, 7 days a week, every day of the year except two holidays for Chinese new year's, in textile mills every bit as modern and mechanized as the best we have in America and for a smaller weekly wage than we pay for a single day. At the same time our labor leaders are calling for a 35-hour week and vastly higher minimum wage laws.

EDUCATIONAL CHALLENGE

We are far ahead of Russia educationally. However, her program is moving ahead at a faster rate than ours, especially with respect to producing exactly the sort of trained men her rulers want for achieving scientific and technological supremacy.

Rickover says our educational perils are as follows:

First. Russia has virtually wiped out illiteracy in 20 years. Twenty years ago her educational system was in ruins and at the time of the revolution 70 percent of the country was illiterate.

Second. Russia puts a larger percentage of her smaller income into education than does America. We spend 3.5 percent, while Russia spends 6 percent.

Third. The European high school graduate has learned more fundamentals than most of our college graduates. An hour at school means an hour of uninterrupted serious work; here there are assemblies, errands, play, short school year, and the teacher spends too much time helping dullards and neglecting the capable.

Fourth. Russia has made the rewards of scholarship so attractive that her children are working their heads off to keep up with an extraordinary tough curriculum—often at the cost of their health.

Fifth. Russia has few substandard teachers. Their standards are high. Their load is heavy. Their honors and pay are high. In America the beginning salary of the college teacher is the same as a factory worker. In Russia it is eight times as great. In America a full college professor averages twice as much as the beginning teacher. In Russia a successful professor can be paid 15 times as much as a beginner.

Sixth. In America the major share of research has gone into making life pleasant and comfortable and increasing the material well-being of the individual. In Russia research goes into physics, chemistry, astronomy, and missiles. Chemists are diverted from research to cure diseases to studies which can improve metals.

Seventh. In America we discourage young men from scholarly pursuits by calling scholars "egg heads, "long hairs," and "little men with the beards." In Russia scholars are the best paid and most revered men in the community.

I could go on at great length on the Communist challenge, pointing out for instance the fact that in the 40 years since the revolution Russian production

has doubled 22 times, but I am sure the facts presented prove that the peril to Western civilization is real.

WE CAN LEARN TO SURVIVE AND STAY FREE

As Shakespeare says, "We are living, we are walking in an age of awful time. But to be living is sublime." In facing the Communist threat we must not lose our heads. We must learn to live with the danger and overcome it.

Our situation calls to my mind a conversation between two Negroes in a Nashville, Tenn., barbershop during World War II when I was teaching at Peabody College. One of them said, "We sho am in a crisis." The other replied, "This ain't no crisis, it's only a crissis."

"Well, what's the difference?" asked the first.

"Here's the difference," said the second. "A crisis is when yo' all loses yo' heads—a crissis is when yo' all puts yo' heads togedder."

In the last great war our armed services had to teach men how to live in new circumstances and under extreme conditions. Aviators had to be taught how to live if shot down at sea. Soldiers had to be taught survival techniques in the jungle, in Alaska and in the Arctic.

We can take to heart some of the survival instructions given to our boys in desperate situations in World War II. I recently gleaned a few cryptic statements from these little survival pamphlets:

First. Read this booklet—it may save your life.

Second. Size up the situation and plan your course of action. Avoid panic and use your head.

Third. If they can do it, you can too.

Fourth. Take inventory yourself, don't let George do it. It is you who may be cold and hungry.

They learned to survive, and I have the unshaken conviction that Western civilization can learn to survive if we are willing to pay the price. The desperation of the Japanese threat in World War II forced industrial and military miracles; the Russian threat might well stimulate miracles, too.

SLOWNESS OF DEMOCRATIC ACTION

In sizing up the situation and planning our course of action in America we face the anomaly where the slowness of democratic action is possibly a hazard to freedom in time of stress and crisis. Yet, at the same time, this slowness is a protection to our freedom.

One of our great historians has said:

> A totalitarian state is like a full-rigged ship which moves with great speed majestically out of the harbor, but if it hits a rock it sinks. Democracy is like a raft. It doesn't move so fast, but neither does it sink. But—darn it—your feet are always wet.

For instance, America's public schools are in the hands of local school boards where the State has slight control and Federal help is mistrusted. When I was in the schools, there were some States that had from 1,000 to 3,000 school districts and almost as many school board members as teachers. It is almost impossible to get through these thousands of boards and administrators anything like a national policy to meet an emergency.

Admiral Rickover says that Russia does not have this problem of ponderous slow-moving action.

> One man can institute a crash program for his government—

He said—

> and force the immediate support of the schools, the public and the scientists. The cost in time and money of congressional government is eliminated * * *. Authoritarian control and the low standard of living make the running of the civilian sector simple and cheap. There is no need for attractive stores, service industries, advertising—no chain of service stations, garages, auto dealers—only a few cars for the elite.

Such a government presents a real challenge to a free people who nurture the individual not alone for the contribution he may make to the national welfare but for the realization of his own potentialities and desires as well.

Since a free society cannot commandeer action, our fate rests on how well we can educate the people to act of their own accord. All groups must work together in informing citizens of the gravity of the Communist threat to Western civilization, in inspiring them with a sense of common purpose and in influencing them to subordinate individual desires temporarily to the welfare of the Nation.

CULT OF EASINESS

It has been frequently stated in recent months that some of our most discerning critics are uneasy about current aspirations and values of Americans.

The president of Notre Dame has said:

> I think we have a kind of cult of easiness today. There is an easy way to cook a meal; there is an easy way to drive a car; there is an easy way to get a vacation; there is an easy way to pay your bills; there is an easy way to save your soul.

Recently the editor of Life magazine stated:

> Leaders in the United States are worried about Americans—undereducated, overentertained, tossing uneasily in sophisticated vulgarity.

He infers that we have forms of a free society but maybe the spirit is dying and wonders if a nation that consumes more drink and tranquilizers than any nation in history and a nation glued to television is not simply at a disadvantage before the iron pioneers of the new collective society.

The Reds cannot stay glued to radio or television, because they must work 12 hours a day. Even if they could stay glued to these instruments, they would have blasted in their ears over the radio and television the importance of the 7-year program, winning the war for scientific and economic supremacy and crushing capitalism.

How does this cult of easiness handicap the schools? Principal Edwin Anderson of the Prosser, Washington, High School recently made a survey after a lot of parents had complained because of the failing marks their children were getting.

His findings—an educational mixture too rich with gasoline. Of seniors with A and B grades, only 11 percent owned cars or had the use of them regularly. Among C grade seniors 33 percent had cars, and 62 percent of the C-minus to failing seniors were motorized. Cars owned by juniors with A and B grades, none; with C grades, 31 percent; and with C-minus to failing grades, 39 percent. The University of Virginia faculty is grounding 77 percent of last year's car-owning students.

This cult of easiness, combined with the small group consciousness of the segments of our economic society and the greedy habits of individuals and groups whose major question too frequently is what can they get out of our country instead of what can they give constitutes a serious threat. This must be altered if we are to survive and stay free.

BETTER TO LIGHT A CANDLE

Secretary Flemming of Health, Education, and Welfare tells about leaving their children with a babysitter. When they arrived home, the babysitter appeared disturbed because the power had gone off, leaving the place in darkness and frightening the smaller children.

One small boy came downstairs and screamed:

> There is too much dark here.

The older children, however, scurried about looking for candles and flashlights. The old Chinese proverb says:

> It is better to light a candle than to curse in the darkness.

The Psalmist said:

> I will lift my eyes unto the hills from whence cometh my help. My help cometh from the Lord who made heaven and earth.

The Lord has not failed this Nation. Neither will he ever fail it if we look to him. And how does the Lord give us help? It is through Christian education and Christian living which made men free and will keep men free. I have unbounded faith that the candle of Christion education definitely will dispel the gloom caused by the perils which threaten our free society.

For this reason in this crisis it is to the teachers, more than any group, that we look to light the candle of the Lord to help us learn to survive. It is in the classrooms, home, and churches that the future of the world is largely going to be determined.

This is why we must look our times and our school system searchingly in the face. This is why we must reexamine our objectives, our methods, and our facilities in light of the crucial role teachers are called upon to play.

Let us define specifically what the objectives of education in a democratic society should be. A statement which appeared in the May 1957 issue of the Junior College Journal defines it very beautifuly, I believe:

> It is to teach the people to understand. It is to teach the people the real meaning of freedom, for it is a complex concept to master, not a simple one. It is to equip the people to govern themselves, for govern they must. It is to charge them, at least at the college level where the most significant learning must occur, with a meaningful acquaintance with the history of our civilization, with the nature of free government under

law, and with a general knowledge sufficiently broad to induce them to discharge intelligently their responsibilities as free citizens.

People ask me the question:

"Why should we pay taxes to support public education?"

The answer is, briefly, to develop an enlightened citizenry. American schools do not give this aim sufficient priority to make it stand out in letters of gold before the public.

I recall a reliable study in which more than 6,000 high school graduates were asked the question:

What does America mean to you?

The vast majority defined America in terms of its blessings and what they get from the country. Only a very few defined it in terms of what they should give in return. This notion of all getting and little giving to our country is so prevalent even among adults that it imperils our society. It all goes to show that every class period should in some way contribute to a deeper love for our country and a greater willingness to sacrifice to keep it free.

EQUAL EDUCATIONAL OPPORTUNITY

Fortunately for America our concept of equality of educational opportunity is a far cry from the program of European universities which are essentially concerned with preparing youth for the learned professions and whose student bodies are a highly select group. The selection begins toward the close of the elementary school at which time not more than 20 percent of any age group is privileged to attend the pre-university schools and thence to college and the selection is often influenced by the class system. The remaining 80 percent, except for a comparatively few, go to work and complete their full-time education at age 14.

As a result only one out of very five or six European boys and girls attends college, whereas one out of approximately every three American boys and girls attends college.

Dr. James Conant in his splendid book, "The American High School Today," points out the tremendous waste in undeveloped talent in Germany, France, Italy and Switzerland as a result of the selective character of their student population. This is a waste which America cannot afford. In fact we cannot afford the waste of our own present system in which fully one half of the top 25 percent of our high school graduates never attend college.

Equality has come to mean in America not only political equality but equality of educational opportunity as far as the individual can profit from such opportunity.

The story is told about Lincoln stopping on a crowded street to pick up a beetle that was on its back and struggling to get on its feet. When he was chided by his companion for causing such a scene on a crowded street, he said, "I wanted to give that beetle the same opportunity as all other beetles."

This great emancipator not only detested African slavery, but the far commoner bondage—that of ignorance. That same Abe Lincoln during the Civil War in 1862, when the Union defeats were pressing the North, signed the Morrill Act (which Buchanan had vetoed because the Nation could not afford more colleges and because the land grant colleges would compete with the liberal arts colleges) and founded the land grant college for the liberal and practical education of the industrial (as distinguished from the professional) classes.

Dr. John A. Widstoe, former president of Utah State University and the University of Utah, said:

For the first time in the history of the world the common man, to which class we all belong, was given access to the great heritage of learning of the ages, and for the first time an attempt was made to lift the common, necessary pursuits of life to a professional dignity.

The American junior community college program and philosophy conforms very closely to the program and philosophy of the land grant colleges—namely the liberal and practical education of the common man and constitutes the second great legal step in that direction.

THE JUNIOR COLLEGE MEETS THE CHALLENGE

People all over the Nation agree that the junior colleges are destined to grow rapidly both in number and in size. Predictions are that by 1970 they will enroll more than half of the Nation's total freshmen class—even last year they absorbed one out of every four students who entered higher education. In 1920 there were only 10 junior colleges and in 1929, 129. Today there are 667 junior colleges with an enrollment of more than a million students.

The Truman Commission said that the junior college should absorb the bulk of the increased college enrollment during the next decade. At the time the Commission was accused of being starry-eyed and visionary, when it predicted that by 1960 there would be 2.9 million students. It now appears that by 1960 enrollments will exceed 4 million.

The church-supported junior colleges, bless them, are carrying a great share of the load and are doing a most effective job in developing enlightened citizens and furthering Christian education. They, too, are growing.

While in Honolulu recently I visited the $3 million junior college under construction by the Church of Jesus Christ of Latter-day Saints. I was so taken up with the beauty of this institution and the vision of its sponsors that I wrote their commissioner, my former student president, Ernest Wilkinson, for the present enrollment and expenditures of the church's junior colleges and the projected expenditures and enrollment.

At the present time the Mormon church has 1,275 students enrolled in two junior colleges and is spending $991,000. Commissioner Wilkinson estimates that the proposed Ricks College in Idaho, the proposed junior college in Salt Lake City and four junior colleges in areas of large church population will enroll 30,000 students by 1975. He says within the next 5 years the church will probably spend $10 million on the construction of junior colleges and by the year 1975 will likely have spent $30 million on junior colleges.

As a result of their surveys, authorities give five chief reasons why 50 percent of the top 25 percent of the high school graduates never attend college. These reasons are: first, lack of finances; second, lack of motivation; third, distance from college; fourth, ineligibility for matriculation; and, fifth, the nature of the college program.

THE JUNIOR COLLEGE MAKES HIGHER EDUCATION FINANCIALLY AVAILABLE

The present distribution of family income reveals sobering inequalities. Seventy percent of the families of the United States have an income of $5,000 or less and 15 percent have a total income of under $2,000 which you will admit barely covers necessities. How many of their children, I ask you, can they send away to college these days on such a salary?

A U.S. Office of Education study shows that trends in tuition charges and fees increased 89 percent in public colleges and 83 percent in private institutions between 1940 and 1957. For example, tuition costs at Yale have jumped from $645 to $1,250 a year and total cost per student went from $1,557 to $2,300 per year. At Harvard tuition jumped from $400 in 1945 to $1,000 in 1959, with total costs $940 to $2,300 per year. Columbia tuition in 1945 was $380—in 1959, $974, with total costs increased from $1,090 to $2,084.

Student costs are much less in the junior college. W. Hugh Stickler made one of the most reliable studies of student costs, in which he included tuition, fees, room rent, board, books, supplies, clothing, transportation, and miscellaneous expenditures. His results are as follows: Public senior college, $1,304 per year; public junior college, $1,062; private senior college, $1,531; and private junior college, $735.

In other words it costs the student about $242 more per year to attend a public senior college than to attend a public junior college and $800 more per year to attend a private senior college than to attend a private junior college.

Further evidence that the community college makes college available to more people is produced by Coleman Griffiths in his book, "The Junior College of Illinois."

He found that only 19.7 percent of high school graduates went on to college when there was no junior college in their community as against 53.5 percent when the junior college was present. In the latter case also 46.7 percent of the graduates of lower income status families were found to be attending the junior college.

Strayer found that nearly four times as many children of families in the lower income bracket attended college where there was an institution at home as attended when they were required to go away to attend college. By attending college at home the student is also able to find part-time work with his friends and neighbors and combine education and work.

I believe that it costs the public or the church much less money to build and operate a junior college than a senior institution. A considerable por-

tion of the expense of the senior institution is spent in research. The junior college does not have this expense. Again the senior institutions must spend huge sums to build dormitories and dining halls. These on the contrary are not necessary in most junior colleges because the students come from a nearby area and live at home. Journalist Louis Cassel cites Government studies which reveal costs of $6,000 per student for necessary buildings in a senior institution while comparable buildings costs in the community college are $3,000.

TRANSITION FROM HIGH SCHOOL TO JUNIOR COLLEGES MORE EASY

Students do not experience the strangeness and homesickness when they live at home and go to a local institution that they suffer in entering a huge institution away from home.

THE JUNIOR COLLEGE CATERS TO A WIDELY DIVERSIFIED STUDENT POPULATION

It requires an IQ of approximately 115 to get a "C" grade in the professional courses of the senior institutions of the United States. Approximately two thirds of the American college youth have not IQ's that high. That is one reason why one half of the students are eliminated from the universities by the end of the sophomore year.

The Truman Commission found that at least 32 percent of our population has the ability to complete an advanced, liberal or specialized professional education. And, after spending thousands of dollars to calibrate the Army test scores of 10 million servicemen into college aptitude indexes, the Commission said further:

> At least 49 percent of our population has the mental ability to complete 14 years of schooling (the junior college program) with a flexible curriculum of general and vocational studies that should lead either to gainful employment or further study at a more advanced level.

The junior colleges, therefore, offer educational opportunity to about 17 percent more American youth than even our senior institutions.

If the colleges are to educate the great body of our country's youth, they must provide programs for the development of other abilities than those involved in academic aptitude and they cannot continue to concentrate on students with one type of intelligence to the neglect of youth with other talents.

Special artistic ability, creative genius, mechanical skills and abilities not measured by our verbal tests represent valuable abilities not fully recognized by the traditional university. This is another cause of our large student mortality. The technical curriculum of the junior college on the other hand is designed especially for the semiprofessions and the highly skilled occupations. American industry and our defense plants are crying for these people. We can use five semiprofessional engineers for every graduate engineer.

THE JUNIOR COLLEGE HAS WORKED MIRACLES IN ADULT EDUCATION

The junior college goes into all of the homes that do all of the work of the community and with its diversified program and practical bent teaches the parents, as well as the youth, to do that work better and to live more happily in those homes.

THE JUNIOR COLLEGE HELPS PROVIDE THE WILL TO LEARN

Psychologist Flemming says, "Show me a boy's IQ and I will tell you roughly what he might be able to do. But show me what he wants to do and I'll tell you what he will do." In order that all may learn to survive and stay free we must develop in them the will to learn.

The will to learn is influenced to a considerable extent by family tradition, but family tradition is changing rapidly. Families are finding out now that it requires education beyond the high school to understand the front pages of the newspaper, to understand our international relations, our new hopes, our new fears, our new political developments, and even to get a job.

NEW HELP IS COMING FROM THE FEDERAL GOVERNMENT

Education has always been of uppermost importance in achieving political and moral objectives in Western civilization, but never have we looked upon it quite as we do now in terms of our very survival. So it is not strange that these crucial times have resulted in the Federal Government taking more of an interest in the Nation's schools and playing an increasingly important role.

One good example that the Federal Government has recognized that education, as well as missiles, is essential to our national security was the enactment last session of Public Law 85-864, the National Defense Education Act, authorizing something over $1 billion in Federal aid. In its 10 titles it touches every level of education, public and private, from the elementary school through the graduate programs.

The success of the college student loan plan, which we substituted for a scholarship program, has surprised even educators. Before, many college loan funds had gone begging. In the first 4 months after the bill was passed, 1,230 colleges and universities applied for participation asking for $62 million. Congress had appropriated $6 million to get the program started this year.

Of the 1,227 institutions which have received college loan funds, 224 have been junior colleges, technical institutions or normal schools offering 2, but less than 4, years of work beyond the 12th grade. According to the Office of Education, they have received $354,883.

In addition to the $6 million for the student loan section of the bill $20,350,000 was provided for science, mathematics, and foreign language, $800,000 for national defense fellowships, $7,400,000 for guidance, counseling, and testing, $800,000 for advanced training in foreign areas and languages, $500,000 for educational media research, $3,750,000 for grants to States for area vocational programs and $400,000 for grants to States for statistical services.

Supplemental appropriation requests for $75,300,000 for the National Defense Education Act are now pending before Congress.

Other areas in which the Federal Government is participating or is expecting to participate are school construction, aid to rural libraries, providing surplus commodities—such as tools for technical training—to the schools and Public Law 480 which makes foreign currencies available for such things as the financing of chairs in America studies in foreign universities, exchange of persons, workshops presented by American leaders abroad and assistance to American schools abroad.

Some suggested ways in which we might speed up our educational efforts and at the same time develop more enlightened citizens are:

First. Decide now to have a far superior school system and declare our willingness to pay the price. The sacrifice would be small in proportion to the returns. For example, the automobile industry spends $1½ billion every year to bring in its new models with different colored paint and styling so the American people will be enticed to spend 10 percent of their entire income for cars. If the money saved by bringing out a new model every second year, instead of every year, were given the public colleges and universities, it would increase their income by three-fourths.

Second. Reorganize and streamline the present slow moving, ponderous school system. The further consolidation of small, inefficient, expensive school districts would be a good beginning. Encourage American education to join together to form large research institutes and coordinate their research efforts. Also, State coordinated programs of higher education which will save money, help prevent wasteful competition, and keep higher education better aware of its aims should be encouraged.

I hope that Congress will soon pass H.R. 5467, which I have introduced, to stimulate State action to meet burgeoning needs in higher education by appropriating $2½ million to the States to enable them to survey present facilities and make plans for future higher education needs.

Third. Speed up the educational process by lengthening the school year on all levels—as they do in Europe—by using school buildings where necessary for more than one school shift—as they do in Russia—and by inviting gifted teenagers and the unemployed to college adult evening classes.

Fourth. Make the program tougher for the gifted students. While we cannot educate young people by merely scowling at them, I think Rousseau's advice to young Emile is still good advice today. He said:

> Think like a philosopher and work like a peasant.

Fifth. Either improve the present school situation by eliminating some of the more enjoyable and time-consuming offerings in favor of the more demanding mental disciplines or establish institutes which will challenge the gifted.

Sixth. Provide better counseling and guidance on both levels of the secondary school and at the university to screen out and give special encouragement to the diligent and the superior student.

Seventh. Reverse the present trend where teachers and counselors spend an unwarranted amount of their time and the State's money polishing cobblestones and dimming diamonds.

Eighth. Take greater advantage of the ability of the junior college to provide a general and practical education at home for all youth at considerable less expense to the student and the public. Our times demand even more 2-year technically qualified graduates than graduates of the professional schools.

Ninth. Establish more private, industrial and State fellowships, jobs, loans, awards and incentives to attract gifted youth to college and keep them longer in college. If the former are not adequate, Federal help may also be necessary.

Tenth. Exalt the role of the outstanding teacher by according him greater social prestige, better salary and tax deduction on money spent for professional improvement. It took a terrific struggle to get this deduction, but even that encouragement will help to transform many a teacher's attitude.

I have injected in my remarks the element of fear. I have done this to make the challenge more urgent and more purposeful. Extrinsic motivation, such as fear, punishment or rewards, is usually not as abiding as intrinsic motivation which springs from a love of the cause itself. One should act not because he is afraid not to or feels he ought to, but because he wants to.

Western civilization is definitely in peril. Our greatest defense is Christian education. But this system of education has many weaknesses and there is some room for fear that we cannot learn to survive in time to avert disaster. But people adjust to fear very readily. The fear of sputnik was partly displaced by the fear of the recession and the loss of jobs and now by the fear of a conflagration over East Germany. So we cannot place too much reliance upon fear alone causing us to enlist in a crusade to eliminate the weaknesses of our system in order that all might learn what they should learn.

Our school system is not a second rate affair. It is by all odds the best system known anywhere or at any time. The great reason is easy to be found. It is thousands of dedicated people who have made it their first love and the center of their lives.

They didn't teach—

Says Secretary Arthur Flemming—

to become wealthy but for the love of their neighbor and their country. We can be indicted for penalizing our teachers for their loyalty.

Secretary Flemming says further that the great commandment, "Love thy neighbor as thyself," does not mean that we like him or that we even agree with him in all instances. It does mean that we love him enough to help him realize his greatest possibilities.

Jesus of Nazareth was confronted with terrible trials and sorrows; yet he triumphed over far greater obstacles than we ever dream of. He said:

My soul is troubled and what shall I say? Father deliver me from this hour—but for this cause come I unto this hour.

He forgot himself in His great dedication to the cause of His Father.

And a vision appeared unto Paul in the night. There stood a man of Macedonia and praying him saying: "Come over into Macedonia and help us."

That is what Western civilization and its youth are saying to educators today.

SENATE

MONDAY, MARCH 23, 1959

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

God of all grace: Entering this holy week of the passion through the lowly gateway of penitence, we would come, with pilgrims whom no man can number, seeking—with them—light and love and the beauty of holiness. Although joined by a multitude, we know we cannot be lost in the crowd. We stand singly in the white radiance of Thy holiness, to whom every heart is open, and from whom no secrets are hid.

Forbid that we individually should sweep through this searching week in buoyant exultation, as if there were no shame upon us, nothing to repent of, nothing for us to fear.

By some small symbols let us bear witness that we know something of the solemnity of being alive, the dreadfulness of sin, the struggle of repentance.

Even though our symbols may be very feeble, our sackcloth may be lined with silk, and our ashes scented with the perfume of roses, steel our wills to do something that will break the monotony of complacent living.

We ask in the name of the One whose victory makes these days forever holy, as He turned the mocking robe of derision into the crimson garments of sacrifice and into the white vestments of love. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 20, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10(b)(4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12(1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith, for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5(a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT ON PROGRAM FOR DISCOVERY OF MINERAL RESERVES—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the report of the Secretary of the Interior prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes."

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

MESSAGE FROM THE HOUSE

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

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China;

H.R. 5132. An act to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes; and

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments,