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,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

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

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; and

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; to the Committee on Armed Services.

H.R. 5805. An act 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; to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. 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 PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

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

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

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

The PRESIDENT pro tempore. If there be no reports of committees, the nomination on the calendar will be stated.

U.S. TARIFF COMMISSION

The Chief Clerk read the nomination of J. Allen Overton, Jr., of West Virginia, to be a member of the Tariff Commission for the remainder of the term expiring June 16, 1962.

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

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

LEGISLATIVE SESSION

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

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

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution adopted by the 18th Ward Unit of the Republican Party of the State of Wisconsin, relating to the efforts of the senior Senator from Wisconsin [Mr. WILEY] to prevent further diversion of the waters of Lake Michigan through the Chicago drainage canal; to the Committee on Public Works.

JOINT RESOLUTION OF ILLINOIS LEGISLATURE

Mr. DIRKSEN. Mr. President, I present a copy of Senate Joint Resolution 9, adopted in the 71st General Assembly of the State of Illinois, as certified by Charles F. Carpenter, secretary of state, memorializing the Congress to take favorable action on proposed legislation to authorize a 1-year trial study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, for navigation and other purposes.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 9

Whereas the effect of diversion of water from Lake Michigan into the Illinois Waterway has long been a source of dispute; and

Whereas House Resolution 1 now pending before the 86th Congress proposes that an additional 1,000 cubic feet per second be permitted for 1 year; and

Whereas such additional flow will permit a proper survey and evaluation to be made by the Secretary of the Army; and

Whereas House Resolution 1 expressly prohibits any diversion during times of flood in the Illinois, Des Plaines, Chicago, or Calumet River; and

Whereas existing facilities at the point of diversion are adequate to control the proposed increased flow, and are beneficial to marine life by reason of providing added oxygen; and

Whereas the preservation of public health is vitally involved in this proposal: Therefore be it

Resolved by the Senate of the 71st General Assembly of the State of Illinois (the House of Representatives concurring herein), That we respectfully request the Congress to pass House Resolution 1; and that a copy of this preamble and resolution be sent by the secretary of state to every member of the 86th Congress from the State of Illinois.

Adopted by the senate, February 26, 1959.

JOHN WM. CHAPMAN,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

Concurred in by the house of representatives, February 26, 1959.

PAUL POWELL,
Speaker of House of Representatives.
CLARENCE BOYLE,
Clerk of House of Representatives.

FEDERAL AID TO EDUCATION—JOINT RESOLUTION OF MONTANA LEGISLATURE

Mr. MANSFIELD. Mr. President, prior to adjournment of the 36th Legislature of the State of Montana, it went on record in behalf of Federal aid for classroom construction and improvement of teachers' salaries.

I am especially pleased with the action taken by the State legislature, because the two chief sponsors of this proposed legislation in this Congress are my two distinguished colleagues, the senior Senator from Montana [Mr. MURRAY], and the able Representative of the First District, LEE METCALF.

I have cosponsored this measure, as have a number of my colleagues here in the Senate; and I hope it will not be too long before we are able to consider this important proposed legislation on the floor of the Senate.

I ask unanimous consent that senate joint resolution 4 be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 4

Joint resolution of the Senate and House of Representatives of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD, from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON, from Montana; requesting the reaffirmation of national policy of Federal financial support for education

Whereas we (the Montana State Legislature) recognize the education of our youth as the most important responsibility of our local, State, and National governments, if our national defense, our system of free enterprise, and our devotion to the ideals of American democracy are to endure; and

Whereas despite earnest efforts on the part of the several school districts of the State of Montana to meet the cost of providing adequate school facilities for an ever expanding enrollment and despite the continued increase in State funds to help meet the cost of supporting public elementary and secondary schools, there continues to be a widening gap between need, and funds to meet the need; and

Whereas the financial resources of the counties and the States are increasingly overburdened by using school costs and enrollments, to the neglect of other essential county and State responsibilities; and

Whereas there continues to be a shortage of qualified teachers, since, despite all efforts to the contrary, teachers' salaries in Montana are inadequate to recruit and retain a sufficient number of good teachers

to serve all the children: Now, therefore, be it

Resolved, That the Montana State Legislature petition the U.S. Congress to provide sufficient funds through the proposed School Support Act of 1959 (sponsored by Senators MURRAY, MANSFIELD, and others, and introduced by Congressman LEE METCALF and others, including Congressman LEROY ANDERSON) in order that local and State control of education may be continued by providing, by means of the more equitable taxing authority of the Federal Government, a share of the Federal income to the several States in amounts sufficient to supplement State and local financial resources for this most important of all State services; and be it further

Resolved, we hereby respectfully petition the Congress of the United States to reaffirm the national policy of Federal financial support for education which has ample precedent in the school land grants given to this and other States nearly 100 years ago and without which even the present inadequate programs of public education could not survive; and be it further

Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD, from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON, from Montana.

PAUL CANNON,
President of the Senate.
JOHN J. MACDONALD,
Speaker of the House.

RESOLUTIONS OF ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, resolutions adopted by sundry organizations of the State of New York.

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

RESOLUTION OF THE CITY COUNCIL OF WATERTOWN, N.Y.

Resolved, That—

Whereas there has been introduced in the U. S. Congress a bill (H.R. 5096) which would subject municipal housing authority bonds to Federal taxation; and

Whereas this would constitute a tax on municipal securities: Now, therefore, be it

Resolved, That the City Council of Watertown, N.Y., hereby states its objection to the proposed taxation of municipal housing authority bonds, or, any other municipal securities, and asks its Representatives in Congress to oppose such legislation.

RESOLUTION OF THE NEW YORK YOUNG REPUBLICAN CLUB ADVOCATING REPEAL OF THE CONNALLY AMENDMENT TO THE STATUTE OF THE INTERNATIONAL COURT OF JUSTICE

Whereas the United States, in accepting the jurisdiction of the International Court of Justice, has reserved to itself the right to exclude from the Court's jurisdiction cases which the United States unilaterally determines to be within its domestic jurisdiction; and

Whereas the United States was the first country to adopt such a reservation, and this action has led other countries to adopt similar reservations thus weakening the effectiveness of the Court in peacefully resolving international disputes; and

Whereas the reservation adopted by the United States can work to its detriment, because any country sued by the United States is entitled to invoke the reservation of the United States to prevent the United States from maintaining an action before the Court; and

Whereas amendment by the United States of its declaration to eliminate the right unilaterally to exclude matters from the Court's jurisdiction would demonstrate the United States leadership in promoting peaceful settlement of international disputes and would promote the use of judicial processes to lessen international tensions: Now, therefore, be it

Resolved, That the board of governors of the New York Young Republican Club petition the President and Senate of the United States to amend its declaration accepting the compulsory jurisdiction of the International Court of Justice to eliminate therefrom the reservation (commonly called the Connally amendment) whereby the United States may determine unilaterally that a matter is not within the jurisdiction of the Court because it is within the domestic jurisdiction of the United States, and instead permit the Court to determine whether a matter is excluded from the Court's jurisdiction.

NEW YORK STATE ASSOCIATION OF PLAINTIFFS' TRIAL LAWYERS,
New York, N.Y., March 1, 1959.

The membership of the New York State Association of Plaintiffs' Trial Lawyers, an organization representing about 1,250 practising lawyers, at a meeting on Thursday, February 26, 1959, in the U.S. District Courthouse, Foley Square, New York City, cast an overwhelming vote in favor of the following resolution, upholding the Supreme Court of the United States against current attacks:

"Whereas there have been repeated attacks on the U.S. Supreme Court; and

"Whereas such attacks appear to be growing in virulence, to the detriment of the public and the administration of justice; and

"Whereas it is the sense of this association that the practicing lawyer has great confidence in the Supreme Court as an institution and believes that any limitation of the ambit of its jurisdiction is detrimental to the administration of justice and civil liberties of the public: Now, therefore, it is hereby

"*Resolved*, That this association, the New York State Association of Plaintiffs' Trial Lawyers, hereby record their complete confidence in the Supreme Court of the United States and in the jurisdiction which it now exercises; and it is further

"*Resolved*, That this association is unalterably opposed to any measures seeking to limit the jurisdiction of the Court or to override recent decisions made by it in the field of civil liberties; and it is further

"*Resolved*, That this association take any and all measures to apprise the public and other bar associations of our unfailing purpose to support and protect the Court against unwarranted pressures and attacks."

RESOLUTION 74

Resolution opposing the proposed McDonough amendment, H. R. 5096, to the pending urban renewal, slum clearance, and housing bill which would subject local housing authority bonds to Federal taxation.

Whereas Representative GORDON L. MCDONOUGH has introduced H.R. 5096 in the Congress of the United States which bill would subject municipal housing authority bonds to Federal taxation and has further announced his intention to offer the substance of his bill as an amendment to the urban renewal, slum clearance, and housing measure which has already cleared the Banking and Currency Committee of the Congress of the United States and is now pending before the Rules Committee: and

Whereas the passage of such bill would have a deleterious effect on the various municipalities throughout the United States who are engaged in an urban renewal, slum clearance, and housing program; and

Whereas aside from the aforesaid effects on the municipal slum clearance programs the adoption of such a bill would open the door to Federal taxation on all State and local securities and the question is one of basic constitutional principle and it is the opinion of this council that the proposed bill is inconsistent with the constitutional tax immunity of State and municipal bonds and will affect the salability of such bonds and is an opening wedge in an attempt to destroy the fundamental constitutional principle of immunity of State and municipal bonds and the issue is basic and of tremendous import to the States and municipalities and may seriously affect the future solvency and sovereignty of the States and their political subdivisions: Now, therefore, be it

Resolved, That the Council of the City of New Rochelle declare its opposition to the proposed McDonough amendment—H.R. 5906—to the pending urban renewal, slum clearance, and housing bill which would subject local housing authority bonds to Federal taxation; and be it further

Resolved, That a copy of this resolution be forwarded to Hon. JACOB K. JAVITS, Hon. KENNETH B. KEATING, U.S. Senators representing the State of New York in the Senate of the United States, and to Hon. EDWIN D. DOOLEY, congressional Representative of this congressional district in the Congress of the United States and to the U.S. Conference of Mayors; and be it further

Resolved, That this resolution shall take effect immediately.

Authenticated and certified this 18th day of March 1959.

GEORGE VERGARA,
Mayor.
CHARLES U. COMBES,
City Clerk.

RESOLUTION 16: DAY CARE SERVICES FOR CHILDREN

Whereas day care services for children can provide valuable educational and social experiences, and contribute to healthy physical and emotional development of children; and

Whereas such services are particularly beneficial to and needed by children of working mothers (the Census Bureau estimates that over 2 million mothers of children under 6 years are working; no more than 15 percent of such children are able to receive the benefits of day care centers; approximately 2½ million children, 6 to 11 years old, require after-school care); and

Whereas experience shows that neither voluntary agency funds nor State appropriations are in themselves adequate to meet this need; and

Whereas a bill was introduced in the 85th Congress, entitled S. 4067, to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children: Therefore be it

Resolved, That the American Public Health Association endorse the principle of such legislation.

RESOLUTION OF THE AMERICAN LEGION, DEPARTMENT OF NEW YORK, WESTCHESTER COUNTY

Whereas cognizance must be taken of the visit of Anastas Mikoyan, of Soviet Russia, to these United States during January 1959; and

Whereas it seems self-evident that his visit of Anastas Mikoyan, of Soviet Russia, increasing trade with the Soviet Union either on a reciprocal trade basis or a lend-

lease arrangement, or both: Now, therefore, be it

Resolved, That the American Legion of Westchester County, N. Y., go on record as opposing any trade concessions or increase in trade with the Soviet Union and that a copy of this resolution be forwarded to the Department of New York for appropriate action; and that it be further

Resolved, That a copy of this resolution be forwarded to each of the two Senators of the State of New York and to each of the two Representatives of Westchester County.

I hereby certify that the foregoing resolution was duly adopted at the regular monthly meeting of the American Legion, Westchester County, N.Y., held at Charles N. Bajart Junior Post No. 1122, Yonkers, N.Y., on the 11th day of March 1959.

Dated: March 11, 1959.

WILLIAM L. WISE,
Adjutant, Westchester County Organization, the American Legion, Department of New York.

AUTHORIZATION FOR FINANCE COMMITTEE TO SUBMIT REPORT ON HOUSE BILL 5640—SUPPLEMENTAL VIEWS

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to report, up to midnight tonight, the bill, H.R. 5640, to extend the time during which certain individuals may continue to receive temporary unemployment compensation; and also that any members of the committee who may desire to submit supplemental views, be granted permission to do so.

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

EXTENSION OF TIME FOR FILING REPORTS OF THE COMMITTEE ON THE JUDICIARY

Mr. DOUGLAS. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the time for filing reports pursuant to Senate Resolution 230, Senate Resolution 232, and Senate Resolution 237, 85th Congress, as extended, be extended to April 20, 1959.

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 264. A bill for the relief of Athena Nicholas Euteriadou (Rept. No. 124);

S. 451. A bill for the relief of Mohammed Ali Halim (Rept. No. 125); and

H.R. 2589. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel) (Rept. No. 134).

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

S. 201. A bill for the relief of Chiyoko Korematsu and Aiko Korematsu (Rept. No. 126);

S. 211. A bill for the relief of Aurelia Marija Medvesek-Pozar (Rept. No. 127);

S. 313. A bill for the relief of Collingwood Bruce Brown, Jr. (Rept. No. 128);

S. 449. A bill for the relief of Clarita Martinez (Rept. No. 129);

S. 461. A bill for the relief of Androula Neofitos Stephanon (Androula Kyriacou Stephanou) (Rept. No. 130);

S. 634. A bill for the relief of Grace C. Ream (Rept. No. 131); and

S. 701. A bill for the relief of Arie Abramovich (Rept. No. 132).

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

S. 1143. A bill for the relief of Harvey Hiroaki Horiuchi (Rept. No. 133).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S.J. Res. 61. Joint resolution to amend Public Law 305 of the 85th Congress relative to the establishment of a commission to commemorate the 100th anniversary of the Civil War, to authorize the manufacture and sale of a Civil War Centennial Medal (Rept. No. 136); and

S. Con. Res. 9. Concurrent resolution extending a welcome to the Inter-American Bar Association (Rept. No. 121).

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

S. 949. A bill for the incorporation of the Ladies of the Grand Army of the Republic (Rept. No. 123).

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

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation (Rept. No. 135).

Subsequently, under the authority previously granted, Mr. DOUGLAS (for himself, Mr. GORE, Mr. MCCARTHY, and Mr. HARTKE) submitted supplemental views on House bill 5640, which were ordered to be printed.

REPORT ENTITLED "ACTION BY THE 85TH CONGRESS ON THE SECOND HOOVER COMMISSION REPORTS" (S. REPT. NO. 122)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I submit a report entitled "Action by the 85th Congress on the Second Hoover Commission Reports," prepared by the Subcommittee on Reorganization and International Organizations. I ask that the report may be printed.

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

REPORT ENTITLED "SCIENCE PROGRAM—86TH CONGRESS" (S. REPT. NO. 120)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I submit a report entitled "Science Program—86th Congress," prepared by the Subcommittee on Reorganization and International Organizations. I ask that the report be printed.

Mr. President, these are two reports of the subcommittee of which I am privileged to be chairman, and I feel that my colleagues will find them to be very helpful.

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

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. HOLLAND:

S. 1491. A bill for the relief of Nicholas D. Vergis and his wife, Zafiro Vergis; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1492. A bill authorizing the transfer of certain property of the Holston Ordnance Works (at Kingsport, Tenn.) to the State of Tennessee; to the Committee on Armed Services.

By Mr. GREEN:

S. 1493. A bill to amend title 10 of the United States Code in order to provide for the establishment of certain military bands by law; and

S. 1494. A bill to amend title 10 of the United States Code so as to exempt the leaders of certain military bands from mandatory retirement on account of age; to the Committee on Armed Services.

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

By Mr. JOHNSTON of South Carolina:

S. 1495. A bill to consolidate and revise the laws relating to employment of aliens in the several States and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON (by request):

S. 1496. A bill to amend the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended; and

S. 1497. A bill to amend the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended; to the Committee on Interior and Insular Affairs.

By Mr. AIKEN:

S. 1498. A bill to amend the Internal Revenue Code of 1954 with respect to the situs of the home, for income tax purposes, of members of State legislatures; to the Committee on Finance.

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

By Mr. MUNDT:

S. 1499. A bill to provide full parity price support for basic agricultural commodities, limit support for basic and nonbasic commodities to $10,000 per producer, and repeal authority for marketing quotas; to the Committee on Agriculture and Forestry.

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

By Mr. GOLDWATER:

S. 1500. A bill for the relief of Yee You Gee; to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 1501. A bill to permit Federal employees to repay indebtedness to or purchase shares of Federal credit unions through voluntary payroll deductions; to the Committee on Banking and Currency.

By Mr. SPARKMAN:

S. 1502. A bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system; to the Committee on Foreign Relations.

By Mr. LANGER:

S. 1503. A bill for the relief of P. M. Eide; and

S. 1504. A bill for the relief of Junior Dale Lohr; to the Committee on the Judiciary.

S. 1505. A bill to require that provision be made in certain public buildings for the establishment of vending stands to be operated by blind persons, and for other persons; to the Committee on Public Works.

By Mr. SMATHERS:

S. 1506. A bill to provide increases in annuities of certain individuals retired prior to April 1, 1948, under the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (by request):

S. 1507. A bill to make the Interstate Commerce Act, as amended, applicable to transportation by water between ports in the State of Alaska and other ports in the United States, and for other purposes;

S. 1508. A bill to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes; and

S. 1509. A bill to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes; to the Committee on Interstate and Foreign Commerce.

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

By Mr. WILEY:

S. 1510. A bill to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; to the Committee on Agriculture and Forestry.

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

By Mr. CHAVEZ (by request):

S. 1511. A bill to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes; to the Committee on Public Works.

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

S. 1512. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; and

S. 1513. A bill to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes; to the Committee on Agriculture and Forestry.

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

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 1514. A bill to amend the act of August 9, 1955 (69 Stat. 618); to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S.J. Res. 80. Joint resolution to invite the Chief Justice of the United States to address a joint session of Congress annually; to the Committee on Rules and Administration.

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

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO CERTAIN MILITARY BANDS AND THEIR LEADERS

Mr. GREEN. Mr. President, I introduce, for appropriate reference, two bills to amend title 10 of the United States Code.

One of these measures would provide for the legal establishment of the U.S. Army Band, the U.S. Army Field Band, and the U.S. Air Force Band. These fine military bands are now established administratively by the Secretaries of the respective services, whereas the U.S. Navy Band and the U.S. Marine Band are established by statute. This bill would provide equal legal standing for all the major bands within the Military Establishment.

The second measure would provide that the band leaders of the major military bands, having attained the mandatory retirement age, may continue their services at the discretion of the President.

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

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

S. 1493. A bill to amend title 10 of the United States Code in order to provide for the establishment of certain military bands by law; and

S. 1494. A bill to amend title 10 of the United States Code so as to exempt the leaders of certain military bands from mandatory retirement on account of age.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO RESIDENCE RULE OF MEMBERS OF STATE LEGISLATURES

Mr. AIKEN. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code so as to provide a realistic residence rule for business expense deductions of members of State legislatures.

The present law permits a member of a State legislature to deduct as business expenses his travel and living costs while away from home on legislative business. However, under the regulations and decisions, "home" is defined as the place where he engages in his regular business or profession, regardless of whether his place of abode is in the same locality. Therefore, if a legislator has no regular business, his service in the legislature is considered his principal business, and the State capital becomes his "home" for business expense deductions on his income tax.

This rule strikes particularly at persons who are in retirement, and directs a double blow at those who are receiving social security benefits. Let me give an example of what is happening in my own State of Vermont. It must be occurring in other States as well. A completely retired person—under age 72—who is receiving social security benefits can stay at home, do nothing, and continue to enjoy those benefits. Because of his standing in the community and his desire to perform a public service, he may be elected to the State legislature. Then his troubles begin. He pays the added living and travel costs as a legislator away from his home town, but cannot claim them as business deductions because the law has moved his "home" to the State capital. Hence the compensation which Vermont pays him as reimbursement for expenses becomes taxable income. Then comes the second blow. Because this compensation—without deductions—exceeds $1,200, though by not very much, the social security laws withdraw his old age benefits for that year.

The net practical result is that his legislative service costs him the amount of his withdrawn old age benefits and the income tax paid on the amounts intended to cover added living and travel costs.

My bill would correct this by placing the retiree-legislator on the same expense deduction basis as his colleagues who maintain business connections in their home towns and, probably, can better afford the costs of public service.

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

The bill (S. 1498) to amend the Internal Revenue Code of 1954 with respect to the situs of the home, for income tax purposes, of members of State legislatures, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO PARITY PRICE SUPPORT FOR BASIC AGRICULTURAL COMMODITIES

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill which, in my opinion, if approved by the Congress and enacted, will go far toward solving the problems of the farmers of this country in such a fashion as to appeal to both the farmer and the consumer and to help the Government get out of the business of farming.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1499) to provide full parity price support for basic agricultural commodities, limit support for basic and nonbasic commodities to $10,000 per producer, and repeal authority for marketing quotas, introduced by Mr. MUNDT, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, 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 title I of the Agricultural Act of 1949 is amended to read as follows:

"TITLE I—BASIC AGRICULTURAL COMMODITIES

"SECTION 1. (a) The Secretary of Agriculture (hereinafter called the 'Secretary') is authorized and directed to make available through loans, purchases, or other operations price support to producers for any crop of any basic agricultural commodity at the parity price of the commodity.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

"(c) As a condition of eligibility for price support under this section for any commodity produced on any farm, the acreage on such farm devoted to crops for which price support is available shall be reduced during the calendar year in which such commodity

is harvested below the acreage normally devoted to such crops on such farm by an acreage determined as provided in this subsection. The Secretary shall for each calendar year on the basis of the past production of the farm, crop rotation practices, and other relevant factors, determine—

"(1) the acreage on the farm required to be devoted to crops for which price support will be available if the gross income for the farm from such crops is to equal $10,000; and

"(2) the acreage on the farm which normally would be devoted to such crops.

"The amount of reduction required by this section shall be 10 per centum of the acreage by which the acreage determined under clause (2) of this subsection exceeds the acreage determined under clause (1) of this subsection. The Secretary shall notify the farm operator of the amount of reduction required by this section, the acreages determined under clauses (1) and (2), and the crops for which price support will be available as early as practicable before the planting season. For the purpose of this subsection, acreage determined by the Secretary to have been diverted from the production of any commodity in order to carry out a contract entered into under the conservation reserve program shall be considered (A) acreage normally devoted to that commodity, and (B) acreage diverted from the production of that commodity. If the Secretary does not give notice or announce that price support will be available for a crop prior to the time such crop is planted on the farm, such crop shall not be regarded as one for which price support is available for the purposes of this subsection with respect to such farm."

SEC. 2. Title IV of the Agricultural Act of 1949, as amended, is amended by adding at the end of such title a new section as follows:

"SEC. 421. The total amount of price support made available under this Act to any producer for any year (including any price support made available to any other entity to the extent of such producer's beneficial interest therein as determined by the Secretary) shall not exceed $10,000."

SEC. 3. Subtitles B and C of title III of the Agricultural Adjustment Act of 1938 are repealed.

SEC. 4. This Act shall become effective beginning with commodities produced in 1960.

Mr. MUNDT. Mr. President, we read much in our newspapers and in many national publications these days about our ever-growing surpluses which the Federal Government is storing at the cost of $1.5 million per day. We hear and read much also about recommendations from various individuals and organizations about plans which would solve the problem of the family farmer. I hope this Congress will take the necessary action to face up to this problem and send to the President legislation which will help the family farmer attain the full parity of income to which he is entitled and which will start making realistic progress toward the permanent solution to our farm problem.

I introduce a bill which I feel would achieve these objectives. It will primarily benefit the family farmer and the family-size farmer only, but its overall effect should be helpful to farmers generally. I have long felt that our present and preceding programs, while giving support to all farmers, often made their greatest contribution to the well-being of those large farm operators who needed the least amount of help.

The bill which I am introducing provides price support at full parity on the basic crops, but limits price support on all commodities for any one producer for any one year to $10,000. Any commodities which the farmer sells over that amount would be sold on the open market and without the direct benefit of price supports. In other words, the small family-size operator would receive full parity price supports for $10,000 of his basic commodity production, which I believe is about the average income for what is known as a typical family-size farm operation.

My proposal would also do away with the many rigid rules and regulations on allotments and quotas which have been a source of irritation to our farm operators. In order to participate in the price-support program up to $10,000, the farm operator must agree to take out of production of price-supported crops at least 10 percent of the acreage by which the acreage normally devoted to such crops exceeds that required to produce $10,000. This acreage can be placed in the conservation reserve, or if not in the reserve, it must be diverted to non-price-supported crops. By taking this acreage out of production, there will not be unlimited planting and a continuous increasing of the surplus. By permitting the commodities to be sold on the market after the amount under support is cared for, farmers can expand their income by additional production once they have met their obligation of retiring 10 percent of their acres from production of price-supported crops. This should also aid in building a larger foreign market for American farm products. I hope, Mr. President, that the Senate Committee on Agriculture and Forestry will give consideration to this legislative proposal which, in my opinion, will maintain financial stability for the family farmer and make the bounty of our producers available for consumption instead of for storage. It should reduce the cost of the farm programs to the Government, while at the same time definitely increasing the net income of family-type farmers.

REGULATION OF TRANSPORTATION IN INTERSTATE AND FOREIGN COMMERCE TO, FROM, AND BETWEEN POINTS IN ALASKA

Mr. MAGNUSON. Mr. President, by request I introduce for appropriate reference a bill to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Interstate Commerce Commission requesting the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1509) to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., March 6, 1959.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: In reply to your letter of July 23, 1958, requesting the Commission's views concerning the regulation of transportation in interstate and foreign commerce to, from, and between points in Alaska upon its becoming a State, former Chairman Freas advised you by letter dated August 7, 1958, that the Commission would be able initially to administer the Interstate Commerce Act, and related acts, without the need for urgent legislation, that it would continue to study the matter, and, at a later date, submit recommendations for legislation which it deems necessary and desirable in the public interest, including a recommendation that the Government-owned Alaska Railroad be made subject to regulation by the Commission with respect to rates, service, and safety of operation. The Commission also stated on page 135 of its 72d annual report that it was keeping itself currently informed of the situation by means of continuing surveys, and that at a later date it would submit its recommendations, together with draft bills, to the Congress for its consideration.

As you may know, in the latter part of August the Commission sent a survey team, headed by Commissioner Walrath, to Alaska where in the principal cities and towns members of the team held conferences and open meetings with public officials, carriers, shippers, and other interested persons. The Commission, on November 1, 1958, also opened a field office in Anchorage to advise carriers, shippers, and interested public officials with respect to Federal regulation of motor transportation. In addition, an information bulletin was issued by the Commission for the guidance of those who would become subject to the Interstate Commerce Act, and related acts, upon the admission of Alaska as a State. A copy of that bulletin was transmitted to you for your information on November 14, 1958.

As a result of our further survey and studies we are convinced more than ever that there can be no effective regulation of surface transportation in interstate and foreign commerce within Alaska and between Alaska and the other States unless such transportation is subject to the same uniform regulation as similar transportation within and between all of the other States. In our previous correspondence and reports on this subject we pointed out that the Government-owned-and-operated Alaska Railroad, the principal transportation facility in Alaska, was not subject to regulation by any regulatory agency and that it would not become subject to the Commission's jurisdiction, nor, presumably, to that of the new State upon its admission into the Union.

We also pointed out in our prior communications that, under the Alaska Statehood Act, the Commission would have no jurisdiction over water transportation between ports in Alaska and other ports in the United States upon the admission of the Territory as a State. It further appears that the Commission also has no jurisdiction over

water transportation in interstate commerce between ports in Alaska over the high seas. Under the Statehood Act water transportation between Alaska and the other States by regular-route common carriers continues to be regulated by the Federal Maritime Board. The Federal Maritime Board does not issue certificates or permits authorizing water carrier operations. In fact, the Board exercises no regulatory jurisdiction over contract carriers by water nor over irregular-route water common carriers. A regulatory void therefore continues to exist with respect to water transportation between Alaska and other U.S. ports, and between Alaskan ports over the high seas, insofar as these carriers are concerned.

During its trip the Commission's survey team was unable to find any trace of freight forwarding or motor-carrier brokerage operations in Alaska. Thus, while one small rail carrier, the White Pass and Yukon Railroad (a Canadian carrier operating about 20 miles in Alaska) and water carriers operating in interstate commerce within Alaska (except over the high seas) are subject to the Commission's jurisdiction, and for all practical purposes motor transportation in interstate and foreign commerce is the only important operation in Alaska which has become subject to the Commission's jurisdiction since its admission to statehood. We believe it also important to point out in this connection that, insofar as we can determine, there are no present plans for the regulation of intrastate transportation by the new State, except possibly the transportation of persons by motor vehicle which was subject to some measure of regulation by the Territorial government.

With the competitive struggle between the Alaska Railroad and the motor carriers for the limited amount of traffic moving in Alaska, it is our view that there can be no effective or equitable regulation of surface transportation in the new State as long as one of the major competitive modes is subjected to a full measure of regulation while its chief competitor remains completely free from any regulatory control, either Federal or State. To allow this situation to persist is not, in our opinion, in the public interest since it will encourage and tend to perpetuate destructive competitive practices, contrary to the national transportation policy, and will have a serious adverse effect on the Alaska economy.

Failure to provide for regulation of a major competitive operation coupled with split or only partial jurisdiction with respect to two other modes is not conducive to simple or uniform regulation. Under the law as it now exists, a number of unusual and complex problems arise in connection with the movement of the bulk of the traffic between Alaska and the other States. On some of the traffic the Commission has jurisdiction over the motor movement at both ends or over the rail movement at the southern end, but none over the intervening water movement. On other traffic it has jurisdiction over the movement by water to ports at the southern end, but none (except to a limited extent over rail-water rates) over the subsequent water movement to Alaska and none over the movement by the major rail facility in Alaska. Within Alaska itself the Commission has jurisdiction over motor movements and water movements (except over the high seas) in interstate and foreign commerce, but none over movements by the Alaska Railroad. Contract carriage and irregular-route common carriage by water between Alaska and the other States, and between ports in Alaska over the high seas, like traffic over the Alaska Railroad is not, as indicated above, subject to economic regulation by any governmental agency.

It is highly doubtful that the public interest will best be served by such a regulatory patchwork. We therefore recommend to the Congress that all forms of surface transportation, and all carriers constituting parts of routes between Alaska and the other States, be brought within the same regulatory scheme under the Interstate Commerce Act. Draft bills designed to give effect to our recommendations in this connection (designated as draft bills A and B respectively) are submitted herewith for your consideration for introduction.

Draft bill A would, in brief, transfer from the Federal Maritime Board to the Commission jurisdiction over regular-route water common carriers operating in interstate commerce between ports in Alaska and other U.S. ports, and between ports in Alaska over the high seas. It would also subject to Commission regulation contract carriers and irregular-route common carriers by water operating between those ports. Since the Maritime Board regulates as water carriers certain persons who do not operate vessels, but who appear to be in the category of freight forwarders as defined in part IV of the Interstate Commerce Act, the proposed amendments are also designed to place each operator in its proper category. "Grandfather" rights are provided for the protection of such carriers and persons.

Draft bill B would amend the so-called Alaska Railroad Act (48 U.S.C., sec. 301) to provide that, effective 180 days after the enactment of the proposed amendment, the Alaska Railroad shall become subject to the provisions of part I of the Interstate Commerce Act, and related acts, except that the Commission's approval would not be required for the extension of its lines or for the issuance of securities. The proposed amendment would also subject the Alaska Railroad to acts relating to the safety of railroad operations and the statute commonly known as the Transportation of Explosives Act (18 U.S.C., secs. 831–835).

Also submitted herewith is draft bill C, in respect of which we particularly urge your early consideration for introduction and for early action by the Congress. This proposed bill would provide grandfather rights for motor carriers and freight forwarders operating to, from, and within Alaska in interstate or foreign commerce, and for water carriers operating in interstate commerce within Alaska, except for water carriers operating between Alaskan ports over the high seas. These are the carriers which became subject to the Interstate Commerce Act and related acts upon the advent of Alaskan statehood. Except for seasonal operations or interruptions in service over which a carrier had no control, the critical date of the grandfather provisions is August 26, 1958, the date on which the people of Alaska voted in favor of statehood.

With the exception of freight forwarders, ever since the enactment of the Motor Carrier Act, 1935, it has been the consistent policy of the Congress to provide grandfather rights to existing carriers whenever the Interstate Commerce Act has been extended to additional carriers. It is our opinion that similar grandfather provisions should be enacted for the protection of those carriers, including freight forwarders, which became subject to the Interstate Commerce Act, and related acts, by reason of the admission of Alaska to statehood.

Draft bill C is also designed to clarify the status of motor carriers operating between points in Alaska and the other States through Canada. In addition, it would amend section 418 of the Interstate Commerce Act to authorize freight forwarders to utilize the services of the Alaska Railroad and water carriers operating between ports in Alaska and other ports in the United States, and between ports in Alaska over the high seas, which they cannot lawfully do under existing law.

The Commission would appreciate your assistance in introducing these bills and giving them early consideration. If there is anything further the Commission can do in this respect, please advise.

Sincerely yours,

KENNETH H. TUGGLE,
Chairman.

INCREASED EXPENDITURES, FISCAL YEAR 1959, UNDER SPECIAL MILK PROGRAM

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

Mr. President, I have been informed by my colleague from Wisconsin in the House, Representative JOHNSON, that the House has passed H.R. 5247, an identical bill, to increase the maximum expenditure for special milk programs not to exceed $75 million for 2 fiscal years.

Mr. President, I ask unanimous consent that the bill introduced by me and excerpts from the House committee report be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and excerpts from the House report will be printed in the RECORD.

The bill (S. 1510) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, 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 the first sentence of Public Law 85–478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed $78,000,000, and for each of the two fiscal years thereafter, not to exceed $75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The excerpts from the House report presented by Mr. WILEY are as follows:

PURPOSE

The purpose of this bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85–478. The law now authorizes the use of not to exceed $75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to $78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its prevent level.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support pro-

visions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled $17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from $17.1 million to almost $46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type-A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses, and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totaled about $650,000. Although camp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a much more adequate milk service for children.

The following table shows the growth of the program from its inception through fiscal year 1958. It is estimated that there are approximately 80,000 schools and other outlets participating in the program in the current (1959) fiscal year.

It is the belief of the committee that some States may not use quite all the funds available to them so that there will be some small amount which can be allocated to other States, thus permitting the full program to be carried out with the $3 million additional authorization contained in the bill as amended, although the State estimates add up to a deficit of approximately $380,000 more than that amount.

The committee emphasizes that the additional $3 million is merely an increase in the authorization and will be used only to the extent that the Secretary finds it necessary in order to carry out the program as presently scheduled.

DEPARTMENTAL POSITION

Witnesses for the Department of Agriculture appeared at the hearing on this matter and frankly outlined the rapid growth of the special milk program and the apparent need for more funds than presently provided to carry out this year's program. They did not request the additional authorization contained in this bill but held out the hope that the program could be contained within the present maximum authorization by adjustment or, if necessary, curtailment of the State programs.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 85-478, 85TH CONGRESS, S. 3342, JULY 1, 1958

An act to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for [each of the three fiscal years in the period beginning July 1, 1958, and ending June 30, 1961] *the fiscal year beginning July 1, 1958, not to exceed $80,000,000, and for each of the two fiscal years thereafter,* not to exceed $75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Amounts expended hereunder and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.

PROPOSED LEGISLATION RELATING TO FARM CREDIT

Mr. ELLENDER. Mr. President, on behalf of myself and the senior Senator from Vermont [Mr. AIKEN], I introduce, for appropriate reference, two farm credit bills, one relating to the Federal land bank system and the other to the status of all farm credit banks—Federal land banks, Federal intermediate credit banks, and banks for cooperatives—and their employees under various Federal laws.

The bill relating to the Federal land bank system provides for the transfer of the responsibility for making appraisals for land bank loans from the Farm Credit Administration to the Federal land banks. After more than 40 years experience, it is believed that the land banks are ready to assume this responsibility and that their doing so will improve the efficiency of their lending service. There would also be transferred to to the land banks the staff of appraisers now employed by the Farm Credit Administration, except for a small number who would be retained by the Farm Credit Administration to establish appraisal standards and to see that the bank appraisers follow those standards in making their appraisals. The other bill would simply clarify the status of the farm credit banks and their employees in relation to the various laws relating to the United States and its employees. The need for this has been commented upon by both the Comptroller General and the Civil Service Commission.

The proposed legislation would give the boards of directors and officers of the farm credit banks in each of the 12 districts greater responsibility and authority for the management of the banks, in accordance with the policy of the Farm Credit Act of 1953. The 1953 act established two important objectives for the cooperative Federal farm credit system: First, to encourage and facilitate increased borrower participation in the management, control, and ultimate ownership of the farm credit banks and local associations of the system; and second, to provide means for the retirement of the remaining Government capital in the system. The Farm Credit Acts of 1955 and 1956 provided most of the legislation needed to accomplish those objectives. These two bills are needed fully to carry out the objectives which the Congress set for itself in 1953, to improve the efficiency of the lending service and to clarify the application of certain Federal laws.

With a few exceptions, the appraisers who would be transferred under the land bank bill are now in the competitive civil service and all of them are covered by the civil service retirement program. Upon their transfer to the Federal land banks, the appraisers would be subject to the same employment conditions as other bank employees and would continue under the civil service retirement program as long as they work for the banks. The appraisers involved in the transfer are now located in the field and each would continue to work in the same farm credit district in which he is now located. The appraisers would be transferred at their present salaries and all leave accumulations would be transferred with them. Thus, the bill itself would preserve the rights of those appraisers involved in the transfer.

The second bill would clarify the present uncertain status of the employees of all farm credit banks. They are now regarded as Federal employees for purposes of some Federal laws and not for others. They are presently in schedule A of the excepted civil service and are under the civil service retirement program. Their salaries, however, are paid directly by the banks from their earnings and not from U.S. Treasury funds.

This bill would declare the farm credit bank employees to be non-Federal, except that all those covered by the civil service retirement program on the effective date of the legislation would continue under such retirement program as long as they are employed by the banks. Thus, no employee of these banks would be denied any retirement or related rights under the terms of the bill. On the contrary, their present uncertain status under the civil service retirement program would be resolved so as to assure their continued coverage thereunder.

Under present law, the banks and their employees are federally supervised by the Farm Credit Administration, the Federal agency responsible for overall supervision of the farm credit system. Such responsibility for supervision would continue undiminished under the terms of these bills.

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

The bills, introduced by Mr. ELLENDER (for himself and Mr. AIKEN) (by request), were received, read twice by their titles, and referred to the Committee on Agriculture and Forestry, as follows:

S. 1512. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; and

S. 1513. A bill to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1959— AMENDMENT

Mr. McNAMARA (for himself, Mr. CLARK, Mr. HART, Mr. MURRAY, Mr. MANSFIELD, Mr. MORSE, Mr. NEUBERGER, Mr. GREEN, Mr. GRUENING, Mr. BYRD of West Virginia, Mr. RANDOLPH, Mr. HUMPHREY, Mr. McCARTHY, Mr. DOUGLAS, Mr. KENNEDY, Mr. WILLIAMS of New Jersey, Mr. PASTORE, and Mr. HARTKE) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, which was ordered to lie on the table and to be printed.

NEED FOR BETTER STATE PARK SYSTEMS IN PUBLIC LAND STATES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 16, 1959, the names of Senators BIBLE, CANNON, and ALLOTT were added as additional cosponsors of the bill (S. 1436) to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., sec. 869), introduced by Mr. BENNETT on March 16, 1959.

INCORPORATION OF AGRICULTURAL HALL OF FAME—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 18, 1959, the name of Mr. CASE of South Dakota was added as an additional cosponsor of the bill (S. 1449) to incorporate the Agricultural Hall of Fame, introduced by Mr. CARLSON on March 18, 1959.

STANDING COMMITTEE ON VETERANS' AFFAIRS—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent that at such time as the resolution (S. Res. 19) to establish a Standing Committee on Veterans' Affairs in the Senate, submitted by me on January 12, 1959, is reprinted, the names of the Senator from New Jersey [Mr. CASE], and the Senator from New York [Mr. JAVITS] may be added as cosponsors.

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

CHANGE OF REFERENCE

Mr. DOUGLAS. Mr. President, Senate bill 1188, for the relief of Herman E. Tenzler, Ernest Gallo, and Julio R. Gallo, is now pending before the Committee on the Judiciary. At a recent meeting of the committee this bill was considered and, as a result thereof, the committee authorized and directed the chairman to request that the Committee on the Judiciary be discharged from further consideration of this bill since it involved tax matters and certain specifically named sections of the Internal Revenue Code of 1954, which more properly comes within the jurisdiction of the Committee on Finance.

Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 1188, a bill for the relief of Herman E. Tenzler, Ernest Gallo, and Julio R. Gallo.

Mr. KEATING. Mr. President, reserving the right to object, that matter has been cleared, I take it, with the committee?

Mr. DOUGLAS. Yes, that is correct.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

PRINTING AS A SENATE DOCUMENT THE PRELIMINARY REPORT OF PRESIDENT'S COMMITTEE TO STUDY MILITARY ASSISTANCE PROGRAM (S. DOC. NO. 18)

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed as a Senate document, the preliminary report of the President's Committee To Study the Military Assistance Program, together with the letter of transmittal.

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

PRINTING OF REVIEW ON KEWAUNEE HARBOR, WISCONSIN, (S. DOC. NO. 19)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated February 2, 1959, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of report on Kewaunee Harbor, Wisconsin, requested by a resolution of the Committee on Public Works adopted May 24, 1956. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

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. JOHNSON of Texas:

Letter from Representative JAMES C. WRIGHT, JR., carrying an Easter message.

By Mr. CAPEHART:

Newsletter on four major problems facing the Nation, released by him on March 23, 1959.

By Mr. PROXMIRE:

Press release concerning address delivered by Representative REUSS, of Wisconsin.

SENATOR JAMES E. MURRAY, CHAMPION OF THE AMERICAN INDIAN

Mr. MANSFIELD. Mr. President, many of us here in the United States Senate represent constituencies partially made up of Indian populations. The Indian tribal groups in this country have the greatest heritage of any ethnic group in the United States, yet they are in many instances forced to live under the most impoverished conditions and because of the social strata in which they live they have not had the opportunity to improve themselves.

The present Federal Indian policy has not, in my estimation, done too much to improve this situation; that policy has been one of trying to push termination and relocation too fast and too soon. Too little attention is being given to economic development and improvement of health standards.

In recent months Federal Indian policy appears to have shifted into lower gear. But if Senate Concurrent Resolution 12 can be adopted, the future for the American Indian will become brighter. The leader and undisputed champion of the rights and interests of our Indians is the distinguished senior Senator from Montana and chairman of the Senate Interior and Insular Affairs Committee, JAMES E. MURRAY.

Senator MURRAY has for many years been the counselor and confidant of the Indian Tribes in our State of Montana, as well as the entire West. Under his leadership much has been done to improve living conditions on reservations; and under his continued leadership, with the excellent cooperation of the able chairman of the Senate Interior Subcommittee on Indian Affairs, the junior Senator from Oregon [Mr. NEUBERGER], they will see that greater opportunities are offered to our Indian brothers. The Indian is America's first citizen, and Senator MURRAY will do his utmost to see that the Indian people can assume this role with pride and confidence.

A recent comprehensive study of Indian land sales is only one example of the fine reappraisals of our Federal Indian policy under the guidance of Senator MURRAY.

Mr. President, I ask unanimous consent to have a portion of the February 1959 issue of Indian Affairs, entitled "Senator MURRAY Reports," printed at this point in the CONGRESSIONAL RECORD.

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

SENATOR MURRAY REPORTS

Conspicuous among the men who are trying to make Federal Indian policy conform to Indian aspirations are Senator JAMES

MURRAY, of Montana, chairman of the Senate Committee on Interior and Insular Affairs, and Asisstant Secretary of the Interior, Roger L. Ernst. We invited each of them to speak in this newsletter. Senator MURRAY sent us the article which appears as our lead story. We are privileged to print it. Secretary Ernst was in Arizona when we asked his office for a communication for our readers. Through his office we received the statement that we are happy to print on our editorial page.

Individual Indian trust land alienation is passing out of Indian ownership at a potentially disastrous rate.

Under a Federal policy of recognizing and speeding applications for sale of lands allotted to Indians more than 70 years ago, the past 10 years have seen a decrease in individually owned Indian trust land of 3,307,217 acres, while tribal trust land increased by 1,213,307 acres. The net loss of trust land to the American Indian was 2,093,909 acres. More than 1 million acres were lost in the Billings, Mont., and Aberdeen, S. Dak., areas alone. Also, of 529,991 acres set aside for Indians in the United States 140,350 acres are not being used for the benefit of the Indians. During the 10-year period, 1954 was a peak year for sales of individual Indian trust land, when nearly 600,000 acres were removed from all trust status.

These facts emerge from an 800-page report, "Indian Land Transactions: An Analysis of the Problems and Effects of our Diminishing Indian Land Base, 1948–57," published December 1 by the Committee on Interior and Insular Affairs. The report was in the form of a memorandum of the Honorable JAMES E. MURRAY, of Montana, Chairman of the Senate Committee on Interior and Insular Affairs to the whole committee.

Senator MURRAY's statement points out that few studies seem to have been made at the Bureau of Indian Affairs' level on the subject of the effects of its land policy; that bureau field officials do not follow uniform procedures in passing on applications by individual Indians for the sale of their land, and that this situation is not in keeping with the Federal Government's and the Bureau's position as caretakers of Indian trust land. The MURRAY statement also said that Indian tribes should have the benefit of competent advice and competent studies by the Bureau's professional staff.

Twelve pages of charts are included, illustrating removal of land from all trust status in the various area offices of the Bureau of Indian Affairs. Data in tabular form are also available on the answers to the questionnaire on the subject of land sales sent to area directors and superintendents in April last year. For purposes of the questionnaire a moratorium on land sales was granted on May 28 by the Bureau for the balance of the congressional session.

Analysis of committee data was made by the Legislative Reference Service of the Library of Congress.

A STATEMENT BY HON. JAMES E. MURRAY

"To the Members of the Senate Committee on Interior and Insular Affairs:

"During the past 4 or 5 years there has been grave concern over the increasing alienation of Indian lands from trust status. I was keenly aware of the situation in my own State of Montana and was informed that a similar situation existed in other States. The major apprehension is that decreases in the Indian land base will seriously impair the effective use of Indian tribal and individual trust land in terms of economic land units.

"Finding that detailed statistics on the extent of Indian trust land disposals were not available in Washington, I arranged for the formulation of a questionnaire which would provide the committee with the necessary data for more adequate study. On April 17, 1958, the questionnaire was sent to 52 agency offices and the tribal organizations of those agencies.

"On May 13, 1958, I requested the Secretary of the Interior to declare a moratorium on Indian trust land sales until such time as this committee might complete its investigation of the situation and initiate recommendations for legislation or other measures. On May 28, 1958, Acting Secretary of the Interior Hatfield Chilson informed me that the requested moratorium would be in effect for the balance of the congressional session. The moratorium would not apply to the Klamath Reservation of Oregon because the trust status of all allotted lands would terminate there on August 13, 1958, and the termination law specifically provides for departmental assistance to these Indians in the sale of their heirship lands.

"The preliminary committee study elicited some of the most detailed statistical data that has been collected in recent years concerning Indian trust land. Tribal trust land increased by 1,213,307.41 acres during the 10 years studied (1948–57), while individual trust land decreased by 3,307,217.38 acres, resulting in a net loss of 2,093,909.97 acres of trust land to our Indian population. The greatest losses took place within the Billings and Aberdeen areas with Billings alone accounting for a loss of over 1 million acres of individual Indian trust land.

"The study did not stop at this point but showed the various means by which the land was removed from trust status. Total acreage removed from individual trust (3,307,217.38) included lands that were sold to the tribes and presumably remained in trust status, thus not representing a direct loss to our Indian population. The prime objective of this study concerned the individual acreage removed from all trust status, so the statistics were refined to include only 'sales to fee' and 'fee patent,' indicating complete removal from trust. Lands in these categories are individually owned trust lands. Under 'sales to fee' the land is sold directly from trust status with the fee patent issued to the buyer. On the other hand, lands categorized as 'fee patent' are those for which the Indian owner was issued a fee patent. In both cases the Bureau of Indian Affairs' responsibility ceases with issuance of the patent. During the 10-year period studied (1948–57), 2,595,413.66 acres of individual trust land were completely removed from all trust status. After subtracting the land acreage in the category of 'takings for public purposes,' the figure emerges as 2,174,517.85 acres removed from individual trust status through actions or approvals of the Bureau of Indian Affairs. Therefore, at the outset the questionnaire verified two major points: (1) An alarming acreage of individual Indian trust land has been removed from that category during the 10-year period and (2) 'takings for public purposes' and 'sales to tribes' were not the major areas of removal. After dividing the period under study into two 5-year segments I found that while 804,763.84 acres were removed from 1948 to 1952, inclusive, the period from 1953 to 1957 alone shows 1,790,649.82 acres were removed. This shows that my concern at the outset of this study was well founded—individual Indian trust land alienation is climbing at a potentially disastrous rate. The statistics by year for Indian trust land removed from that status are as follows:

"1948	99,121.36
1949	152,175.11
1950	100,546.84
1951	295,000.64
1952	157,919.89
1953	302,650.44
1954	575,778.41
1955	388,777.89
1956	235,627.72
1957	287,815.36

"The magnitude of these removals raises a question as to whether the Indian Bureau has exercised its authority wisely in granting so many applications for sales and patents. Has the Bureau fully considered the possible adverse effects on both the tribe and individuals in each case? I feel this question can only be satisfactorily answered by further investigation of the committee.

"One of the important aspects of the Indian land problem concerns key tracts generally considered Indian trust lands, which, if sold, would reduce the value and use of surrounding Indian trust land. In view of the fact that sale of key tracts has a direct and important bearing on the entire Indian land problem, the inadequacy of the Bureau returns were quite discouraging. Major problems encountered on this point were: (1) Lack of clarity in the Bureau returns, (2) varied understanding as to the meaning of the term 'key tract' by Bureau officials, (3) lack of sufficient returns from the tribes, and (4) confusion over the responsibilities of Bureau versus tribal personnel. Answers to various questions on the subject such as '* * * since 1953 there were not very many,' are impossible of interpretation. However, as stated in the Library of Congress analyses '* * * a much clearer picture is needed of the problem and methods of ascertaining accurate data from which a more conclusive analysis can be made.' I suggest the committee use this information as the basis for future consideration of the problem.

"Another aspect concerning the general land problems of our Indians concerns those Federal lands acquired since 1930 for the use and benefit of our Indian population. As you know, part of our questionnaire was intended to develop not only the total acreage of such lands still in Federal ownership but how much is actually being used for the benefit of Indians at this time. There are 529,991.17 acres of such land now set aside for the Indians, and of this acreage 389,640.80 acres are currently being used by our Indian population, leaving a balance of 140,350.37 acres not being used expressly for the Indians' benefit.

"Bureau of Indian Affairs

"Applications for sale to fee status or patents-in-fee filed by individual Indians are a source of concern not only to the various tribes, but to fellow Indians owning nearby trust land. It is at this stage that our problems of tribal land acquisition programs and key tracts enter the picture. It is at this point also that the effectiveness of Bureau operations is most felt, since its decision is so all important to other Indian owners of trust land. Reforms to our questionnaire show that the Bureau field officials do not follow the uniform procedures in passing on an application for sale or fee patent. In some cases a fairly detailed study is made, while in others the application is simply brought to the attention of the tribe. This is not in keeping with the position of the Federal Government, and the Bureau of Indian Affairs in particular, as guardians and caretakers of Indian trust land. Primary responsibility for decisions in this area resides with the Bureau of Indian Affairs, and while the tribes should certainly be made aware of all such action they should also have the benefit of advice and competent studies of the Bureau's professional staff. The committee might consider recommendations to the Commissioner of Indian Affairs concerning more specific instruction and regulations for the guidance of field officials. Such regulations would help to bring about a more adequate assumption of their guardianship responsibilities by Bureau field officials and would undoubtedly be of assistance to the tribes.

"While the Bureau's stated policy has been to study the 'key tract' problem, our material indicates a very confused situation among

Bureau field officials who seem to have varying interpretations of what is meant by the term. It is my thought that the committee consider suggesting to the Commissioner of Indian Affairs that a much more specific definition of the term is needed for the guidance of field officials. Such definition might take into consideration tracts *that may be 'key'* to (1) tribal land acquisition programs, (2) surrounding tribal trust land, and (3) adjacent individual Indian trust land. It would seem appropriate that such a definition would be formulated with the most beneficial utilization of surrounding tribal and individual Indian trust land in mind.

"I might bring it to the committee's attention that the study shows Bureau field officials and employees are diligently striving to assist the Indians, but are operating under somewhat of a handicap for lack of more specific direction from both the area and central offices. While I understand that regulations cannot be so stringent as to leave the field official entirely without necessary flexibility, nevertheless, they should not be so vague that various agencies are operating by entirely different methods and standards. Perhaps the committee should consider recommendations to the Commissioner which would lead to more specific regulations concerning Indian land sales activities of the Bureau. Such a coordination of Bureau activities would undoubtedly assist in creating a closer cooperation between tribal and Bureau officials at the agency level.

"Tribal councils

"While I found that some tribes had organized land acquisition programs and active real-estate committees, many others had not. The committee might consider the possibility of recommending that tribal councils organize such activities and also make a study of individual trust lands in their area. These actions could serve several purposes: (1) The Congress would have adequate up-to-date information concerning tribal land problems and planning, (2) the Bureau of Indian Affairs would have a guide indicating the objectives of the tribe in rounding out their land base, (3) the tribe and the Bureau would profit by agreeing on key tracts before individuals apply for fee patents or sales to fee status, (4) a closer cooperation and understanding of each other's problems would result between tribal and Bureau officials. It is hoped that should the committee make such a recommendation the Bureau of Indian Affairs will assist the various tribes in their planning and also cooperate with them in all future transactions.

"Committee

"I strongly recommend that the committee continue this valuable study and develop more fully the problem areas that have been brought to light.

"JAMES E. MURRAY,
"Chairman."

FEDERAL POLICY IN LOWER GEAR

With a hardly perceptible whirring of bureaucratic machinery, the Bureau of Indian Affairs by January of this year was obviously being shifted to a new, lower gear in its movement toward termination of Federal protection of Indian tribes.

A softening of its regulations on credit to tribes seeking to consolidate land programs to improve cattle operations, and to develop other economic opportunities for themselves was one indication of a Federal stay of a paternal hand which had been pushing the tribes so rapidly toward pseudosolutions of their economic problems that it was doubtful Indian communities could continue to survive.

Indian-interests organizations, and some reservation officials of the Indian Bureau still hoped for a comprehensive, down-the-line enunciation of the Bureau's new overall goal. As it was, they were still having to depend upon recent isolated evidences of an Indian policy change as confirmation of Interior Secretary Fred A. Seaton's statement last September that:

"No Indian tribe or group should end its relationship with the Federal Government unless such a tribe or group has clearly demonstrated, first, that it understands the plan under which such a program would go forward; and, second, that the tribe or group affected concurs in and supports the plan proposed."

The evidences of policy softening were discernible in a December grant of $500,000 from the Indian Bureau's revolving loan fund to the Rosebud Sioux Tribe of South Dakota for their land consolidation program, and a similar grant promised soon thereafter to the Oglala Sioux at Pine Ridge. Then, on December 17 came announcement of an increased loan program to help Alaska natives modernize their fishing fleets, followed on December 31 by word from the Secretary of the Interior that protection of Indian land would be extended for an additional 5 years. Since 1951 such extensions had been limited to 1 year.

The Bureau of Indian Affairs had made plain in a statement on May 15 by Commissioner Glenn L. Emmons that that agency was aware of the poverty of many tribes which makes it impossible for them, unaided, to use their land and other resources to the fullest extent possible, and this statement said, explicitly.

"Many, perhaps most of the tribes, do not now have the financial resources needed for a substantial land purchase program. The Department and Bureau are now working to develop legislative proposals which we believe will go a long way toward eliminating these deterrents."

This policy statement on regulations governing the sale of Indian lands was one of the first indications that a modification was in process of the Interior Department's 5-year-old contention that it had no responsibility to help the tribes preserve the land base of their communities by buying up land that poverty was forcing individual Indians to sell. As recently as this spring the Department had told one destitute tribe which applied for such help that the Government could not solve the problem of individual Indian land sales, and had advised the tribal leaders to persuade their needy people to be public-spirited and not convert land into cash.

At that time there was no public evidence that the Department was coming to accept the idea that loans from the revolving loan fund could be used to help tribes preserve land in Indian ownership without violating the right of individual Indians to sell it.

In that same month of May 1958 Senator JAMES E. MURRAY, of Montana, had asked for and received from the Department of the Interior a moratorium on sales of Indian lands in order to circularize the tribes and Indian Bureau superintendents with a questionnaire on the effects of the sales of reservation land over a 10-year period, from 1948 to 1957, upon the economy of the Indian reservations. The results of the questionnaire, published elsewhere in this newsletter, have just been released. Unquestionably, even the fact that the study was under way has had the effect of making the Department of the Interior top echelon officials look more closely at the interpretation of Government Indian policy by its Bureau of Indian Affairs.

The association had already expressed hope after the September policy enunciation of Interior Secretary Fred A. Seaton, that subsequent events would prove him to be master in his own house, but warned that the policy would have to be tested. In the latest Interior Department pronouncement (Dec. 31) on the subject of termination, extending trust restrictions from 1 to 5 years, a release from the Department points out:

"Secretary Seaton said the new order reemphasizes the Department's recent reiterated policy of taking all precautions against ending Federal supervision over Indians before they are competent to end their status as Federal wards."

As Senator MURRAY's new report, "Indian Land Transactions" to the Senate Committee on Interior and Insular Affairs revealed, there was, in his opinion, good cause to question the judgment of the Indian Bureau in permitting so much of the land base of the Indian tribes to be dissipated, or to lie idle and unproductive for the Indian economy. Possibly stemming from that criticism, the December release of the $500,000 grant to the Rosebud Sioux from the Bureau's revolving loan fund pointed up the fact that ability to obtain credit for land, cattle, and other business operations is crucial to the success of any Indian endeavor to plan for a community future, and that the Government recognizes this fact.

Avenues of credit open to the reliable non-Indian are closed to many Indian land and cattle operators, particularly if expansion of their enterprises threatens to compete with that of a neighboring non-Indian operator.

The Bureau of Indian Affairs' order on December 31, extending for 5 years the period of trust over Indian lands, gave to Indians a long-wished-for surcease from the fear which has mounted at each year's end in the hearts of the tribes under executive control, when the question of continuation of their previous 1-year renewal of restrictions against immediate alienation of their lands came up for review. Lands protected by the Indian Reorganization Act were already under trust restrictions, but for allotted Indian lands on which restrictions were scheduled to expire in 1959, the order was an unexpected reprieve from the fall of the bureaucratic ax.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, I wish to associate myself with everything the distinguished junior Senator from Montana has said. One of the really enjoyable things about serving in the Senate is to observe the relationship between the very able, progressive senior Senator from Montana [Mr. MURRAY] and the delightful, intelligent junior Senator from Montana [Mr. MANSFIELD].

As all of us know, no person who serves in this body is more beloved than JIM MURRAY; and it always pleases me to see his junior colleague [Mr. MANSFIELD] recognize the great contributions that JIM MURRAY makes to the Senate as an institution and to the country as a nation.

Mr. MANSFIELD. Mr. President, I wish to express my thanks to the distinguished majority leader for his remarks, and also to thank him for his recognition of the talents, ability, and leadership shown by my distinguished colleague, the senior Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I wish to thank the junior Senator from Montana [Mr. MANSFIELD] for his generous remarks regarding my efforts on behalf of the rights and interests of our Indians. I also thank our leader, the Senator from Texas [Mr. JOHNSON], for the very kind remarks he has made concerning my efforts on behalf of our Indian citizens. I

feel quite overcome by the generosity of his statement.

I assure him that I am merely trying to do what is right and fair and just, and in this effort I have the fine cooperation and support of my colleague [Mr. MANSFIELD]. I am sure he approved of everything I have tried to do for the Indians; and I thank him for the able advice and help he has contributed in this field.

THE WILDERNESS ACT AND INDEPENDENCE OF THE MONTANA CHAMBER OF COMMERCE FROM THE CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. MURRAY. Mr. President, I rise to salute the Montana Chamber of Commerce for declaring its independence from the U.S. Chamber of Commerce.

A letter I have just received from the executive vice president of the Montana Chamber of Commerce states the following:

> Regarding the U.S. chamber references showing their statements on the Wilderness Act and outdoor resources study, I will again clarify our position in relation to this national organization. The Montana Chamber of Commerce is not dominated by the U.S. Chamber of Commerce and does not give them a blanket endorsement of their policies. In fact, we have written them to the effect not to include a mention of us only as we authorize a statement. On many issues we may agree. On quite a few, however, we have disagreed with the national chamber. Our own policies are set by our own board or membership on each issue as we are able to study it. We have taken no position as yet on the Wilderness Act. I review this so you will not associate us with any statement made by the U.S. Chamber of Commerce except as authorized by us. They do not express our policy on the outdoor resources study.

I know for a fact that many of the fine members of local and State chambers of commerce do not realize that the U.S. chamber sometimes expresses views which the local and State leaders do not endorse. Perhaps other Members of Congress may wish to ascertain whether the U.S. Chamber of Commerce speaks also for their State chambers.

A SOUND U.S. ECONOMY IS THE BULWARK FOR THE DEFENSE OF THE FREE WORLD—ADDRESS BY SENATOR BUTLER

Mr. BUTLER. Mr. President, the Amen Corner of Pittsburgh includes in its membership many of the leading business and professional men in the tri-State area of which Pittsburgh is the center.

It was my privilege to address its annual dinner on Saturday, March 21. My remarks included some discussion of the Federal taxes paid in 1957 by the 44 largest industrial corporations, which were ranked by sales in the July 1958 issue of Fortune magazine, as these taxes related to the financing of our mutual security program.

Since 1957 there has been a marked decline in the tax liabilities of American business; and perhaps today it would require a great many more than 44 of our larger corporations to meet these costs.

I ask unanimous consent to have printed at this point in the body of the RECORD the speech which I had the pleasure to deliver before this distinguished gathering, and immediately thereafter the tabulations upon which my comments with respect to the taxes to finance mutual security expenditures are based.

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

ADDRESS BY SENATOR BUTLER

It is a great honor for me to address this distinguished gathering representing the business and professional leaders in the tri-State area centering on Pittsburgh.

I take great satisfaction in coming here to participate in your annual program, since you have demonstrated what private enterprise can accomplish through its own efforts in the redevelopment of a community. The magnificent new buildings which have been erected in Pittsburgh in recent years and the great plans which you have made for the future are a tribute to the leadership and foresight of your industrialists, citizens, and the Government administrators of both political parties.

There are many proposals before the Congress to establish programs involving huge grants for urban renewal which would call for large expenditures by the Government with a minimum of local participation. Your achievement in eliminating blighted areas and in the reestablishment of your municipal tax base shows that urban renewal must begin at home rather than in Washington. To be sure, there are some contributions which can properly be made by the Federal Government, but they are limited. The planning and the initiative must be provided at the local level if real progress is to be made.

The United States, for the first time in its history, is confronted with competition by a foreign power admittedly dedicated to the destruction of everything we hold dear. Khrushchev has made the blunt statement that he will bury us.

During recent weeks the President has submitted a budget which provides for appropriations approximating $77 billions to operate the Federal Government during the coming fiscal year. By any standards, $77 billion is a fantastic sum of money; yet there are those who describe this budget as penny-pinching and utterly unrealistic in relation to the threats which confront us.

May I remind you that in 1930 the total national income was less than $77 billion. The gross national product last year was less than $438 billion. So in effect, a $77 billion budget represents more than 17 percent of our entire output of goods and services. However, the budget as submitted by the President does not begin to measure the cash outflow of the Federal Government. Because of trust fund operations for highways, social security and other programs, during the 1959 fiscal year, the President estimates that payments by the Federal Government to the public will total approximately $95 billion. This is almost 22 percent of our gross national product.

Then we must face the fact that every one of our State and local communities must meet its own budgetary expenditures which impose additional demands upon all of us. The crisis in Michigan is now well known. That great State has ceased paying its vendors and is barely meeting its payrolls. The State of New York has just increased income taxes as well as excise taxes.

It would be difficult for me to begin to compute the portion of our total production which is now devoted to government in one form or another. In other words, we have rapidly reached the point where, rather than provide for the needs of the future in an expanding economy, we are committing large portions of our future income to meet the needs of government on a pay-as-you-go basis far into the future and in the case of Michigan, unfortunately, on a pay-as-you-have-gone basis. This perhaps provides a lesson for other States to ponder.

Every Federal project for highways, schools, housing, and similar purposes based on a Federal-State matching program not only increases the Federal budget but encourages the States and local communities to either go into debt or to increase their own taxes in order to receive their share of the supposed Federal bounty.

It is obvious that every dollar which is returned to the States from the Federal Treasury is taken from the States and is returned less the overhead costs of collection and transmission.

On Friday, March 13, President Eisenhower requested the Congress to approve $4 billion in additional funds for the mutual security program. I believe that it is essential for us to assist our allies in strengthening their defenses to meet the onslaughts of atheistic communism; however, very few of our citizens comprehend the magnitude of the President's request.

Fortune magazine in its July 1958 issue ranked America's leading industrial corporations in terms of their sales. On the basis of this list, I find that the taxes paid in 1957 by 44 of our largest industrial corporations do not equal $4 billion. In fact, they paid taxes to the Federal Government in the amount of $3,811 million. These taxes in turn were predicated on sales of $91 billion worth of products. The production of these goods required the use of assets costing $73 billion. The production to furnish these taxes required the employment of more than 4 million employees. These taxes merely support the foreign-aid program. Remember, this leaves nothing for our own defense expenditures, interest on the public debt, veterans, agriculture, reclamation, education, slum clearances, public housing, urban renewal, and the countless other programs suggested for our own economic development.

I might add that the 44 corporations I have listed obviously include many whose headquarters are centered in Pittsburgh, such as the United States Steel Corp., Westinghouse, the Aluminum Co. of America, the Jones & Laughlin Steel Co., and Gulf Oil, as well as other leading firms such as General Motors, Ford, Chrysler, General Electric, Du Pont, and the major oil companies.

I fear that too few people realize that the taxes from the so-called giant corporations cannot support new welfare programs, since they are inadequate to even meet the mutual security program.

It is ironic that at a time when the Government is the principal participant in industry's profits, attacks are being made on bigness in business, although those who decry it are constantly proposing an even larger sphere for the Federal Government.

If we are again forced into armed conflict, the Defense Department will have to look to these same large companies, whose profits are financing the mutual security program, to provide the materiel for the defense of the free world.

Within a few short months the industrial leaders of Pittsburgh will be confronted with one of the major economic decisions of our time—namely, the negotiation of a new contract with the steelworkers' union, which will set the pattern not only in steel but in aluminum and many other industries as well.

Ever since World War II, wage increase has followed wage increase with little regard for the consequences in terms of inflation and our position in world markets. Throughout the postwar period, European political leaders, including those generally identified with labor, have realized that the stability and the very existence of their countries demanded some restraint in preventing inflationary cost and price increases, since they were operating on a relatively tight gold and dollar

balance which required that their products be competitive in world markets. During this same period with a large domestic demand, American labor leaders pressed for wage increases which in many cases were granted because the domestic market could absorb them. All the while our costs and price structure in relation to that of the world has become increasingly less competitive.

President Eisenhower, in this press conference statement, on Wednesday, February 25, said:

"Now, ideally, we know that * * * in each country in the world * * * the country ought to produce that thing for which itself is best suited and where its market is the most available. And then, it should buy those things it doesn't produce so well and sell these things in which it has great efficiency."

Let me quote the President's punch line—which should be ours:

"I believe that above everything else the United States should keep its cost down and try to liberalize trade. I believe that the reason we are having so much trouble competing with the other countries, other producing countries, not only within the neutral markets but right here at home, we can't compete with them. Our costs are just too high. We cannot continue to increase these costs and have the kind of foreign trade that will make our own country prosperous."

This indicates a recognition of this problem at the highest possible level of Government.

American labor leaders in formulating their wage demands have become increasingly concerned with take-home pay. Yet, the actual wages which must be factored into the costs and prices of all goods and services must include the cost of Government.

There is only one way that these costs can be met, namely, through taxation which ultimately must be reflected in the price of every product as well as in the wages and salaries of all our employees. Insofar as the United States is forced to assume a disproportionate share of the effort to preserve the free world, its prices are less competitive than they otherwise might be.

Until recently Western Germany has had no sizable military budget, and this has been an important factor in enabling her producers to operate with lower costs and hence quote lower prices in the world's competitive markets.

It is apparent to any observer of the Washington scene that it will be a miracle if the President's proposed budget for the 1960 fiscal year, which starts July 1, will survive the onslaughts of those who are determined to authorize public works programs, public housing, and many other desirable projects, without any consideration as to how we are to pay for them without destroying our economic base.

For years to come it will be necessary for American producers to be far more productive than their foreign competitors merely to maintain their share of our own market, while we undertake the many tasks to which we are committed in the world struggle against communism.

There is only one way whereby we can raise living standards and assume the burdens which have been placed upon our generation—namely, to increase the physical product, and I use the word "physical," advisedly. We have been so bemused with monetary symbols that many of us have forgotten that improved living standards are based on a greater production of goods and services rather than the receipt of more paper dollars. Such increased production, in turn, is predicated on workers being provided with better tools and equipment, which in turn necessitates increased capital investment, on better methods and managerial techniques, on more advanced research, and in the last analysis, a greater dedication to hard work by everyone in the community.

During the course of recent hearings before the Joint Economic Committee, I have listened to economic theorists suggest that we must strive for a rate of growth approximating 5 percent a year in order that we might maintain our position in the competitive struggle with the Russians. I do not pretend to know whether the rate of growth should be 2 percent, 5 percent, or 10 percent. I do know that it must be measured in physical units of production and not in dollars. I know that if we continue to grant inflationary wage increases, which in turn must generate inflationary price increases, the Communists will have achieved their expressed ambition—to conquer the world without having fired a shot.

In his book entitled "The Economic Consequences of the Peace," the widely-known British economist, John Maynard Keynes, commented: "Lenin is said to have declared that the best way to destroy the capitalist system was to debauch its currency." Then after detailing some of the harmful effects of currency debasement, Keynes added: "Lenin was certainly right. There is no subtler, no surer means of overturning a society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which one man in a million is able to diagnose."

Some of Keynes' economic theories are highly unacceptable to me, but it would be extremely difficult for anyone to put up a valid argument against this thesis.

Last December my colleague the senior Senator from Minnesota, Mr. HUMPHREY, had an 8-hour interview with Mr. Khrushchev. He described his experience in an article which appeared in the January 12 issue of Life magazine. Senator HUMPHREY asked Mr. Khrushchev about Red China's experiments with the new compulsory communal living that Mao Tse-tung was forcing upon Red China. Mr. Khrushchev, according to Senator HUMPHREY, said:

"They are old-fashioned, they are reactionary. We tried that right after the revolution. It just doesn't work.

"You know, Senator, what those communes are based on? They are based on that principle, 'From each according to his abilities, to each according to his needs.' You know that won't work. You can't get production without incentive."

The tables are slowly being turned. The Russians are adopting our capitalistic concepts while we are slowly embracing Marxism.

The Joint Economic Committee is about to embark on an extensive study of inflation. The Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee is also reviewing this field, and is attempting to attribute inflation to the exorbitant profits of large industrial firms.

During the past week I have read with a great deal of interest the 1958 Annual Report of the United States Steel Corp., which was released on Wednesday, March 18. The following statement from that report is significant to all of us. It said:

"The fact is that over the past decade there has been a sharp downward trend in the relative position of profit in the American economy. This trend has already cut the profit incentive approximately in half. Thus corporate profits just before and shortly after World War II ranged from about 12 to 14 percent of the Nation's employee compensation. Since then the percentage has shrunk to about 7 percent. Most employees realize that the only true job security they have is that their employers can make profits and so continue to hire them. In terms of this measurement the margin for job security has been cut about in half.

"Almost everybody 'believes in' our competitive enterprise system. But many have misconceptions of its nature and function and so lend at least passive encouragement to those who would either bargain away, tax away or regulate away profits, all of which efforts have something to do with the undermining of the profit incentive which has taken place."

Economic Indicators, a publication by the President's Council of Economic Advisers, shows the national income for each year from 1948 through 1958. During that decade the national income increased from $224 billion in 1948 to $361 billion in 1958, an increase of $137 billion. Without any great knowledge of economics, it is not difficult to find where this increased national income went. Compensation to employees rose from $141 billion in 1948 to $254 billion in 1958, an increase of $113 billion, or 82 percent of the increase in national income. A comparison of corporate profits, before taxes, over this same period is even more revealing. In 1948 they totaled $33 billion, and in 1958 only $36.4 billion, an increase of $3.4 billion or less than 2½ percent of the total increase in national income. But remember, that 52 percent of this increase of $3.4 billion, or $1.8 billion, was paid to the Federal Govrenment in income taxes.

The statistics I have just quoted clearly show that if prices had not been increased industries would be bankrupt and our economy would have been destroyed.

As an aside, let me also mention that high interest rates, or the so-called tight-money policy can hardly account for inflation.

In 1948 net interest totaled $4.2 billion. In 1958 it totaled $13.2 billion, an increase of $9 billion, or only 7 percent of the increase in the national income.

We cannot meet the Communist challenge by devising ways to raise our economy by our bootstraps and produce higher monetary incomes while we shorten hours and enjoy more leisure.

We also cannot continue to assist the underdeveloped countries in raising their living standards through continued grants from the Public Treasury. The present American economy was built by the savings of individuals and corporations over many generations. There can be no short cuts to this process. Again, using the economic indicators prepared by the President's Council of Economic Advisers I find that in 1958 the total gross private domestic investment in the United States totaled $54.4 billion. This investment was added to an already well-developed industrial plant. Yet, we have visionaries who suggest that by spending a few billion dollars annually through the United Nations we can provide improved living standards for the teeming millions of Asia and Africa. This is a cruel hoax.

There are, roughly speaking, about 400 million people in Western Europe, North America, Australia, and New Zealand who have an average income of around $1,000. In the so-called underdeveloped countries, excluding Red China, there are about a billion people with an average per capita income of about $60 a year.

Many believe that the living standards of the world's people can be improved if the Congress appropriates sufficient funds. They fail to realize that higher living standards can only result from the more effective use of materials and energy.

The advancement of a people's welfare requires an increase in their productivity. Our high productivity and standard of living are closely related to a high per capita consumption of energy. In the United States we have substituted inanimate energy, chiefly mineral energy, for the muscular power of humans and animals. In many parts of the globe much of the world's work is still dependent on muscular power.

In the last 100 years our per capita use of energy to provide motive power in economic production has increased sixfold. As late as 1850, 65 percent of all energy consumed in the United States was contributed by animals and humans. By 1950, over 98 percent of all energy employed was inanimate.

We take pride in the fact that with only 7 percent of the world's population and 6 percent of its area, we are responsible for 50 percent of its total production. We generate 46 percent of its electrical power, have 55 percent of all telephones in use, and 70 percent of all the automobiles in the world. The corollary to these facts is that the rest of the world with 93 percent of its population has much lower living standards than our own.

The extent of a country's industrial development can be measured in terms of its per capita consumption of steel. According to the United Nations, in 1954 the per capita consumption in the United States was 1,052 pounds. In Egypt it was 23; in Peru, 22; in India, 13; and in Indonesia, less than 7. If these countries industrialize, this per capita consumption must be raised, and again I need not tell industrialists that this process cannot occur in a short space of time. A balanced economic development requires a concurrent expansion in the usage of nonferrous metals and energy sources.

The economic advancement of underdeveloped countries presents one of the greatest tasks which will confront industry's technical personnel for years to come. Some idea of the magnitude of this problem is again available from a United Nations' study where it has been calculated that to supply all Asians wih $2,000 worth of machinery and tools per worker would cost three times the U.S. national income or to express the problem in another way, to give all Asians the same capital per worker as the Japanese were using prior to World War II would require 150 percent of our national income.

The industrialization of underdeveloped countries will produce tremendous demands upon the world's resources. While today we are concerned with apparent surpluses of many commodities, in the long run, there can be no question that we shall have to use all of our ingenuity to utilize more effectively the resources available to us.

A permanent U.S. mutual security program or a United Nations' program based on grants and soft loans from the United States will not solve the needs of these people. They can only be met by the development of a sound, indigenous free enterprise economy which provides incentives for savings and hard work by the people who live in these countries.

American free enterprise can play an important part in this development through private investment, but such investment will not take place unless there is favorable climate which is predicated on a realization of the need for economic, political and social stability.

The so-called backward nations cannot be catapulted into the 20th century by magic, and all of the financial mumbo jumbo will not accomplish the building of plants and modern facilities.

The Russians know this. Their economy, in spite of their propaganda, has been devised to use all of the incentives of capitalism. The building of steel mills and other productive facilities takes precedence over consumer goods. There are no free markets. The state determines what shall be built and provides incentives for managers and technicians who can accomplish what is required. Only a limited amount of money is set aside in wages to pay for consumer goods produced by the state—thus inflation is controlled. We certainly do not want to emulate such a system, but we can return to the precepts which have made Western civilization great. Basically they are very simple—thrift and hard work.

Our tax system deters thrift. In these days, when the Government requires the maximum possible revenue, progressive tax rates which exceed the point of diminishing returns represent fiscal irresponsibility at its worst. What is not generally recognized is the fact that our progressive income taxes apply particularly to investment income from the private sector of our economy. Anyone can readily secure a yield of 3 percent through the purchase of tax-exempt bonds which finance State and local enterprises of many kinds.

An investment in a corporate enterprise must produce at least 7.8 percent before taxes to provide an equivalent yield to a person with a taxable income of only $2,000. If the income of an individual is $10,000 the yield from a private corporate venture must exceed 10 percent before taxes to equal the 3-percent yield he can obtain from a tax-exempt security. If he happens to be in the top Federal tax bracket the equivalent yield from a private corporate investment must be more than 69 percent. This is an absurdity.

I do not have to belabor the point with this audience that there are few individuals in the upper-income brackets who are interested in financing new risk enterprises under such conditions. I hope, as a member of the Senate Finance Committee, to make a contribution toward the restoration of some sense to this utterly unrealistic progressive tax structure which was designed to punish success rather than to raise revenue. Mr. Khrushchev would not have made this mistake.

American citizens are not permitted to convert paper dollars into gold; however, foreigners have this opportunity. In recent years we have been providing them with dollar resources to enable them to draw on our gold balances. Unless we maintain competitive prices in world markets and bring about a balance in terms of our international payments our economy is headed for serious trouble.

In 1948 U.S. gold stocks reached a postwar high of $24.6 billions. At the end of last year they stood at $20.6 billions, a decline of $4 billions. The reduction in 1958 alone totaled $2.3 billions. In fact, the monthly figures show a falling gold stock for every month since January 1958. While a $20 billion gold stock provides an adequate base for our currency, it must be self-evident that a decline of about 10 percent a year can no longer continue without completely destroying our own economic system. This, perhaps, is the best way for us to fully appreciate the impact of unsound economic policies, since an excess of demands for dollar payments abroad over purchases from us will sooner or later be reflected in our monetary reserves.

Our country has faced and met great problems in the past. I have every confidence that our leaders in industry, labor, and Government are capable of meeting the difficulties which confront us today. They can, and will be met by a rededication by each of us to those ideals which guided our Founding Fathers in writing the Constitution and our Bill of Rights.

We must reinstill these virtues in our youth, because it is quite apparent that our opponents behind the Iron and Bamboo Curtains are developing the willingness to sacrifice immediate pleasures in order to achieve their objectives. We must meet this challenge while retaining freedom. It is more difficult for us to impose self-discipline upon ourselves than to permit dictation by the State, but if we are true to our heritage, this is what we shall do.

The table ordered to be printed in the RECORD is as follows:

Federal taxes paid by the 44 largest industrial corporations, ranked by sales, are required to finance 1959 expenditures for international affairs and finance

[Dollar amounts in thousands]

Company	U.S. income taxes paid in 1957	Sales	Assets	Invested capital	Employees
General Motors	703, 221	10, 989, 813	7, 498, 008	4, 905, 108	508, 160
Standard Oil (New Jersey)	*53, 000	7, 830, 250	8, 712, 387	5, 755, 611	160, 000
Ford Motor	84, 048	5, 771, 275	3, 347, 645	2, 149, 474	191, 759
United States Steel	406, 000	4, 413, 806	4, 372, 770	2, 997, 819	271, 037
General Electric	248, 718	4, 335, 664	2, 361, 319	1, 231, 273	282, 029
Chrysler	128, 700	3, 564, 983	1, 496, 605	732, 308	136, 187
Socony Mobil Oil	[1] *80, 100	2, 976, 104	3, 105, 252	2, 378, 925	77, 000
Gulf Oil	133, 459	2, 730, 085	3, 240, 571	2, 190, 299	61, 100
Bethlehem Steel	175, 000	2, 603, 713	2, 260, 340	1, 586, 792	166, 859
Swift	3, 338	2, 542, 238	544, 690	377, 514	71, 900
Texas Co	39, 000	2, 344, 177	2, 729, 095	2, 053, 369	53, 340
Standard Oil (Indiana)	*26, 348	2, 010, 115	2, 535, 023	2, 012, 260	50, 845
Westinghouse Electric	66, 800	2, 009, 044	1, 400, 683	821, 350	128, 572
Du Pont (E. I.) de Nemours	272, 120	1, 964, 324	2, 755, 547	2, 342, 599	90, 088
Shell Oil	35, 284	1, 764, 602	1, 407, 444	977, 566	40, 000
Standard Oil of California	*40, 100	1, 650, 823	2, 246, 296	1, 858, 900	39, 206
Boeing Airplane	39, 090	1, 596, 509	491, 029	178, 901	94, 998
General Dynamics	47, 550	1, 562, 539	570, 605	225, 278	91, 700
National Dairy Products	37, 750	1, 432, 319	553, 604	341, 576	46, 332
Goodyear Tire & Rubber	50, 285	1, 421, 850	928, 951	455, 962	101, 386
Union Carbide	120, 175	1, 395, 033	1, 456, 353	839, 664	64, 247
Sinclair Oil	*21, 000	1, 251, 069	1, 480, 616	962, 351	25, 240
North American Aviation	35, 102	1, 243, 767	349, 623	170, 448	54, 660
United Aircraft	55, 223	1, 232, 919	451, 459	252, 784	61, 688
Republic Steel	89, 600	1, 227, 258	980, 379	697, 207	65, 110
International Harvester	31, 280	1, 171, 389	1, 021, 117	773, 440	68, 864
Radio Corp. of America	38, 500	1, 170, 905	751, 644	288, 382	78, 000
Firestone Tire & Rubber	40, 635	1, 158, 884	780, 420	459, 349	88, 323
Procter & Gamble	58, 880	1, 156, 390	737, 774	462, 097	29, 367
Phillips Petroleum	36, 400	1, 131, 794	1, 519, 631	980, 348	26, 838
Douglas Aircraft	35, 450	1, 091, 366	407, 213	168, 836	78, 400
Cities Service	16, 988	1, 046, 360	1, 292, 561	615, 930	19, 300
Continental Can	33, 350	1, 046, 267	664, 125	393, 703	53, 886
American Can	42, 468	1, 006, 305	790, 974	487, 723	50, 838
International Business Machines	97, 000	1, 000, 432	1, 153, 969	622, 518	60, 281
General Foods	45, 100	971, 335	404, 467	256, 676	21, 300
International Paper	55, 507	940, 428	850, 056	718, 811	48, 306
Borden	21, 539	931, 221	353, 437	221, 095	35, 058
U.S. Rubber	20, 961	873, 583	592, 935	289, 109	60, 136
Sperry Rand	26, 215	871, 047	708, 536	336, 848	93, 130
Aluminum Co. of America	[1] 69, 000	869, 378	1, 315, 569	670, 531	54, 640
Lockheed Aircraft	17, 120	868, 315	419, 024	115, 932	54, 781
Jones & Laughlin Steel	39, 271	837, 568	799, 289	512, 623	43, 948
Eastman Kodak	94, 509	798, 283	775, 034	587, 188	50, 300
Total	3, 811, 184	90, 805, 529	72, 614, 069	47, 456, 477	4, 029, 139

[1] Includes U.S. and foreign income taxes.

NOTE.—All data from July 1958 Fortune Directory of the 500 Largest U.S. Industrial Corporations except U.S. income taxes which was taken from Moody's 1958 Industrial Manual (asterisks indicate data was taken from corporation's annual report). Western Electric, which ranked No. 11, was omitted as its data are consolidated with American Telephone & Telegraph, a public utility. Armour, which ranked No. 16, was omitted since it paid no Federal income taxes.

ADMINISTERED PRICES ARE NOT INFLATIONARY

Mr. BUTLER. Mr. President, during the 86th Congress it will be my privilege to participate in studying what is undoubtedly the Nation's most important domestic problem—namely, the maintenance of a competitive price structure—through my membership on the Senate Finance Committee and the Joint Economic Committee.

During the last session of the Congress, I devoted considerable effort to this problem, particularly with reference to examining the views expressed by some economists who attributed the increase in our cost and price structure to so-called administered prices. These prices have been defined as those having two characteristics: First, that they are set by administered action; and, second, that they are maintained for a period of time.

Such pricing methods of necessity are today employed in large segments of our economy. In fact, the economists who appeared before the Senate Antitrust and Monopoly Subcommittee during its 1957 hearings freely stated that administered prices were essential. Dr. Gardiner C. Means, the originator of the term "administered prices," testified as follows:

> Administered prices should not be confused with monopoly. The presence of administered prices does not indicate the presence of monopoly nor do market prices indicate the absence of monopoly.
>
> If administered prices are present in a major part of our economy and since they exist in a great many areas which are not monopolized but in which there is active competition between a few units, it is clear that they do not necessarily reflect monopoly conditions but something more widespread—namely the reduction in the number of competing units in many industries.

Dr. Edwin G. Nourse, former Chairman of the President's Council of Economic Advisers, stated:

> It is my considered opinion that the economic institutions and business practices described as "administered pricing" grow naturally and properly out of the conditions of modern industrialism and that they may be so used as to promote both economic growth and business stability vigorously and consistently.

Prof. J. Kenneth Galbraith, professor of economics at Harvard University, and who, incidentally, is a member of the Democratic advisory committee, stated:

> The analysis of the effect of this ability to administer the prices of an industry has been greatly handicapped by the conviction that it is somehow improper. Actually, such administration is not only possible but also inevitable when an industry is in the hands of a relatively small number of firms.
>
> And it is equally inevitable that a great many industries will be conducted by a comparatively small number of large firms. That is the nature of capitalism wherever it is found. A large amount of price administration by private firms is thus part of the system. Those who deplore it are wasting their breath. The problem is to understand it and to live with it.

I have been interested in the fact that in recent months a number of major firms whose prices would fit the definition of administered prices have announced that they would protect the consumer against price increases for an extended period of time. This protection would undoubtedly continue even further were it not for the fact that costs may rise later this year in these particular industries when wage agreements are reopened.

On November 2, 1958, the American Can Co. announced a new pricing policy. A newspaper item which appeared in the New York Times said:

> The American Can Co. announced yesterday a new pricing policy, which it said would result in lower can prices for most of its customers. William C. Stolk, president, estimated the saving to consumers at more than $9 million.
>
> Effective January 1 the company will establish a separate f.o.b. (free on board) price at each of its 68 plants. At present it is the industry practice to have two general pricing areas for east and west of the Rocky Mountains. The prices do not reflect actual transportation costs.
>
> Under the new policy, American Can's prices will be based on actual transportation costs of steel and tin plate delivered to the company's plants, as well as the cost of delivery to the company's customers. Mr. Stolk said American Can would hold the line on its new prices until October 1, 1959, "except for adjustments that may be necessary to reflect any increases the steel companies might make in their tin plate prices."

On December 5, 1958, the Aluminum Co. of America announced that its published prices as of that date would apply to all products ordered or shipped prior to July 1, 1959. Mr. Donovan Wilmot, vice president of the Aluminum Co. of America, said by assuring customers of today's published prices on all products shipped before next July 1, Alcoa makes it unnecessary for them to hurriedly place large blanket orders, the specifications of which continually would have to be changed. The latter course, he said, could not fail to result in confusion and disorder in the necessary administrative procedures. It also could create price discrimination as between customers in the event of subsequent price changes.

Customers have been told that Alcoa will invoice, on the basis of today's published prices, all new and existing orders for products covered by its published price schedules against which shipment is made prior to July 1, 1959. The company already has in effect, through July 31, 1959, a similar policy covering electrical conductor products.

Shipments made against new or existing orders on or after next July 1 will be invoiced at the price in effect at the time of shipment.

These actions by two firms with administered prices should dispel some of the confusion which has arisen that such pricing methods tend to be inflationary.

It is apparent that economic writers who have reviewed Congressional hearings on this subject are aware of the fact that there is no reason to link inflation to administered prices. Mr. President, I ask unanimous consent that three articles by nationally recognized commentators may be printed in the RECORD at this point. The first is by Ted Lewis, and was published in the New York Daily News of January 22, 1959. The remaining two articles were written by the eminent and distinguished business and financial editor of the New York Herald Tribune, Mr. Donald I. Rogers, and were published in the January 23 and January 25 issues of that newspaper.

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

[From the New York Daily News, Jan. 22, 1959]

CAPITAL CIRCUS

(By Ted Lewis)

WASHINGTON, January 21.—ESTES KEFAUVER, Democrat, of Tennessee, is about to kick off a series of Senate hearings which Democratic Party leaders hope will nail down the "party of the people" label for the duration of the 1960 presidential campaign.

This political design does not, to be sure, show on the surface. The hearings, starting Friday by KEFAUVER's antimonopoly subcommittee, will simply lay the groundwork for the thesis that big business is the villain in the battle against inflation. The investigation will then concentrate on such consumer-interest matters as the price of bread, milk and vitamin tablets in New York and other big cities.

Soon after last November's election, those politicians who really run the Democratic Party decided that the line in the new 86th Congress should be concentrated on the KEFAUVER kind of committee investigation, and that the continuing probes of labor racketeering and Communist infiltration should be pushed quietly into the shadows.

After all, every one of the Nation's 175 million people is a consumer—so let's go after the consumer vote in a big way.

This is really important political planning on a broad vote-seeking basis. It is certainly wiser than the nonsensical debate out in Des Moines, Ia., where Republican leaders today were trying to determine whether their party needs a face-lifting or simply a few more vitamins.

How do you appeal for this consumer vote? Well, you simply blame big business for inflation, get a few economists to go along with you and tell the consumer how much he suffers because of what he has to pay for essentials.

A favored example in this cheap political game is the increase in bread and milk prices; a pound loaf of bread up 3 cents since 1953, a quart of milk up about 2 cents.

IT'S A SLICK, IF SLIMY, SIMPLIFICATION

Then you leave the impression that these hikes are due to bigger profits by the bakery trust and the milk combine—bigger profits condoned by the Ike administration which is thereby put in the corner of the coupon clippers and industrialists.

This is a very elegant, if basically slimy way of simplifying the most complicated problem in the world today—how to halt the wage-price cycle.

ESTES KEFAUVER, with his instinct for fairness, simply says that "the high cost of living which represents the No. 1 domestic problem to the American consumer is due in no small part to the upward manipulation of prices by big companies in administered price industries."

This is a form of gobbledygook, for KEFAUVER's idea is that no industry which tends to follow the price level of the top dog in the industry—United States Steel for example—will sacrifice a big profit for a smaller one.

THERE'S A BOOMERANG TO LOOK OUT FOR

ESTES is, of course, hipped on this subject, especially in view of the fact that no one disputes that in last year's recession it was the tendency of prices in concentrated industries to rise, while production and employment fell.

The Democratic Party leaders have given KEFAUVER a green light on this probe but they had better be warned right now that a boomerang is possible. What we guess is that they have accepted at face value ESTES' refusal to count himself out of the 1960 presidential race.

But, once dreamed of, the dream becomes your master. After all, there is now talk of Adlai Stevenson, two time loser, and ESTES was Adlai's running mate only once. Probably no one in America has ever shaken so many hands and yet produced so few votes.

WANTS A CABINET POST FOR CONSUMERS

And KEFAUVER, always willing to try, try, try again, is smarter than he sometimes appears. For example, he is anxious to be the champion of the American consumer right down the line.

He has a bill to set up a Federal Department of Consumers, Cabinet level. His idea is that the Interior Department, the Commerce Department, along with the Labor and Agriculture Departments represent segments of the American people in their capacity as producers—so why not a Cabinet setup representing all the people in their capacity as consumers?

In his quiet folksy way he packs a wallop. He is the favored hillbilly type of speaker when it comes to acquainting the public with certain partisan beliefs and he is hard to answer. We can point out it is strange that while tax levels have remained the same for both individuals and corporations, the take from individuals has risen 33 percent since 1953 while the take from corporations remains the same despite mighty good profits.

IT'S STILL HARD TO PLACE THE BLAME

But even KEFAUVER's colloquial type of talk cannot convince many Americans that any single segment of our economy should take the rap for inflation. This business about the wage-price cycle—which comes first in the inflation spiral—is something always to be argued about.

All we know is that President Eisenhower at his press conference today refused to blame inflation and the continued threat of more inflation on anybody. And his honest statement ought to be considered by everyone. Here is what he said about inflation:

"You cannot excuse anybody in Government from responsibility. You cannot excuse the business leader, the labor leader. Indeed, scarcely can you excuse any citizen. All of us have a problem to meet and to help solve."

[From the New York Herald Tribune, Jan. 23, 1959]

PACKED INFLATION JURY

(By Donald I. Rogers)

The powerful Senate Antitrust and Monopoly Subcommittee today will start 3 days of hearings and proposals to combat price inflation as part of its investigation of administered prices—prices used universally throughout business which do not change from transaction to transaction. The witnesses to appear (by invitation of the subcommittee) have been hand-picked because they share the subcommittee's notion that there is something insidious about this commonplace way of pricing goods. America's public interest, in other words, is being represented by a packed jury.

The man behind this movement—an activity which should be scrutinized by other Senators who are not associated with the committee—is not even a lawmaker. He is the chief economist of the subcommittee, favorite of its chairman, Senator ESTES KEFAUVER, and disciple of the avant garde economist, Dr. Gardiner C. Means, the fellow who invented the term "administered prices." He is Dr. John M. Blair, the same man who foretold the collapse of the American enterprise system in his book "Seeds of Destruction," (Corvici-Friede, $4). It is Blair who selected the hearing's witnesses and asked them to appear and express their views.

In May 1957, this writer performed what he considered a public service by revealing in a series of five columns that Dr. John M. Blair, by his own writings, is a mistruster of big business and a man who believes that, if allowed to grow larger, business will reduce employment and lower wages.

Dr. Blair is entitled to his opinions. He is not entitled as an economist working for Senator KEFAUVER to rig a public hearing to display his beliefs in solitary splendor to the detriment if not the exclusion of opposing views.

HANDPICKED WITNESSES

It was Blair who singled out the witnesses to appear, starting today. He picked them after attending the annual meetings of the Joint Allied Social Science Association (where he also spoke) in Chicago, December 27 through December 30. Curiously, four of the five witnesses were present at the program in Chicago.

Other noted economists spoke at the Chicago meetings. They either were not invited or elected not to appear at these hearings. Their views are divergent. They have not expressed undue concern about administered prices.

Scheduled to speak as witnesses today are Dr. Edwin Nourse, former chairman of the Council of Economic Advisers, and Dr. Ben Lewis, of Oberlin College, Oberlin, Ohio. Tomorrow the witnesses will be Dr. Gardiner C. Means, of Washington, and Dr. Walter S. Adams, of Michigan State University, Lansing. Monday the subcommittee has scheduled Dr. Corwin Edwards, of the University of Chicago.

These witnesses all share the same view on prices. Gardiner Means is one of the pioneers in the effort to abolish administered prices. Nourse has something close to a phobia on the subject of management and prices. (He believes that management has a social responsibility to reduce prices whenever sales turn down.)

LEWIS PREDICTS

Dr. Lewis, of Oberlin, said just last month: "My own prediction (and I stress that I am predicting, not prescribing) is that the years ahead will see a great increase in conscious, collective, governmental controls and of governmental enterprise; and that bigness will be a major focal point of the development. The development will reflect a growing, intensified concern over the private possession of economic power so vast that even its possessors are frightened by the implications of their holdings."

And so on. * * *

Last year the Blair-Kefauver combine made the mistake of inviting Prof. Richard Ruggles, of Yale University, to be a witness at similar hearings. Prof. Ruggles made out a strong case against the theory that administered prices cause inflation. He was not invited back this year.

Nor were any other economists who have an opposing point of view.

More on these farcical hearings and of the attack on administered prices on Sunday.

[From the New York Herald Tribune, Jan. 25, 1959]

HEARING OR WITCH HUNT?

(By Donald I. Rogers)

A majority of those who study the quasi-science of economics are agreed that an administered price—a price set by a producer which does not vary from transaction to transaction—is the most sensible and economical way of doing business and is, in the main, fairest to the consumer. The few who object to this system are working through John M. Blair, chief economist of the Senate Antitrust and Monopoly Subcommittee, thence through its chairman, Senator ESTES KEFAUVER, to stimulate some legislation against administered prices.

There is the lingering suspicion in all such activities of the Blair-Kefauver combine that it is part of a campaign directed not so much against administered prices themselves as against big business in general. For it is the big businesses, the automobile manufacturers, appliance producers, clothing makers and such, who most frequently use the device of administering the prices of their products.

Dr. Blair and Senator KEFAUVER are certainly entitled to their opinions, but, as pointed out in this space Friday, they have rigged their public hearings in Washington so that those economists who are outspoken against administered prices are appearing as witnesses before the subcommittee. Their utterances will become part of the public record to be pumped through the congressional system—a flanking attack against big business.

There is another angle here. Both members of the Blair-Kefauver operation say they are intent on scouting out the causes of inflation. That's the announced purpose of their hearings. What they're actually trying to do, however, is prove that bigness in business causes inflation.

This, any qualified economist will tell you, will be might hard to prove, though with rigged hearings such as the kind going on in Washington now (they'll continue tomorrow) Dr. Blair and Senator KEFAUVER are making it easier for themselves to present a case to the people.

Inflation is the transcending economic problem facing America. Its causes are clear, though its solutions are not. Neither Dr. Blair nor Senator KEFAUVER is contributing an iota of help in defining the solution to the Nation's foremost economic problem. Rather, it seems to this writer, they are beclouding the issues in their efforts to press their own interests—Dr. Blair to further his attack against big business, and Senator KEFAUVER to advance his unflagging political ambitions.

Dr. Blair has lined up five economists to speak at these hearings. All five have in the past made some declarations which express some doubts about the value of administered prices. Four of them participated with Dr. Blair in the annual meetings of the Joint Allied Social Science Associations in Chicago last month. It might be suspected that it was at those meetings that Dr. Blair invited them to appear as witnesses at the hearings, so-called.

John Blair is a clever writer and speaker. He is also, it can be assumed, a sincere man. He has sincere reservations about the function of the free enterprise system as it exists. He has sincere desires to invoke some changes in that system.

This is his right as an American.

However, he holds a position of considerable power, not alone because of his job as chief economist to the subcommittee, but because of the implicit faith Senator KEFAUVER places in him and the latitude the Senator allows him in the conduct of the subcommittee's affairs.

Thus John Blair's rights as an American citizen concern all Americans.

If I were a Senator, whether a member of the subcommittee or not, I'd like to know a great deal more about the moves of this KEFAUVER probe into antitrust and monopolistic practices.

It might not be an objective investigation these fellows are conducting. Indeed, scrutiny might show that they're hell-bent on proving an untried and generally discredited theory.

CONVENTIONAL WARFARE VIS-A-VIS PUSHBUTTON WARFARE

Mr. BUTLER. Mr. President, "some of our planners are so hipped on pushbutton war that they are prone to overlook the fact that the international Communists with vast manpower and raw material resources are actually continuing preparations for a 'modernized' conventional warfare."

This awesome conclusion by the distinguished journalist, Constantine Brown, so impressed me that I request unanimous consent that his article entitled " 'Conventional War' Capability," as appearing in The Washington Star on March 11, 1959, be printed at this point in the body of the RECORD.

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

[From the Washington Evening Star, Mar. 11, 1959]

"CONVENTIONAL WAR" CAPABILITY—U.S. ANTISUBMARINE BUREAU CURBED ON FUNDS IN FACE OF RED FLEET OF 475

(By Contantine Brown)

The sooner some our our policymakers get over the idea that the next worldwide conflict—if it ever occurs—will be fought by pushbutton machines, the better it will be for all.

The best post-World War II military minds who have been studying the preparations of the free world's enemies point out that while much noise and spectacular headlines center around the "massive" advantages of the Russians in guided missiles, the Communist would-be aggressors are working overtime to increase and improve their conventional warfare capabilities.

In the face of this, the administration is advocating further important cuts in the strength of our ground forces and in the Navy which may have to bear an important part of the brunt in any future conflict.

The Russians are known to have at least 475 submarines—the bulk of them ocean-going. Hitler almost won the last war in its early stages with fewer than 50 ocean submarines. Our best naval minds are sure the Russians are not building these submarines because they like to play with them. They are intended to cut off the United States, in the event of a major conflict, from both our Pacific and Atlantic allies. They are intended to interrupt the flow of essential raw materials and all seaborne communications with Asia and Europe.

The antidote to the long-range Soviet underseas fleets is, of course, antisubmarine preparedness by the U.S. Navy. Studies have been made and important new devices discovered to offset the likely efficiency of the Russian submarines. Yet the antisubmarine bureau in the Navy Department can hardly function because of lack of funds. The Budget Bureau in its great wisdom apparently has recommended that the funds for such developments were a luxury for the Navy. It believes, apparently, that the old type cans dropped overboard from a destroyer proved pretty effective in two world wars and sees no reason why they should not be effective in a possible new conflict.

If international communism decides to unleash another world conflict, the U.S. Navy will have a burdensome role, principally because the navies of our allies have been reduced. The powerful British Navy is being cut down drastically, compared to what it was at the end of the last war. The French Navy is increasing in strength, but is still far from being an important adjunct in the event of an early world conflagration. The other navies are token forces which would not face alone the power of the Soviet fleets.

The Baltic Sea has become of real importance in the strategy of another world war. The NATO members—Germany, Denmark, and Norway—are supposed to prevent the Russian submarine and surface forces from breaking out through the Skaggerak and Kattegat Straits into the Atlantic. The naval forces of these 3 countries consist of 37 destroyers, 14 submarines, 107 minesweepers, 53 motor torpedo boats, and a few other minor auxiliaries. These forces, regardless of how efficient and self-sacrificing they may be, can hardly be more than a small bite for the Soviet Baltic fleet commanded by 53-year-old Admiral Charmalov, whose high competence as a naval commander is matched only by his ruthlessness.

Charmalov, who has under his orders 40 Red admirals, commands the most powerful of Soviet fleets. The Baltic squadron is composed of 6 heavy cruisers of the *Sverdlov* or *Frunze* class, 150 submarines, 70 destroyers, and upward of 450 auxiliaries. An air force of 1,200 craft is always in readiness to support these naval forces. There is no doubt that, should a major conflict break out, American carriers and other naval vessels would be compelled to reinforce the present NATO Baltic forces whose mission, besides that of interdicting an outbreak of the Soviet submarines into the Atlantic, also is to "restrict Soviet supply operations by sea above small-craft transport for Red ground forces and to neutralize enemy operations on land, by sea, and in the air directed against Danish islands."

There are no effective naval forces available to put into effect the NATO high command directions except the U.S. Navy. In the event of war, units will have to be sent from our Atlantic bases, and they will have to go through the submarine barrage of the Russians.

The problem could be licked by our highly advanced (but still in blueprint) antisubmarine operations and devices. These are working now at less than 20 percent preparedness efficiency because of lack of necessary funds.

Some of our planners are so hipped on pushbutton war that they are prone to overlook the fact that the international Communists with vast manpower and raw material resources are actually continuing preparations for a modernized conventional warfare.

INFLATION, THE NATION'S NO. 1 PROBLEM

Mr. BUTLER. Mr. President, for a few years after the end of World War II, the demands of the American market were so great that it was possible to raise costs and prices and still sell all the products our industry could produce.

Today, it is becoming increasingly clear that foreign competition is not only invading our overseas markets but is becoming an increasingly important factor in our domestic markets.

President Eisenhower in his "Economic Report" said:

It is not the function of Government in our society to establish the terms of contracts between labor and management; yet it must be recognized that the public has a vital interest in these agreements. Increases in money wages and other compensation not justified by the productivity performance of the economy are inevitably inflationary. They impose severe hardships on those whose incomes are not enlarged. They jeopardize the capacity of the economy to create jobs for the expanding labor force. They endanger present jobs by limiting markets at home and impairing our capacity to compete in markets abroad. In short, they are, in the end, self-defeating.

Self-discipline and restraint are essential if agreements consistent with a reasonable stability of prices are to be reached within the framework of the free competitive institutions on which we rely heavily for the improvement of our material welfare. If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement.

In these statements when the President refers to productivity, he is referring to the productivity of the economy as a whole and not to the productivity of any particular firm or industry.

However, in recent weeks, it has been disturbing to note the same "rocking chair" economists have urged wage increases which they allege would generate purchasing power for other industries. In effect, they suggest that we attempt to raise ourselves by our bootstraps.

More and more we are face to face with the fact that our price and wage structure is becoming less competitive in terms of world markets. Before this year is over the steel industry, for example, will once again negotiate a new contract with its employees. Two editorials from the American Metal Market are therefore worthy of the attention of my colleagues, and I ask unanimous consent that they may be printed in the body of the RECORD.

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

[From American Metal Market, Jan. 29, 1959]

FRUSTRATING AND DISTURBING

There is something utterly frustrating and disturbing about the reaction in the highest echelons of organized labor to the President's Economic Message. With racketeers ensconced in high labor offices openly defying public indignation and arrogantly daring the Congress to do its damndest, and with demands for stratospheric wages and for basic hours that constitute little less than subsidized idleness, running almost rampant, one might have hoped for a different response to the President's urgent recommendations, from the more respected officials of the labor movement. The integrity of these latter officials is deservedly undisputed, but the irresponsibility of their criticism strongly suggests that the country may have more to fear from their sophistry than from the palpably unsavory elements who almost unfailingly overreach themselves.

All during the postwar years the country has heard business admonished on prices with as much or greater severity than labor has been urged to be temperate in its demands. In fact, the usual pattern has been for our highest officials to plead with business and labor to be moderate—after labor has exacted concessions from business. This appearance of impartiality has inevitably misled millions to blame business alone for price increases. Among this unsuspecting multitude, labor has escaped even contributory responsibility for price increases, because labor has already got theirs before officialdom in Washington has expressed its concern, whereas the price increases forced by cost increases have followed the appeals.

A conspicuous example of a congressional contribution to this deceptive practice was the hearings held last spring in anticipation of steel price increases after last July 1. The investigators carefully ignored the scheduled substantial wage increase that was automatically to go into effect on that date, pursuant to the agreement of July–August, 1956. They also piously refused to consider the possible effects of the already-demanded wage increases in the automobile industry (which had not by then been granted) and which, if denied, would have deprived the industry of justification for the price increases of last fall that followed the ultimate granting of the uninvestigated wage demands.

This seeming immunity of labor to accountability for the effect of higher wage costs on the national economy would appear to have led the leaders of the labor movement to expect continuing exemption from official comment in advance of their obtaining current demands. Restrained as the President's admonition was, it has been bitterly resented, not only because it would obviously forestall the additional demands on industry that are clearly in the making but because, at long last and for once, the President has sought to brake the inflation at its source, before the spiral is launched.

There will be virtually no one, outside the small circle of labor leaders and the advocates of some constant inflation, to dispute the fact that, in the effort to stop the corrosion of the dollar and the destruction of savings, "leaders of labor have a particularly critical role to play, in view of the great power lodged in their hands." Nor is it to be doubted by any impartial observer, that "the terms of agreements * * * will have a critical bearing * * * in attaining * * * economic growth with stable prices." Nor will any informed person be likely to dispute the assertion that "increases * * * not justified by the productivity performance of the economy are inevitably inflationary."

Yet the leadership of our most powerful unions declares that stable prices mean stagnation and perhaps depression and that the unions' drives for wage increases will go forward. Mr. McDonald, president of the United Steel Workers, has publicly appealed to the automobile industry to support his forthcoming demands, so as to provide his membership with $1 billion to buy automobiles. Yet, if the past is any guide to the future, Mr. McDonald will hold that the steel industry will have no excuse to raise prices if it raises wages by $1 billion. One marvels at the mental process which can conceive of an industry supplying another with $1 billion of undiluted purchasing power without first having to earn it. Obviously, the application of this logic, by which wages would be arbitrarily raised in industry after industry to provide purchasing power for the goods of other industries, would soon reduce the value of the dollar to that of trading stamps. In its arrogance, labor leadership has come to the stage where it preempts the right to tell management and industry to augment productivity by whatever margin is needed to compensate for the demands it chooses to impose from year to year. It not only assumes the capacity of management to accomplish this miracle, but it takes for granted labor's exclusive right to all the fruits of increased productivity (in practice it demands even more), and denies the right of management, of ownership and of consumers to any share in the greater abundance brought about by the greater efficiency of industry, in which greater efficiency labor, per se, plays so infinitesimal a part in a modern plant. If this is not a very clear indication of the great power lodged in the hands of labor leadership, there is no explaining it. And it is frustrating and disturbing that this great power should be exercised with such irresponsibility, in defiance of all known methods for operating a solvent economy, by those from whom the public have a right to expect enlightened and responsible leadership.

[From American Metal Market, Feb. 27, 1959]

THAT BILLION DOLLAR BUNDLE

The contract between the steel industry and the 1¼ million employees marshaled under the banners of the United Steel Workers still has another 4 months to run. In these changeable times, it would be hazardous this far in advance, to attempt to say just what the issues will have proved to be when the contract is extended. But it is certain that the billion dollar bundle will loom large in the negotiations, because Mr. McDonald and his associates have deliberately put it "on the line" already.

In costly and widely distributed full-page newspaper advertisements, the USW has been propagandizing other industries, the ranks of labor and the general public to support its demand for this additional purchasing power from the steel industry. They have painted alluring pictures of what they would do with this new income, buying automobiles, building new homes, buying groceries, patronizing moving picture houses and generally administering a blood transfusion to the U.S. economy. There will, unfortunately, be many who will think it a good idea—and not necessarily only those who would benefit directly. But, of course, as has already been asked, if this is a sound idea, why should Mr. McDonald and his partners want to keep it to themselves? Isn't this being a bit selfish? Why shouldn't all of us workers get in on this so-simply created prosperity? Why not, as the chairman of the United States Steel Corp. asked the other day, cut everybody in, take care of all 65 million gainfully employed workers on the same basis, and create not $1 billion of new money, but $52 billion so all might enjoy the good times?

These are questions well worth asking. It would be a mighty good idea if they were asked of every Tom, Dick, and Harry that thinks the "picayune" $1 billion proposition is a good idea. Possibly, in that way, some of the effects of this proposal might be brought home to those who still think that it is, and should be, only necessary for labor to demand in order to receive. It cannot be expected that those who swallow the specious arguments behind the demand will be impressed with orthodox refutations, based on the time-proven economic principles which have confirmed again and again, since time immemorial, that you can't get something for nothing. But there are a couple of other relevant points that we would like to bring up at this time.

The first is to ask just what have the steelworkers done to justify an increase of $1 billion a year in wages and benefits? Isn't that a fair question? Or has money become so inconsequential that a group leader is entitled to ask for a handout of any figure that first comes into his head—particularly if it has a lilting sound to the ear, like a billion dollars? When he has done so, are we not to anticipate that the next step—possibly following a diffident hesitation by industry, instead of yielding with alacrity—will be to accuse industry of endangering industrial peace by being unreasonable? Where have we seen such tactics worked by others in a different field of negotiation? They are identical with the practices of another group also having power that is much too great for their own good, in international affairs. Time was, of course, that most people felt they had to perform some useful service to justify better recognition. Is this billion-dollar bundle not suggestive of the idea that industry is no longer built up and conducted with some consideration for those who have directed and financed an operation, but that it exists primarily to meet the demands—whatever they may be—of those who control the working staff? Have we arrived at this concept of what industry really is?

Secondly, Mr. McDonald and his friends are not looking for any token or symbolic advantages. They want something substantial—something that will buy automobiles, build houses, and provide their members with genuine purchasing power. Although one would never think it to be the case from USW propaganda, this implies that the steel industry has this additional $1 billion current purchasing power available for distribution—for the asking. Now it so happens that automobiles are made mostly of steel and that in order to get what it takes to make the cars Mr. McDonald says his boys will buy, the automobile makers will have to come to the steel mills for supplies (just as the steel mills have to go to the coal mines, the iron mines, the limestone quarries, the railroads, and many other sources for raw materials to make steel).

The question naturally arises as to whether, after providing Mr. McDonald's boys with $1 billion in new money, the steel mills are to supply steel to the auto companies at old prices, so that the boys will not find a higher cost of steel reflected in the price they pay for all those new cars? Or does he expect the steel companies to get the $1 billion from the auto companies, without having them include the higher steel cost in the price of the cars the boys buy?

If it is one case or the other, what he is asking is that his boys be given the billion dollars, at the expense of others. That is, if he sincerely believes that the $1 billion (or the $52 billion, if all the workers are counted in) can be magically produced from the ether without impairing the purchasing power of everybody's dollar and without ultimately bankrupting industry. We are quite confident that everyone knows that every one of the USW leaders knows better.

THE SALTONSTALL FAMILY TREE

Mr. CHAVEZ. Mr. President, the Constitution of the United States does not have anything to say about racial background or national background in connection with American citizenship. It happens that my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], is a descendant of a family which originated in England. It happens that I am descended from one who served Ferdinand and Isabella, of Spain. But both the Senator from Massachusetts and I are Americans, by the grace of God.

Mr. President, a very fine resident of my State, Stella Dysart, who happens to be a descendant of the Saltonstall family, has sent to me a beautifully prepared chart of the Saltonstall family in the United States.

On the chart, we find that the first entry is for Sir Richard Saltonstall, 1586–1661, who first lived in England, and later lived in Watertown, Mass. In 1609, he married Grace Kaye. Of that marriage was born Richard—1610–94—of England and Ipswich, Mass., who married Muriel Gordon. Of that marriage was born Nathaniel Saltonstall—1639–1707—of Haverhill, Mass. Nathaniel married Elizabeth Ward, also of Haverhill, Mass.

One of the children of that marriage, Richard, married a Miss Wainwright, also of Haverhill, Mass. When we follow down that branch of the family, eventually we come to LEVERETT SALTONSTALL,

the present senior Senator from Massachusetts, who married Alice Wesselhoeft.

Mr. President, the young woman in my State who belongs to the Saltonstall family is Stella Dysart. She has sent me the tree of the Saltonstall family. I ask unanimous consent of the Senate to present it to our good friend, the senior Senator from Massachusetts, so he may know that we in New Mexico also have a great deal of fondness and respect for the Saltonstalls of England and Massachusetts.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate, except to say to the Senator from New Mexico that I appreciate very much his giving me this family chart, which was prepared by a lady in New Mexico. I thank my colleague very much.

THE KORKOSZ BROTHERS AND THE MUSEUM OF SCIENCE HAYDEN PLANETARIUM

Mr. SALTONSTALL. Mr. President, the people of Massachusetts are proud and the people of Greater Boston are grateful for the work done by the Korkosz brothers, Frank and John, in building the planetarium projector now in operation in the Museum of Science Hayden Planetarium in Boston, Mass. This planetarium projector has involved the personal efforts of the Korkosz brothers for several years. In it there are many new developments. One is that brighter stars show as such. This has made possible more advanced teaching of the astronautical sciences in this planetarium than is available elsewhere. In a national emergency, this planetarium would be available for the training of our navigators and scientists. In peacetime it is available to instruct the youth of Boston and of Massachusetts in the wonders of our physical world.

The city of Chicopee has good reason to be proud of the Korkosz brothers and it gives me great pleasure to inform the Senate, Mr. President, that I share this pride.

CLARE BOOTHE LUCE—AMBASSADOR TO BRAZIL

Mr. BUSH. Mr. President, there recently appeared in the press articles and translations regarding Mrs. Clare Boothe Luce, of Connecticut, recently appointed Ambassador of the United States to Brazil. I ask unanimous consent that the originals and the translations be printed in the body of the RECORD.

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

[From O Globo, Mar. 9, 1959]

A NOVA EMBAIXADORA DOS ESTADOS UNIDOS

Seria muito lamentável que a vinda da Sra. Claire Booth Luce, como embaixadora dos Estados Unidos no Rio de Janeiro, pudesse ser prejudicada pelos recentes episódios relacionados com a divulgação, pela revista "Time," de uma reportagem de graves repercussões na Bolivia. Figura marcante de intelectual, a antiga embaixadora norte-Americana na Itália teve a sua designação acolhida com calor e simpatia, tão pronto se tornou o ato conhecido. As manifestações de aprêço ocorridas nos setores mais diversos da vida brasileira deixam claro que a Sra. Claire Luce logrou, antes mesmo de chegar ao Brasil, um ambiente de amizade que certamente muito há de contribuir para o êxito de sua missão.

Telegramas chegados dos Estados Unidos fazem referência à possibilidade de não vir a nomeação a efetivar-se. E, embora não seja o fato dito de maneira expressa, a razão seria o receio de que a embaixadora viesse a sofrer os reflexos da atitude desastrada da popular revista. Desde logo, não procedem tais receios. Mesmo admitindo que a versão de "Time" sôbre a situação na Bolivia represente uma deturpação e assim haja justificado a reação dos bolivianos, não há como aceitar a pretendida vinculação. Até aqui, ninguém ousou pretender que a Sra. Claire Luce tivesse qualquer responsabilidade na desastrada publicação. Por isso mesmo, não é de admitir que o fato possa, de qualquer maneira, impedir ou retardar a vinda da diplomata.

[Translation from O Globo, Mar. 9, 1959]

THE NEW AMBASSADRESS OF THE UNITED STATES

It would indeed be lamentable if the appointment of Mrs. Clare Boothe Luce as Ambassadress of the United States in Rio de Janeiro should be prejudiced by the recent episodes related to the divulgation by the review Time of a report which had grave repercussions in Bolivia. An exceptionally intelligent person, the late Ambassadress to Italy, as soon as her appointment was known, found that this was welcomed with warmth and sympathy. The manifestations of appreciation which took place in the most varied sections of Brazilian life made it clear that Mrs. Luce, even before her arrival in Brazil, has managed to create a friendly feeling, which will certainly contribute greatly to the success of her mission.

Telegrams which have arrived from the United States refer to the possibility of the nomination not being made effective. Furthermore, although the fact is not expressly stated, the reason would be the fear that the Ambassadress might suffer the reactions of the unfortunate attitude of the popular review. Such fears have absolutely no basis. Even admitting that the version presented by Time regarding the situation in Bolivia is a deturpation and that, for this reason, there is justification for the reaction of the Bolivians, the pretended connection between the two things cannot be accepted. Up to now nobody has dared to presume that Mrs. Clare Luce had the slightest responsibility for the disastrous publication. For this reason it cannot be admitted that the fact should, in any way, impede or delay the coming of the diplomat.

[From O Cruzeiro, Mar. 21, 1959]

CLARE: UMA DAMA PARA O BRASIL

Os Estados Unidos têm novo Embaixador no Brasil: Clare Booth Luce. Essa designação, que permitirá ao atual Embaixador Ellis Briggs partir para Londres via Washington, teve excelente ressonância tanto lá quanto cá. Clare será a primeira dama já enviada por Washington a um país latino-americano. Jornalista (foi diretora de "Vanity Fair" aos 29 anos de idade), espôsa de jornalista (seu marido, Henry Luce, é o diretor-geral da emprêsa de "Life", "Time" e "Fortune"), escritora (produziu "The Women" para o teatro e "Come to the Stable" para o cinema) e católica (convertida do protestantismo), Clare Booth Luce já foi também parlamentar e diplomata. Representou Connecticut em Washington de 1943 a 1947 e representou os EE.UU. na Itália de 1953 a 1956. Embaixador, teve erros de início, "falhas de julgamento." Mas seu poder de reação foi tão grande, as lições tão bem aprendidas, que só saiu de Roma por motivo de doença—envenenamento causado por tinta na Embaixada que ela própria mandara pintar—e deixou o importante pôsto diplomático com o respeito, a admiração e as homenagens de tôda a Itália. Disse "Washington Post" confiar em que "os brasileiros considerem uma deferência a nomeação dessa personalidade vivaz." Consideramos, sim. E afirmou Clare à imprensa americana: "Sinto-me particularmente feliz por ir ao Brasil." Nós também nos sentimos, Clare. Seja bem-vinda.

[Translation from O Cruzeiro, Mar. 21, 1959]

CLARE: A LADY FOR BRAZIL

The United States has a new Ambassador in Brazil: Clare Boothe Luce. This appointment which will permit the actual Ambassador Ellis Briggs to leave for London via Washington, has had an excellent reecho, both there and here. Clare will become the first woman ever sent by Washington to a Latin-American country. A journalist (she was the director of "Vanity Fair" at 29 years of age), wife of a journalist (her husband, Henry Luce, is the director-general of the enterprise which owns "Life," "Time" and "Fortune"), an authoress (she produced "The Women" for the theater and "Come to the Stable" for the cinema), she is a Catholic (converted from Protestantism), Clare Boothe Luce has already been a Congresswoman and a diplomat. She represented Connecticut in Washington from 1943 to 1947 and represented the United States in Italy from 1953 to 1956. As an ambassadress she committed a few initial errors, "faulty judgment." But her ability for reaction was so great, the lessons were so well learned, that she only left Rome because of illness—poisoning caused by the paint in the embassy which she had herself—and she left the important diplomatic post with the respect, admiration and homage of the whole of Italy. The Washington Post said that it trusted that "the Brazilians would consider the appointment of this lovely person as a deference." We do consider this to be so. Clare stated to the American press. "I feel particularly happy to go to Brazil." We also feel this, Clare. Welcome.

APPROPRIATIONS FOR THE JOINT ECONOMIC COMMITTEE

Mr. BUSH. Mr. President, I received a message that the majority leader wished to bring up immediately the appropriations for the Joint Economic Committee.

Mr. JOHNSON of Texas. I said that at the conclusion of the morning hour, we would bring it up by motion.

Mr. BUSH. I am sorry I misunderstood; my message was that the Senator from Texas wished to bring it up during the morning hour.

Mr. JOHNSON of Texas. The minority leader needed to be away. I told him that, without objection, we would take it up after he had gone.

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

ADDITIONAL FUNDS FOR JOINT ECONOMIC COMMITTEE

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Morning business has been concluded.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of order No. 107, Senate Concurrent Resolution 13.

The PRESIDING OFFICER. The concurrent resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Senate Concurrent Resolution 13, to provide additional funds for special study by the Joint Economic Committee.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution? The Chair hears none.

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

Mr. JOHNSON of Texas. Mr. President, this resolution is one of the most important that will come before this Congress during this session.

For some time, experts and laymen alike have realized that there are trends in our economy which are very disturbing. They are trends which are not really understood—even though they are discussed heatedly and passionately.

This resolution represents an effort to lift an issue from the realm of conversation to the area of meaningful discussion. It is the first step in attempting to resolve an issue—the step of finding out just what is happening and what can be done.

We are living in a period which presents a strange spectacle of inflation and recession at the same time. Prices rise constantly, even though more than 4½ million of our people cannot find jobs.

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

Mr. JOHNSON of Texas. I yield.

Mr. GORE. Some prices rise constantly.

Mr. JOHNSON of Texas. I agree with the Senator.

This resolution would provide the tools with which our experts can probe this enigma. The resolution represents a modest investment from which we can anticipate fruitful returns.

Inflation has imposed a cruel burden upon our people, particularly those who must depend for their livelihood upon fixed incomes. This has led to arguments which have generated a great deal of heat, but have shed little light.

There are some who blame inflation on so-called deficit spending. But the history of our country over the past 40 years casts grave doubts upon this theory.

In the 1920's we had Federal surpluses and stable prices ending in a crash.

In the 1930's we had Federal deficits and low prices.

In the early forties we had Federal deficits and rising prices.

In the late forties we had Federal surpluses and stable prices.

In the early fifties we had Federal deficits and rising prices.

In the middle fifties we had Federal deficits and stable prices.

And now in the late fifties we had had both Federal surpluses and Federal deficits—accompanied by rising prices.

I do not suggest that there is no relationship between the Federal budget and the price level. But I do believe that we do not understand that relationship, and we must find out what it is if we are to act intelligently.

Some people claim that inflation can be blamed upon labor. But labor insists it is merely trying to keep up with inflation.

Some people blame rising prices upon business. But business insists that it is merely trying to keep abreast of the times.

Because of our lack of knowledge, our only Federal policy is to drift with the economic currents. This has been demonstrated most sharply in one cost increase which has struck at every small business man and every farmer in America and every worker—the rising cost of money.

Instead of taking strong steps to keep interest rates down, the Government's policy has been to pull them up piecemeal—a step at a time.

We are told that the interest rates on REA loans must be raised to meet prevailing interest rates.

We are told that interest rates on housing must be increased to meet the general level of interest rates.

We are told that interest rates on farm loans must be increased to meet the general level of interest rates.

To my mind, this philosophy represents surrender without a struggle.

I have never believed in pouring gasoline upon a burning house just because no water was available. It has been my experience that if intelligent, reasonable men think through a problem, intelligent, reasonable men can come up with a solution.

We have the opportunity in this resolution to take the steps that will bring us the answer. We can display the same type of economic statesmanship that was displayed in the work of the temporary national economic committee.

The TNEC—as it was known popularly—was a monument created by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY]. It represented an inventory of our economic system—an inventory which supplied us with information that we are using to this day.

But it has been 18 years since that Committee concluded its work. We have fought two wars in that period. We have seen the spread of aggressive communism. Trade patterns have changed on a global basis.

It is time for another national inventory.

We are fortunate in having available to conduct that inventory one of the distinguished economists of our time, the senior Senator from Illinois [Mr. DOUGLAS] Chairman of the Joint Economic Committee. He and his able colleagues from both the House and the Senate will be presented with the task of inquiring into every aspect of our economic situation and reporting to us reasoned and reasonable conclusions which I hope can serve as a basis for action by this Congress.

The issue of inflation is second only to the issue of national survival. It arises in the work of this Congress at every turn. It is a factor in almost every decision we make, and in almost every legislative matter that comes before us.

The scope of this resolution embraces all current aspects of the economic policy of the Federal Government. It includes interest rate policies, it includes money supply, it includes financing the activities of the Government.

It is a resolution which is badly needed, and I hope it will be approved quickly so that we can proceed to an urgent task.

Mr. BUSH. Mr. President, I rise to support the concurrent resolution. I shall speak very briefly with regard to it.

Mr. President, I have listened with interest to the comments of the distinguished majority leader regarding the resolution for the appropriation for the Joint Economic Committee hearings and general investigation. The Senator has correctly outlined some of the major problems which are before the committee.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a newspaper clipping from the New York Times of March 21, under the headline "Economist Urges a Budget Deficit," and, following that, an article from the Washington Post and Times Herald, by Roscoe Drummond, entitled "Budget Blur," which was published this morning. I ask unanimous consent that the two articles be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit No. 1.)

Mr. BUSH. Mr. President, I also ask unanimous consent to have printed in the RECORD, following the other insertion, pages 115 and 116 of the transcript of the hearings before the Joint Economic Committee of March 20.

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

(See exhibit No. 2.)

Mr. BUSH. Mr. President, these latter items relate to the testimony of Dr. Slichter before the committee, and to his description of inflation as a tax.

I support the report of the Committee on Rules and Administration regarding the special study by the Joint Economic Committee, which calls for an authorized expenditure of $200,000. We discussed this matter in some detail in the committee, and while there was a considerable body of opinion in the committee that the sum was too large, the committee members pledged themselves to work together with the thought that we probably would turn back a substantial part of the authorization. That is not a new practice among the committees of the Senate, and there were Senators present at the meeting

who referred to previous examples where such action had been taken.

It is very difficult, Mr. President, to budget for this kind of a committee procedure. It is likely that the hearings will continue throughout the present session of the 86th Congress, and may very well continue after the Congress adjourns sine die in the summer, if indeed it does adjourn—and I hope it will. For that reason, the committee was unanimous in agreeing that the appropriation of $200,000 was a legitimate and proper request, and Senators will observe on page 3 of the committee report an estimate as to how the money may possibly be spent. The committee will not be held to spending the money in exactly those ways, but this is an estimate of how perhaps the money may be spent in connection with the hearings during the months ahead.

We have in the Joint Economic Committee what we regard as a very capable staff. Most of the staff members are professional economists, and we believe we should use the staff to the fullest in connection with the investigation. We will do that, but it is not unlikely—in fact, it is almost certain—that we will need additional members of the staff during the months ahead, so that is provided for in the table Senators will observe on page 3 of the report of the Committee on Rules and Administration.

Mr. President, I recommend to the Senate that it adopt the concurrent resolution.

EXHIBIT No. 1

[From the New York Times, Mar. 21, 1959]

ECONOMIST URGES A BUDGET DEFICIT—SLICHTER ALSO TELLS INQUIRY UNIONS ARE MAJOR CAUSE OF INFLATION TODAY

WASHINGTON, March 20.—A congressional investigation into the problems of the economy opened today with a witness whose position sharply contradicted pet theories of both liberals and conservatives.

The witness was Prof. Sumner H. Slichter, a Harvard University economist. After 2 hours of his testimony the chairman of the Joint Economic Committee, Senator PAUL H. DOUGLAS, Democrat, of Illinois, called it refreshing, and continued:

"I don't think there was a single sacred cow that was not kicked at one time or another, on both sides of the aisle and all sections of the country."

Dr. Slichter took these iconoclastic stands today:

The budget in the next fiscal year beginning July 1 ought to be unbalanced by about $3 billion, not balanced.

Labor unions are much the most important cause of modern-day inflation, but a general wage increase is just the right medicine for the economy in its present state.

A slow inflation is an inescapable cost of a desirable rate of economic growth, and it is nonsense to contend such an inflation will eventually turn into a galloping inflation.

The Federal Reserve's monetary policy is too tight at the moment.

Nonetheless, the interest ceiling of 4¼ percent on Government bonds should be raised to enable the Government to compete for investment funds.

While it is probably impossible to stop slow inflation, the biggest single step the Government could take to halt it would be to abolish all tariffs and import quotas over a 10-year period.

SUBSIDIES DENOUNCED

In the course of his testimony Dr. Slichter also took swipes at shipping subsidies (perfectly ridiculous) and the present policy of tolerating high unemployment (wasteful and inhuman).

Dr. Slichter's basic theme in his prepared paper was that a high rate of economic growth was urgent for a number of reasons; that a slow rise in the price level is an inescapable cost of the maximum rate of growth; and that the effects of a slow inflation are by no means as disastrous as they are frequently described.

He noted, for example, that Federal old-age pensions had risen far faster than the cost of living since the end of World War II. He also denied that the United States was pricing itself out of world markets, denied that slow inflation discouraged saving, and argued from experience in this and other countries that creeping inflation had in no case turned into a gallop.

The immediate problem of getting greater economic growth is different from the long-run problem, he said. The immediate problem is inadequate demand to put the resources of the economy back to work, he argued.

After examining all possible sources of greater demand, he concluded that the most hopeful was higher wages, though he contended that the Federal Government should supply some additional demand by spending more and unbalancing the budget.

Representative HENRY S. REUSS, Democrat, of Wisconsin, said he was confident that Dr. Slichter did not favor a deficit as such.

"I think I do," the professor replied, to a burst of laughter in the committee room.

BUDGET BLUR: DEMOCRATS AREN'T MEETING ISSUE HEAD ON

(By Roscoe Drummond)

Are the Democratic leaders going to be willing to face the Eisenhower balance-the-budget issue head on, and soon, in order that the voters may have some say in the outcome?

They are not doing it so far.

The effect of Democratic speeches and Democratic maneuver is to blur the issue, confuse the issue, and so delay the issue that it will be difficult to determine who has unbalanced the budget, where, and for what reason. And it will come so late in the session that public opinion will have little chance to make itself felt one way or the other.

If the Democrats are going to meet the Eisenhower hold-the-line budget issue and give the voters a chance to support or reject an alternative policy, they must do two things:

1. They must quit jiggering the budget piecemeal, adding a hunk here, chipping off a corner there, and, instead, offer Congress and the country a coherent, total spending program which they can look at whole and decide whether they want it.

2. Do it soon enough so that the consequences of the Democrats' national budget—good or bad—can be seen and judged in comparison with the Eisenhower national budget.

When the President sent his budget to Congress—precariously balanced, but still balanced, with an estimated $70 million surplus—he was beginning to point up a real, fundamental, and philosophical difference between the Democratic and Republican Parties.

Mr. Eisenhower, even in the face of a $40 billion defense program was proposing to hold the line on a great deal of Federal spending; he was freezing some programs, cutting others, and proposing little in the way of new or increased public services. He emphasized balancing the budget as a vital end in itself and as a measure to hold inflation. If he could get a surplus, his priority was to use it either to reduce the debt or cut taxes.

Here, at last, there appeared to be in the making a basic party divergence of both principle and practice. Most of the Democrats said they wanted to spend more for defense, more for housing, health, aid to education, airports, roads, and aid to distressed areas where unemployment is still high. At the same time many Democrats argued that more Federal spending would promote economic growth and that an unbalanced budget might even be beneficial.

There is no doubt, I think, that a pretty sizable gulf spreads out between the two parties on this budget-spending issue. But so far it is being fogged by a piecemeal approach and the prospect is that it will be cleared so late in the session that neither Congress nor the country will quite know what's happening before it is too late.

Either by default or by design, the Democrats are tending to conceal the issue rather than clarify it.

Obviously the very methods of congressional operation contribute to blurring the issue. By long habit and by the jealously guarded division of authority between committees, Congress always considers and acts upon the spending side of the budget item by item—and never in total and never in relationship to revenue.

The appropriation committees and the tax revenue committees consider spending and revenue separately—never together.

This means that in the upcoming airport and housing bills, which the Democrats have somewhat cut back under White House pressure, the Democratic majority is already in process of unbalancing the budget—but no one will know for sure until Congress is nearing adjournment. The reasons will be blurred, responsibility will be blurred.

The only way Congress and the country can intelligently choose a Democratic Party alternative to the Eisenhower budget is to have a chance to look at it whole soon.

It seems to me that the Democratic majority—or the Democratic advisory council—owes it to the country to show openly what they want the public to approve rather than to remake the budget piecemeal behind the curtains.

EXHIBIT No. 2

Senator BUSH. Dr. Slichter, I just want to go back briefly to the question of inflation and then I want to move over for a few moments about your argument in favor of reducing tariff barriers. First on this question of inflation, I confess I find it very difficult to follow your logic or your reasoning on this, although I recognize the integrity of your views thoroughly. I want to read you a little short paragraph by Kenneth Galbraith, who I believe is a colleague of yours at Harvard University, a man who is certainly recognized as being as able as you are, who said this about inflation. I am reading about your advocacy not only before this committee, but elsewhere, of the so-called creeping inflation philosophy: He says:

"Inflation, progressive, unremitting, and unending inflation, is not a pleasant prospect. It undermines all the arrangements that civilized man makes and maintains with the greatest difficulty. Schools, hospitals, churches, public services, law and order, care of the sick and the aged, all suffer. By contrast, speculators, promoters, all who are knowledgeable about making money, do well."

This is from an article by Galbraith which appeared in the Atlantic Monthly on February 1957.

Do you and he ever discuss these matters together? Do you disagree with what I just read?

Mr. SLICHTER. Yes; I disagree.

Senator BUSH. You disagree?

Mr. SLICHTER. Yes. I disagree that inflation causes problems for a lot of institutions such as educational institutions, hospitals, individuals, but these problems are not new problems. We have been living under inflation most of the time for the last several centuries. We must not suddenly say that we are confronted with insurmountable problems. I don't think that slow creeping inflation is an encouragement to speculation so much as an encouragement to enterprise. One good thing about creeping inflation to be said over against the problems it causes is that it is a tax, and it is a tax that falls on everyone. It is not a bad kind of tax in many respects. One thing I like about it is that there are no exemptions. Under our present income tax, 30 percent of the adjusted personal income reported is tax free because of exemptions. Another 12 to 15 percent is tax free because of deductions. I don't object to the deductions because they go to charity. Exempting 30 percent seems to me to be wrong. With a $600 exemption a family of three children, man and wife, pays nothing on the first $3,000 of income. Fortunately under inflation they pay a little tax on everything. Nobody puts any exemptions in there to please this, that or the other group.

Mr. KEFAUVER. Mr. President, I join with the majority leader and other Senators in expressing gratification that a concurrent resolution has been submitted to authorize the Joint Economic Committee to make a study of the problem of inflation. I have been stating for some time that to my mind inflation is our No. 1 domestic problem at the present time, and undoubtedly any investigation conducted and any light which can be thrown on the subject will do much good. It will at least inform the people, so that public opinion can exert its influence. It will inform the Congress, so that any proposed legislation in Congress can be considered, and, I hope, passed. It will also inform the executive branch of the Government, which has an important part to play with respect to solving the problem of inflation.

I think the study will be very helpful. I invite the attention of the Senate—and I am sorry the chairman of the Joint Economic Committee is not present in the Chamber—to the fact that many of the seven specific suggestions as to what the committee is to investigate have been the subject matter of study by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary over a period of the past several years. We began a study some years ago of the effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment.

That is item 3, which the Joint Economic Committee will consider.

Two and one-half years ago we began a study, which is continued at the present time, of the effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment.

There is no harm, of course, in duplicating any of these studies. We have conducted specific studies in connection with steel, automobiles, petroleum, milk, and a number of other specific commodities. Such studies have been in line with the proposed studies. We shall conduct other studies of specific industries in addition to hearing from witnesses generally as to the effects of monopolistic and quasi-monopolistic practices. We are continuing a study of the effect of administered prices and wages in connection with the subject of inflation. We have been making a study, particularly so far as the oil business is concerned, of point 6 as set forth in the resolution—"international influences affecting prices, production, trade, and employment."

It is our hope that there may be the closest cooperation between the Joint Committee and the Antitrust and Monopoly Subcommittee in repect to subjects in which both committees have an interest, and will both be making studies.

It is my opinion that the hearings and staff reports of the Antitrust and Monopoly Subcommittee may be of considerable benefit to the staff and members of the Joint Economic Committee. We have been engaged in the general study of the question of monopolistic influences on prices for a period of 5 or 6 years. More specifically, for the past 2½ years we have been studying the problem of administered prices.

Our hearings and our reports during the past 2½ years have been largely directed at the problem of inflation, to determine what kind of inflation we have, why we have it, and what we can do about it.

We welcome the entry of the Joint Economic Committee into the very field we have been studying; and I express the hope that there will be the fullest exchange of information, and that we will work in cooperation with one another.

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

Mr. KEFAUVER. I yield.

Mr. AIKEN. Would the Senator agree that the recent mandatory restrictions on oil imports are likely to have a highly inflationary effect on the U.S. economy?

Mr. KEFAUVER. I have been in favor of substantial importation of fuel and residual oil. Undoubtedly there will be an inflationary effect. I do not think the picture is all black or all white. It is necessary for the economy that we have a good, sound coal industry. I think a happy balance should be struck; but undoubtedly in many parts of the country further restriction of importations will be inflationary.

Mr. AIKEN. Is the Senator aware that as the result of such restrictions the price of crude oil to manufacturing countries other than the United States has been reduced, thereby putting our industries and our farm population in the position of being victims of a double-edged sword—one edge increasing costs of production at home, while the other edge will have the effect of decreasing costs of production in competing countries?

Mr. KEFAUVER. I have seen that statement, and I am aware that that is happening to some extent. As to the extent and importance of it, as related to our overall economy, I am unable to say, because I have not studied the subject sufficiently. But basically what we have been having has been a situation in which prices have been fixed by the administrators and by the leaders in certain concentrated businesses.

Prices are also fixed by the leaders of unions in certain industries. We have been on a merry-go-round of price-wage increases. I should say that the price increases have been more than sufficient to take care of the wage increases—sometimes several times as much as has been necessary.

But whether the cause is prices, whether it is business, or whether it is labor, the way things are going now is not doing anyone any good.

That is what is at the bottom of the administered price study we have been making. I believe that the lack of action, and in some cases, the kindling of the fire by governmental policies, have played an important part.

This is a wide field, in which many committees can operate effectively and in the public interest. I certainly shall support the pending resolution, but I wish to make a record of the legislative history of what we are doing, so that there may be coordination between the two committees in this field.

Mr. DOUGLAS subsequently said: Mr. President, earlier today the Senate passed Senate Concurrent Resolution 13 unanimously. At this time I want to say that I appreciate the remarks made on behalf of the resolution by the majority leader [Mr. JOHNSON] and by the ranking minority member of the committee in the Senate, the Senator from Connecticut [Mr. BUSH.]

I believe that the American people desire that our economy meet three tests; namely, providing maximum employment, an adequate rate of growth, and maintaining relative price stability and preventing both inflation and deflation.

There are some who would either openly or secretly subordinate maximum employment and growth to the maintenance of price stability, and there are others who openly or secretly would be willing for us to suffer instability in the price level, and hence inflation, if it would bring full employment and a more rapid rate of growth.

I believe that the real purpose of this study is to attempt to rationalize these three goals of our economy and to find ways and means by which we can achieve maximum employment, an adequate rate of growth, and relatively stable prices. I do not believe that we must subordinate one goal in order to achieve the others.

In this connection we shall go into the following subjects:

First. Historical and comparative rates of unemployment, production, and prices;

Second. Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

Third. The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

Fourth. The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

Fifth: The effect of governmental expenditures, taxation, and budgetary surpluses and deficits and of monetary and debt management policies upon price levels, production, and employment.

Sixth. International influences affecting prices, production, trade, and employment; and

Seventh. Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, and adequate rate of growth, and substantial stability of the price level.

I think that these subjects can be pursued in an objective manner. I believe that no partisanship will prevent our committee from agreeing on the procedures to be followed and a statement of the facts, even though it may follow that we may disagree to some extent on the meaning and analysis of the facts. However, if we do no more than agree to the facts and develop them thoroughly, we shall have made considerable headway.

However, I believe that we shall do a great deal more than that, and I can say that the committee is united in the spirit in which this study is to be undertaken.

I appreciate the support of the majority leader, the minority spokesman, and of the Senate, in both urging and agreeing to this study. We shall try to be both objective and frugal, and to produce reports, hearings, and recommendations which will make a contribution to our knowledge and to our economy.

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

The concurrent resolution (S. Con. Res. 13) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Economic Committee, or any duly authorized subcommittee thereof, as authorized by the Employment Act of 1946, as amended, is authorized and directed to conduct a full and complete study of and investigation into the problems of providing maximum employment and an adequate rate of economic growth, as well as maintaining price stability and preventing inflation, including, among others, the following subjects.

(1) Historical and comparative rates of unemployment, production, and prices;

(2) Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

(3) The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

(4) The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

(5) The effect of governmental expenditures, taxation, and budgetary surpluses and deficits and of monetary and debt management policies upon price levels, production, and employment;

(6) International influences affecting prices, production, trade, and employment; and

(7) Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, an adequate rate of growth, and substantial stability of the price level.

SEC. 2. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized through January 31, 1960 (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearing, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 3. The joint committee shall from time to time report its findings and recommendations to the Senate and the House of Representatives and shall make its final report at the earliest practicable date but not later than January 31, 1960.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $200,000, through January 31, 1960, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BUSH. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

UNEMPLOYMENT IN DEPRESSED AREAS

The PRESIDING OFFICER. Under the unanimous-consent agreement heretofore entered, the Chair lays before the Senate the unfinished business.

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. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. At what time does the unanimous-consent agreement become effective?

Mr. JOHNSON of Texas. It is in effect now. I am prepared to yield time to Senators for insertions in the RECORD. Morning business was concluded before the Senate proceeded to consider Senate Concurrent Resolution 13, the inflation resolution. It was taken up by unanimous consent.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Delaware.

THE EXPENSIVE FARM PROGRAM

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Millions for Growing What No One Needs: The Expensive Story of the Farm Scandal," published in the Charleston, W. Va., Gazette of March 10, 1959.

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

MILLIONS FOR GROWING WHAT NO ONE NEEDS: THE EXPENSIVE STORY OF THE FARM SCANDAL

It was Senator WILLIAMS, Republican, of Delaware, whose patient kindling finally built a fire under the Internal Revenue Service. It was a model investigation and produced the evidence which sent a number of embarrassed officials to jail.

Using much the same methods—the painstaking addition of fact to fact—Senator WILLIAMS has now taken on the farm program. His theme is that the farm program, as it is loosely called, does not do what it is supposed to do. That is to say that it does not protect the small, family-type farm. And in it the lavish expenditure of funds serves as little more than a governmental guarantee on the operation of corporate type farming.

What Senator WILLIAMS means is this: Last year the Delta and Pine Land Co., of Scott, Miss., received $1,167,000 in farm subsidies on its cotton crop.

Delta and Pine led the list, but not by much. Producer's Farms, Inc., of Stuttgart, Ark., drew $1,460,000 on its rice crop, and Westlake Farms, Inc., Stratford, Calif., walked off with $854,450 in cotton subsidies.

These three corporations, says Senator WILLIAMS, received in support payments more than the total amount received in all crops produced in 1957 by all farmers in Delaware, Maryland, Pennsylvania, and New Jersey.

And just to clinch the point Senator WILLIAMS entered in the CONGRESSIONAL RECORD the names of 51 other farms and farmers who received in excess of $100,000, mostly in support of cotton, corn, rice and wheat.

These are not, as many people believe, the small, independent family-type farms which support American citizenship at its historical best. They are vast and efficient operations which cultivate the Government's support program as industriously as they cultivate the soil.

This does not mean that the corporate farm is an evil. It does mean that there is no more reason to subsidize them than there is to subsidize General Motors or United States Steel.

TRIBUTE TO WILLIAM H. HILL, OF BINGHAMTON, N.Y.

Mr. KEATING. Mr. President, will the Senator yield 1 minute to me?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from New York.

Mr. KEATING. Mr. President, today marks the 83d birthday of the elder statesman of New York State Republican politics, former Congressman William H. Hill, of Binghamton. It provides me with a most welcome opportunity to pay tribute to a man who has literally devoted his entire adult life to public service and to helping better the lot of his fellow men.

At the tender age of 21, Billy Hill became president of his home village of Johnson City, N.Y. In the years since then, he has served as a member of the New York State Senate, as a Member of Congress, and as a member of the New York State Parks Commission. He has been a delegate to numerous Republican

National Conventions and has for years stood as the most highly respected and powerful political figure in New York's southern tier.

As publisher of the Binghamton Sun, Billy Hill has turned his energies to community betterment and to the many causes in which he deeply believes.

His activities in all phases of his busy life have consistently been characterized by integrity, vision, and wisdom. He has exemplified the supreme consciousness of public trust which should guide all men in public service. His inspiring career, devoted selflessly to helping other people, has etched his name irrevocably in the history of his area and his State.

Through it all, Billy Hill has gained in stature and respect. The number who call him friend has grown steadily. There can be no higher tribute to the caliber of this man.

Mr. President, I am proud to salute this kind and good man and to join with his many friends, regardless of political persuasion, in wishing him many more years of happiness, health, success, and continued usefulness to his fellow men.

I thank the majority leader.

LEGISLATIVE PROGRAM—EASTER ADJOURNMENT — ACCOMPLISHMENTS OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I yield myself such time as I may require.

I wish to state for the RECORD that it is planned to adopt a concurrent resolution which will come over from the House. Under the provisions of the concurrent resolution the Senate will not be in session from Thursday of this week until Tuesday, April 7, which is a week after next. It is not planned that there shall be any rollcalls on that Tuesday. The first day upon which it is planned to have any rollcalls is Wednesday, April 8.

I have had a conversation with the minority leader. I believe the House concurrent resolution provides for an adjournment from Thursday of this week, March 26, until a week from following Tuesday, April 7. However, we will have no rollcalls on the Tuesday when we return.

Mr. President, this adjournment has been made possible by the understanding and the diligence and the intelligent cooperation of each Member of the Senate. There are 98 Members of the Senate, and it is rather unique that before Easter we should have been able to pass the volume of legislation which has been handled. It has been made possible because we have cooperated with each other and have reasoned together.

The action on the concurrent resolution just adopted is an example. The distinguished Senator from Connecticut [Mr. BUSH] is present. He is a member of the committee which reported it, and he is interested in it. He cooperated fully. Congress has acted intelligently, I believe.

In addition, we have amended rule XXII of the Senate.

We had been talking about Hawaii becoming a State for 40 years, and we finally admitted Hawaii into the Union, by action of the Congress, after 4 or 5 hours of discussion in the Senate.

We passed a housing bill providing for $2.7 billion. Some persons believed that to be be too small an amount. Some felt it to be too much. The House has yet to act on the housing bill. However, the Senate faced up to the problem and the bill the Senate passed represents the views of a majority of Senators.

We also passed a draft extension act. The President wanted an extension of 4 years. Some persons proposed an extension of 2 years. Some did not want any extension. However, the Senate, by a vote of 90 to 1, passed it exactly as it had been requested by the administration.

The Senate also passed supplemental appropriations for the space program. It was emergency legislation. It was reported exactly as it had been requested, and was passed by the Senate by a vote of 90 to 7.

The Senate also passed the airport bill, providing $465 million over a 4-year period. That was not a Democratic measure, nor a Republican measure. The administration favored one type of measure. The Senate committee went a little further. The Senate did not go quite so far. The Senate passed the bill. The House has acted on the bill, and we will resolve the differences in conference.

Then there was the World Bank bill. There was some discussion as to which fiscal year should be used. The Senate by an overwhelming vote took the leadership and passed that proposed legislation. It was important that we did so.

The Senate also passed a bill amending the Clayton Act and adopted the concurrent resolution to which I have referred.

The depressed-areas bill involves approximately $390 million. It may be amended on the floor, but we will come to a vote on it today.

All this has been made possible by the cooperation of all the Members of the Senate. Therefore, we will be able to go along with the House and take a recess for Easter, and go back home and talk to our constituents. I hope we will come back after the Easter recess enlightened and determined to do what is good for America.

I ask unanimous consent to insert in the body of the RECORD a memorandum on legislation which has been enacted by the Senate since January 7 of this year, the beginning of the session.

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

LEGISLATIVE ACHIEVEMENTS FROM JANUARY 7, 1959, THROUGH MARCH 23, 1959

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirms the fact that the Senate is a continuing body.

Hawaii: Provides for admission of Hawaii as a State.

Housing: Provides for a $2.7 billion housing program over a 6-year period, emphasizing low-cost housing, urban renewal, and a more realistic building program for the elderly.

Draft: Extended for 4 years, or until July 1, 1963, the induction provisions of universal military training, provisions suspending the personnel strengths of the Armed Forces; and authority to draft physicians and dentists.

NASA: Authorized a supplemental of $48,354,000 for the National Aeronautics and Space Administration for salaries and expenses, research and development earmarked entirely for Project Mercury, and for construction and equipment to develop and test a new rocket engine.

Airports: Authorized $465 million over a 4-year period in Federal aid for airport construction.

World Bank: Increased the resources of the International Monetary Fund by 50% and the capital of the International Bank by 110%.

Clayton Act: Amended the Clayton Act to fill an enforcement void which existed for many years by providing that orders issued by the Federal Trade Commission and other agencies under section 11 are to be finalized in the same manner as orders issued under Section 5.

Depressed areas: Authorized a new Federal program with an initial authorization of $389,500,000 aimed at alleviating unemployment and underemployment in depressed areas.

Economic: Providing $200,000 for the Joint Economic Committee to use in making an economic inventory of the United States.

Mr. BUSH. As I understand, the depressed areas bill is the pending business before the Senate.

Mr. JOHNSON of Texas. The Senator is correct.

Mr. BUSH. I should like to observe that I agreed to the unanimous-consent agreement to limit debate with the understanding that the bill would be the pending business at the conclusion of the morning hour today, which I envisioned would be at 2 o'clock. I find it exceedingly embarrassing—and this includes the minority leader and other Senators—to have the bill the pending business at this time, because the Senate may come to a vote on it——

Mr. JOHNSON of Texas. No, no.

Mr. BUSH. We may come to a vote on it rather suddenly.

Mr. JOHNSON of Texas. No, no; we are not going to do that.

Mr. BUSH. If there are no speakers, what will we do?

Mr. JOHNSON of Texas. We will have rollcalls. I have assured the minority leader that we would not come to a vote that quickly. I also gave him such assurance before the unanimous-consent agreement was entered into. I assured him that we would not expect to have a vote before 3 o'clock this afternoon.

Mr. BUSH. I thank the majority leader.

Mr. JOHNSON of Texas. I stated to the minority leader earlier in the day that we would have discussion of the bill.

Mr. BUSH. I thank the majority leader.

Mr. JOHNSON of Texas. The unanimous-consent agreement provided that the bill should be taken up at the conclusion of routine morning business.

Mr. BUSH. Yes.

Mr. JOHNSON of Texas. We will protect the minority leader in every sense.

Mr. President, I ask unanimous consent that I may yield such time as the

Senator from Vermont [Mr. AIKEN] may desire, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I make the same request for the Senator from South Dakota [Mr. MUNDT], the Senator from Nebraska [Mr. CURTIS]; 3 minutes for the Senator from New Hampshire [Mr. BRIDGES]; 2 minutes for the Senator from New York [Mr. JAVITS]; and 5 minutes for the Senator from New Mexico [Mr. ANDERSON].

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

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

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. Will anything be done about the temporary unemployment compensation bill before the Easter recess?

Mr. JOHNSON of Texas. Yes; it has been reported by the committee, and it will be taken up before the Easter recess. What will be done about it will depend on the wishes of the majority of the Senate.

Mr. JAVITS. I thank the Senator.

Mr. JOHNSON of Texas. I thank the Senator from Vermont, and I express my gratitude to him for his cooperation. He is always courteous.

OIL IMPORTS

Mr. AIKEN. Mr. President, I thank the majority leader for the time he has allowed me, because I am sure he does not agree with the matters I am asking to have placed in the RECORD. I ask unanimous consent to have printed in the body of the RECORD an editorial from the Montpelier Evening Argus of March 21, 1959, entitled "Restraint on Competition"; an editorial published in the Burlington Free Press entitled "Senator AIKEN Opposes Oil Import Quotas"; an editorial published in the Rutland Daily Herald entitled "Oil 'Mess-take' "; and an editorial published in the Boston Globe of March 19, 1959, entitled "How To Alienate Friends."

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

[From the Montpelier Evening Argus, Mar. 21, 1959]

RESTRAINT ON COMPETITION

From every conceivable standpoint, the Federal Government's imposition of a mandatory system of import quotes on crude oil, gas, and other principal petroleum products is as irresponsible as it is unwise and unnecessary. It is clearly a decision made in homage to a group of special interests—some of the purely domestic oil companies—at the expense of the general welfare.

It will undoubtedly lead to an oil and gasoline price increase, thus furthering the pressures of inflation—which the Federal administration, incidentally, is supposed to be fighting on other fronts.

It can do nothing but harm to our already damaged foreign trade and foreign relations programs, being, as it is, a restraint on free world trade and competition.

It may well lead to further interference by the Government in economic controls, if the administration's promise to "police" the program is carried out.

The Government, which sounded more than a little embarrassed at its own decision, gave off with some sop about this being in the interest of national security. This is red herring nonsense, and smells as such.

That statement completely ignores the fact that the restrictions apply equally to Canada. How, now, could there be any interception on U.S.-bound oil on the sea in this case? Canadian officials had protested the decision even before it was made as another example of breaking down friendly relations between the two countries.

And in neutral countries overseas how does the Government think this decision will be interpreted? How else but a contradiction of our high and mighty sounding phrases about international cooperation and free trade? And, in all honesty, what else is it?

The blow may well hit New England harder than other parts of the country, since the import restrictions apply also to residual oil.

President Eisenhower included this in the compulsory program despite repeated protests from the New England delegations in Congress and from others in this part of the country.

Instead of listening to these entreaties, the Government went ahead with a decision that can only result in increased oil prices in New England and give inflation a further impetus all over the country.

[From the Burlington Free Press, Mar. 20, 1959]

SENATOR AIKEN OPPOSES OIL IMPORT QUOTAS

Senator AIKEN criticizes President Eisenhower for placing mandatory quotas on oil imports. The Senator has a lot on his side.

One of the subjects the British Prime Minister is expected to discuss with the President during his current visit to Washington is trade policy.

There is a great deal of uneasiness in Britain and elsewhere about a U.S. tendency to deny its markets to foreign producers.

Canadians are unhappy about quotas on oil, lead, and zinc. Australia doesn't like the lead and zinc quotas.

As Senator AIKEN notes, tariff barriers and import quotas protect domestic producers from competition and push U.S. consumer prices upward. In other words, they tend to be inflationary.

President Eisenhower's order on oil import recognizes this by saying price increases will be watched closely and that imports of cheaper foreign fuel will be accepted in larger volume to control prices, if necessary. This is a new price-control wrinkle.

A restrictive trade policy works against objectives of the President's foreign aid program when nations who depend on sales of textiles, wood products, foodstuffs, and other items of trade are denied American markets.

Foreign aid is aimed at helping other countries help themselves, but trade barriers prevent them from helping themselves by producing things and selling them in the American market.

The one overriding argument for tariffs and import quotas in maintenance of strong defense industries. America would not want foreign competition to weaken its petroleum industry to the extent that the country would be in a hopeless position if denied foreign supplies.

Employment for American workers, protection of the investments of American stockholders, and general economic stability are other considerations.

It is the President's job to weigh the welfare of foreign friends against national security—to decide whether the preservation of jobs devoted to items of domestic consumption would be offset by loss of jobs for those engaged in production for export—to balance the disruptive effects of foreign competition on one industry against the inflationary effects of eliminating that competition.

The President's decisions regarding oil, lead, and zinc may be sound and they may not be. There is room for argument.

To the extent that these decisions represent a trend toward protecting more and more industries whose labor costs and other costs are pricing them out of markets, we fully share Senator AIKEN's misgivings.

[From the Rutland Daily Herald, Mar. 21, 1959]

OIL MESS "TAKE"

It will be difficult, at least for most New Englanders, to disagree with Senator GEORGE D. AIKEN's charge this week that the Federal order limiting imports of crude oil and its principal products is "a classic in contradictions." It is ever more difficult today than on Wednesday, when the charge was made in a Senate speech, for current figures show oil inventories at a more favorable level than a year ago and on Thursday a leading oilman gave further confirmation to estimates that demand for petroleum and its products is on the rise.

This past winter—it is, technically, past now since spring arrived at 3:55 a.m.—has been one to remind everyone of the part fuels play in determining the cost of living and doing business, especially in this part of the country which lacks mineral fuel resources.

Add the other five points in the Senator's indictment—besides these two of regional discrimination and inflation—and the import restriction order seems definitely a mistake: a "mess-take," one might say.

It won't help employment, even in the oil fields: Texas has just ordered a cut in April's allowable production, below the March level.

It won't help our relations with other oil-producing nations.

It won't help U.S. industry compete in foreign markets.

It won't help our national security.

It won't help stem the trend toward Government controls of industry—all industry—and people.

The reference to national security seems particularly important. Why, in these parlous times, should we use up our not unlimited fuel reserves when distant supplies are readily available and purchase of them actually helps the overall economy of the friendly nations?

[From the Boston Globe, Mar. 19, 1959]

HOW TO ALIENATE FRIENDS

News emphasis on Prime Minister Harold Macmillan's stopover at Ottawa yesterday, on his way to Washington, naturally focused on the Berlin question. But another subject highly important to Canadian-American relations, also occupied the attention of Britain's leader and Premier John Diefenbaker: the worsening relations between Ottawa and Washington.

Few on this side of the border realize the situation created for Canada by the latest jolt to her economy and pride—abrupt imposition of import restrictions on foreign oil by the United States. This step, taken in the overworked name of "national security," makes little sense insofar as Canada is concerned. The result is smouldering anger in Ottawa.

The cutback on Canadian oil exports to the United States is but the latest episode in a lengthening list of grievances which are impairing relationships on this continent. The dumping of our surplus wheat abroad is another. Refusal of our military procurement authorities to grant Canada a significant share in production orders for defense equip-

ment mutually employed, continuing interference with Canadian subsidiaries of American corporations in the trade field, are others.

Last year, when this evolving situation stirred public attention, Washington indicated a desire to order things better. Apparently correctives have made little progress. As a consequence, Canada is in serious trouble in her export trade and her sense of nationalism has been fired anew.

Neglect, snubs, and inattention are bad diplomacy. They should end. Perhaps the Canadian Week seminar in Boston next month (which the Globe is sponsoring), may stimulate greater realism. The real corrective needed is a Canadian-American economic covenant. That is overdue.

PAKISTAN INDEPENDENCE DAY

Mr. BRIDGES. Mr. President, today is Pakistan Day, a day of great significance to one of our stanchest allies in all of Asia.

On this date in 1940 the political ideal of a separate nation on the vast subcontinent of India was born. And on this same date 3 years ago, Pakistan ceased to have the dominion status which it had acquired at the time of partition in 1947, and officially became an independent republic.

It is, therefore, an important day, and a proud day, to the people of this struggling young nation.

I think this might be an appropriate occasion on which to set the record straight on the recent change of government in Pakistan. It appears that the picture may have been deliberately distorted by those who would like nothing more than to see the Government of Pakistan fail.

In this respect, I refer to recent speeches made by the newly appointed Indian Ambassador to the United States.

Mr. M. C. Chagla, the new Ambassador from India, told the India League of America that the United States is—

> pouring millions and billions of dollars into India to help her to organize herself industrially. At the same time, by giving arms to countries hostile to us, she is compelling us to spend more and more on our defense and this diverts our resources from being used for the good of our people to building up arms and armaments.

Obviously, in referring to countries "hostile to us" the Ambassador meant Pakistan. He went on to refer to the present governing regime in Pakistan as a naked military dictatorship.

In the first place, it is obvious to anyone who has carefully followed events in Pakistan since Gen. Ayub Khan assumed the Presidency 5 months ago that his temporary regime appears to be nothing of the sort. Since he took over last October, he has bent over backward to avoid any repetition of the revolting spectacle in Iraq or, more recently, the bloody exhibition of drumhead justice in Cuba. Not a single shot has been fired. The transition has been orderly.

Ayub, moreover, has won widespread commendation for the sensible and constructive steps which he has taken to give Pakistan political and economic stability. One of the most recent—and most vital—is a sweeping land reform program in which landlords will receive compensation in the form of interest-bearing bonds and former tenants will be able to purchase their own land on easy terms.

In this respect, I should like to quote from an editorial which appeared in the New York Times, January 26:

> As the plans have been outlined, there appears to be a high regard for both human and property rights and an attempt to safeguard them. The reform is needed, and the President is committed to it and has acted boldly. He is deserving of congratulation and of success.

After 11 years of struggling under the burden of a multiparty political system, the people of Pakistan seem to have greeted the administration of Gen. Ayub Khan as a breath of fresh air. Sick of haggling politicians—some of them hoarders and blackmarketeers—Pakistanis were on the verge of total disillusionment when Ayub took over. In his own words, the so-called professional politicians had made a laughing stock of the country.

I point out that our own country struggled for 11 years before it evolved a Constitution to supplant the Articles of Confederation.

Pakistan's struggle has been no less difficult.

Gen. Ayub Khan has given every assurance that once certain urgent reforms have been instituted and a practical and effective constitution has been drafted, he will step down and free elections will ensue. American observers in Pakistan have had no reason to doubt his word.

I also point out that his present provisional cabinet includes eight men drawn from the professions and only three military men. This does not appear to constitute a naked military dictatorship.

Firmly committed to the West through its membership in the Baghdad Pact—as well as by definitely anti-Communist inclination—Pakistan is a genuine friend of the United States.

I believe that in the event the Soviet Union ever made an overt move of aggression in that general area, the United States could rely upon Pakistan to accept the challenge. While the relative armed strength of Pakistan is, of course, minute, I point out that the area which is now west Pakistan traditionally supplied the finest fighting men to be found in the old Indian Army. Pakistan's jet pilots today are rated by our own military observers to be among the best in the world. In the event of war, it seems to me that Pakistan could be counted on to give a valiant account of itself.

The Indian Ambassador claims that by our giving military aid to Pakistan we are compelling India to divert its resources for arms. I should like to state that this may be typical of some of the Indian doubletalk we have had to endure for the last decade.

Nowhere in his speeches does Mr. Chagla point out that the strength of the Indian Army is 280 percent that of Pakistan.

Nowhere does he mention that thousands of well-armed Indian troops are poised on the borders of Pakistan.

Nowhere does he mention that 80,000 Indian troops are stationed in the disputed area of Kashmir alone.

Nowhere does he mention India's arbitrary attitude concerning the canal waters dispute—the end result of which could be much of Pakistan turning into desert.

Neither does the Indian Ambassador refer to the consistent position of the United Nations Security Council as regards a plebiscite in Kashmir.

Mr. President, on the occasion of Pakistan Independence Day, it is well for us to recognize officially in the Senate of the United States this struggling young Republic, which is one of our truer allies. I hope the occasion may have the attention of the people of the Nation.

USE OF NUCLEAR WEAPONS

Mr. BRIDGES. Mr. President, I have been shocked, as have many of my colleagues, at the theory held by many Americans that the United States must never use nuclear weapons unless this country has already been victimized by such a nuclear attack.

On a recent television program, I stated strongly my opposition to this unrealistic thinking. In an editorial which was published in the March 17 edition of the Manchester, N.H., Union Leader, Publisher William Loeb sets forth a striking analysis of this situation. I ask unanimous consent that this penetrating editorial be printed in the RECORD, and I commend it to the attention of all Senators.

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

THE FIRST BLOW COULD BE THE LAST

Senator BRIDGES became properly angry in a national television program last Sunday when he criticized the ridiculous idea held by some namby-pamby Americans that the United States must never use hydrogen or atomic bombs first, but must politely wait until the enemy drops a bomb on us and then retaliate.

People who have this let-them-hit-us-first theory are not only immoral, they are also stupid. They don't seem to care that their theory will condemn to death some hundred million Americans who will die in a few moments after the first salvo of Russian hydrogen bombs drop on the United States.

They are back in the horse-and-buggy age with their thinking. In those days you could afford to allow your enemy to hit the first blow, after which you retaliated.

The first blow in a hydrogen bomb war could very well be the last.

The Democratic majority leader of the House of Representatives also has attacked the idea that we should accept the first blow from our enemy.

On the other hand, the Russians aren't so stupid. In 1955 official Russian strategy, through the influence of Nikita Khrushchev, was changed to the idea of attacking a potential enemy first. As David Lawrence, famed Washington correspondent, points out, the Soviet calls such a first blow "preemptive war." Lawrence adds: "This policy has been fully set forth by high military officials of the Soviet Union in its military journals."

As Lawrence says: "Preemptive war should now also be adopted by the United States for its own self-preservation."

Senator BRIDGES deserves great credit for having pointed out the fantastic absurdity of the theory that the United States must always accept the first blow and then attack.

When the history of these days is written, as this newspaper has said before, Senator

BRIDGES will seem to have heen one of the few leaders of the U.S. Government who could see the extent and could fully grasp the nature of the Russian threat to the survival of the United States.

DEVELOPMENT LOAN FUND

Mr. JAVITS. Mr. President, I support the request of the President of the United States to Congress for a supplemental appropriation of $225 million for the development loan fund. This bill is likely to be the first foreign aid test of the 86th Congress. In the other body, the appropriation appears to be traveling a very rocky road. I think it is only fair that the appropriation be supported in the Senate.

I also believe we must consider the importance of this appropriation to the Berlin crisis, for in the Berlin crisis the American people show solid support of the President, as is evidenced by a survey published in the New York Times. I ask unanimous consent that the article entitled "A Spot Check: Public Firm on Berlin, but Ill Informed," written by James Reston, and published in the New York Times of today, be printed at this point in the RECORD.

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

A SPOT CHECK: PUBLIC FIRM ON BERLIN, BUT ILL INFORMED

(By James Reston)

(This is a report from a New York Times team that made a nationwide spot check of public opinion on the Berlin issue. Team members included Harrison E. Salisbury, Austin C. Wehrwein, Richard J. H. Johnston, Claude Sitton and Gladwin Hill. Part-time correspondents of the Times also assisted in the survey. James Reston summarizes the findings.)

WASHINGTON, March 22.—President Eisenhower's no retreat policy on Berlin has overwhelming popular support in the Nation though many Americans know little about the history of geography of the crisis.

This is the essence of a nationwide spot check of public opinion conducted in the last few days by correspondents of the New York Times.

In interviews with about 470 persons across the United States, the correspondents found general confidence that the Berlin issue would be settled by negotiation rather than by war.

One hundred and eighty-five of those interviewed, or about 39 percent, did not know that Berlin was an enclave in Communist East Germany 110 miles from the West German border. This group was equally uninformed on many other aspects of the problem.

CONCERNED BUT NOT FEARFUL

The spot check, made in urban, suburban, and rural areas, also suggested the following conclusions:

The American people are concerned but not frightened, ill informed but trustful of the administration and particularly of the President, nonpartisan in their approach and confident that somehow this crisis will pass like those in Lebanon, the Suez area and Quemoy and Matsu.

Many believe the Russians are bluffing and will come to terms if the United States stands steady.

Teenagers and college students—those who would have to enter the armed services—are better informed and more concerned than their elders.

There is widespread support for trying to negotiate a settlement at a heads-of-government meeting. (In Los Angeles only about half of those interviewed thought such a meeting would do much good.)

Finally, there seems to be a feeling in the Nation that modern policy issues like Berlin, disarmament, and the state of the Armed Forces are too complicated for popular understanding and therefore must be left to the experts.

The crisis over Berlin arose last November, when the Soviet Union announced it would turn its control of Western Allied access to the city's western sectors over to the East Germans if its proposals for the city's future had not been accepted by the end of May. The Russians called for the establishment of a free city from which the Western occupation forces would have been evacuated.

The West has rejected the Soviet proposals and insisted that it would maintain its rights in the city, by force if need be. Moscow has indicated recently that its May deadline was flexible and that the status quo might remain if East-West talks on Berlin and German issues got underway.

PUBLIC AWARE, PRESIDENT SAID

In his latest news conference, on March 11, President Eisenhower was asked whether "the American public is sufficiently aware of the possibility of war in this situation?" He replied:

"I personally think that the American public is more soberly aware of the true situation than a lot of people around this town.

"This country knows it's a serious situation. They wouldn't be voting this kind of money for defense forces * * * unless they knew it was serious. * * * But what I decry is: Let's not make everything such an hysterical sort of a proposition that we go a little bit off half-cocked. We ought to keep our steadiness."

The Times survey, while turning up much ignorance and misinformation, also found considerable seriousness and steadiness and no hysteria.

"A persuasive gravity marked interviews here," the report from San Francsco said. "No flip answers this time; everyone seemed genuinely concerned. But optimism was quick, sure that all will work out."

This, incidentally, is not much different from the reaction of the experts in Washington who are working on the crisis and on whom the national confidence rests. They, too, are grave and genuinely concerned, and while they do not yet see precisely how the crisis will be resolved, they are confident that in some unforeseen way, some uneasy interim accommodation between East and West will avoid a war.

THE QUESTIONS ASKED

All the questioners in the survey asked the same things: Are you familiar with the Berlin crisis? Do you know whether Berlin is in East Germany or West Germany? Are you interested in the crisis or do you think it is not of great importance? Did you hear or read the President's television speech on Berlin last Monday? If so, do you support his policy? Do you think there will be a war over Berlin?

In general the interviews elicited replies indicating that most people were interested in the crisis and had either watched the President on television or read summaries of his speech on Berlin last Monday, that the speech had made them more familiar with the factors in dispute, but few outside of intellectual or governmental circles claimed any detailed knowledge of politics or strategy involved.

A surprising number—about 75 percent—of those questioned in and around New York did not know that the main strategic problem was that the former German capital was in Communist-controlled territory.

Twenty-three percent of those questioned in the Middle West did not know this, 24 percent in Los Angeles, 56 percent in the San Francisco Bay area, and 58 percent in the Southeastern States.

Following are regional reports in the survey:

EAST—NEW YORK AREA

The public in the metropolitan area betrays no sense of urgent crisis over the Berlin situation.

At all levels of opinion reached, the most common expression was one of generalized concern; rarely were there fears that the situation might produce war. The tension that accompanied previous crises appears to be absent.

Many persons lacked an understanding of the issues involved. Of the 50 to 60 persons interviewed in the area, about 75 percent did not know Berlin's location or precisely the arrangements concerning its status.

The most interested group appeared to be the teenagers and college students. There was an awareness of the problem among college professors, newspaper editors, and those with intellectual pursuits. There appeared to be no great concern in financial circles.

Suburban housewives indicated only vague concern. Taxicab drivers reported no conversations with passengers about Berlin. Tavernkeepers and barbers said they had heard little about the subject.

There appeared to be little interest in Berlin, in Harlem, and in the Puerto Rican segments of the population.

Here are some samples of opinion:

Tony Salvidore, taxicab driver: "No; my fares don't talk about Berlin. Not when they are riding in my cab, they don't. All they talk about is business. Making money. No; I didn't hear the President. I got four kids. All they want to hear on TV is rock 'n roll, rock 'n roll. You think I got a chance to hear the President even I should want to hear him?"

Samuel Silverberg, proprietor of a cigar store in New Canaan, Conn.: "I hear no talk about war. Did they listen to Eisenhower? That's like asking if kids like lollipops. In this community 99 percent of the people are Republican. Of course they listened. But I heard no remarks about the talk. Lots of people are coming back from Europe these days. They say that the United States is the only place they hear this war talk."

Tim Costello, Third Avenue tavern keeper: "Sure, you hear them talking about Berlin, but you can't make much out of it. It's nothing that you are going to understand hanging around a barroom."

Hans Heineman, staff economist: "War could happen, but the general opinion in the financial community is that it will not. People are talking about investments in Europe, making decisions to put large sums of money into European investments. They would not do this if they thought there was real danger of war resulting from Berlin."

James Booker, reporter for the Amsterdam News: "There seems to be very little interest among the people I meet. Much more interest in the Nyasaland situation and Africa than in Berlin. I don't get the impression that anyone thinks there is likely to be a war. I didn't listen to the President. Out of a dozen persons I asked, only one said he heard him. There is great apathy on the question."

About three of every four persons interviewed in the Nation's Capital on the Berlin crisis seemed to be moderately familiar with the problem or more so.

A large part of the 45 persons questioned supported the President's stand in his speech

last Monday. Eleven did not know that Berlin was well inside East Germany.

Most of the persons questioned said the crisis interested them. Somewhat fewer said they had at least mentioned it in discussions with friends or associates.

While the President's declaration that the United States would not forsake West Berlin had the backing of 75 percent of those questioned, others offered a variety of comments, such as the following:

"I think it a misleading statement of the issues."

"That's a nice thought. I'd like to think this is the best policy. Personally, I think peace is the main issue."

Many heard the President

About three-quarters of those interviewed said they had heard or read all of the President's speech.

Questions as to what should be done brought a variety of opinions.

Some persons did not know. Others thought the West should "keep talking and negotiating, whether at the summit or at some other level."

An unemployed typist suggested: "The State Department should straighten that out. They get us into things and they should straighten us out."

Washington's daily newspapers are firm backers of the U.S. policy.

The Evening Star called the President's speech "admirable." The Post and Times Herald found it a "nicely balanced combination of firmness and flexibility."

While the Post had criticized the U.S. position for lack of initiative and imagination, it finds it "grounded on sound principles."

Jack Goulette, a telegrapher, said there was but one thing to do—"Stand pat; don't budge." He thought the issue was not provocative enough to cause war.

Dale Kloat, a Government information officer, suggested: "We should try some fresh approach and be more willing to negotiate than it appears up to date." He did not think the crisis meant war because "people would fear the use of atomic weapons, in which case the world would be pretty much done in and no one would win."

A Democratic Party worker supported the President's statement but noted that he had not offered a concrete solution. She thought that his willingness to negotiate was hopeful but that there was always the possibility of an incident that would cause war.

A worker at the Republican National Committee called for a continuation of "patient negotiation." She foresaw no war, saying: "Already there has been a certain amount of softening in the Soviet attitude."

Summit talks favored

Some other comments:

"Certainly there should be top-level discussions with the Soviet Union. I believe the reason that we are reluctant to talk is that the President doesn't trust his own mental and physical powers in such discussions."

"Don't give in to Soviets. Don't go back on official statements."

"Definitely hold a top-level meeting or meetings."

"Approach a summit conference constructively, but with resolution to do our duty to free world."

"Negotiate a solution consistent with no foresaking of the free people of Berlin and other free peoples of Europe."

"We should begin thinking and should encourage fresh and imaginative approaches by our experts."

"The only conceivable thing is summit proposals. If peace is the criterion, negotiation is the only thing it has on its side."

MIDWEST—CHICAGO

In the great stretch of States from Indiana to the Rockies, the people appeared to be 100 percent behind President Eisenhower in the matter of the Berlin situation. They professed to be ready, if necessary, to go to war over Berlin—even if they were a bit hazy about the diplomatic moves involved.

The general feeling was that Premier Nikita S. Khrushchev was bluffing on the issue and that if the United States refused to back down, perhaps the Berlin crisis could be talked away.

The television speech by President Eisenhower appeared to have clarified the issue for a great many people in the Middle West. His use of a map to illustrate the talk appeared particularly helpful.

In Chicago and in Gary, Ind., 9 persons of 50 interviewed did not know that Berlin was in East Germany. In interviews in Denver; Fargo, N. Dak.; Minneapolis; Madison, Wis.; Indianapolis; Sheboygan, Wis.; Des Moines; Bloomington, Ind.; Salt Lake City; Great Falls, Mont.; and Omaha, 25 of 108 persons did not know how Berlin was situated.

Kansas City views given

Of 46 persons interviewed in the Kansas City area, 32 said that they had watched the Eisenhower telecast and that the speech and map had cleared up whatever vagueness existed about where Berlin lay. The 14 who had not seen the program appeared to have only a vague notion of where the city is in relation to West Germany. Most expressed astonishment that it is more than 100 miles from the West German border.

It appeared that middle westerners had been ahead of their leaders in Washington for some time in their willingness to see a heads-of-government conference.

A Great Falls banker said: "While I agree with the President in part, I think the position taken by certain Senators that we should be willing to be flexible has considerable merit."

Nonetheless there was a certain ambivalence. Many spoke cooly (usually without emotion) in favor of a firm stand and not backing down. At the same time, they favored negotiations and seemed to think that these could be conducted without concessions.

"Bluffnik"

The thought was expressed again and again that the Russians were bluffing. As a woman employee in the Sheboygan City Hall put it: "Bluffnik. That's what I call Russia's threats about Berlin."

A woman business-machine operator in Chicago said: "All we can do is to try to talk them out of it. You have to talk. I think it should be talked out. If we win out in the talking line, we don't have to go to war."

The interviews also brought out the point that because the Berlin crisis was looked upon as a complex diplomatic issue, it was one on which the people were willing to put their complete faith in the President. There were few partisan overtones.

A bartender in Des Moines said 90 percent of his customers backed President Eisenhower "to the hilt." A Des Moines waitress said: "It was the best speech that Ike has made. He should have got tough a long time ago."

In Salt Lake City a German immigrant said: "I feel the President is correct ideologically, that we must not back down lest we have another Munich. But taking account of all the people I still know in Germany, I perhaps feel that we should move very softly. I have great fear of atomic war, which would wipe out all Europe. One thing is certain. The United States must make its intention crystal clear."

A Minneapolis correspondent for the Times reported that Minnesotans stood firmly behind the President, citing as an example, a farm wife who said "I hate the consequences, but I don't believe in appeasement."

Omaha united on issue

In Omaha, a Times correspondent reported that "never have the people of the Omaha area been more united behind President Eisenhower than in his current stand on the Berlin issue."

A housewife there said: "We're morally obligated. We shouldn't appease or give in."

From Denver it was reported that, despite fear of war, residents of Colorado were "almost solidly behind the President's pledge that the United States will make good its obligation to the people of free Berlin even at the cost of war."

A variety of views was expressed in the Kansas City area.

A small businessman remarked: "I guess we'll have to take it as it comes. There has been just one crisis after another since the war ended and there will be more. You just can't keep laying awake at night worrying about these things. You'd go nuts."

A woman from Shawnee, Kans., was skeptical about negotiating with the Soviet Union.

"In the past years," she said, "we have had conferences with Russia. Out of these conferences have come 53 agreements or treaties. Of these 53 agreements the Soviet Union has broken 50. The Indians have a wise maxim: 'Paleface cheat Indian once. Shame on paleface. Paleface cheat Indian twice. Shame on Indian.' "

Optimism is voiced

As for the possibility that war might result from the Berlin crisis, the people of the Middle West were generally optimistic.

The typical comment was along these lines: "I can't really believe that the Russians want to get into an atomic war that probably would destroy both of us. It doesn't make any sense."

Most persons interviewed did not think that there would be a war, but the majority hedged by saying, "I hope there won't be a war."

A lawyer in Great Falls said he hoped war could be avoided and added: "We shouldn't put a chip on our shoulder and taunt the Reds to knock it off. A boner on either side, a reckless challenge, a foolish stand can precipitate a thermonuclear war."

A Chicago working woman said: "I have a feeling war is coming. In the back of my mind it is a nagging thing that keeps bothering."

A young Chicago clerk said he felt war was inevitable. One of his coworkers felt sure there would be a limited, but not an atomic, war over Berlin.

In Omaha a livestock feeder said: "We can't back up forever. Maybe we've waited too long already."

Reader interest held low

The press in the Midwest has given the situation good coverage by local standards. At the Salt Lake Tribune, an editor said, however, that reader interest was "far higher on the issues of taxes and schools and highways."

In an editorial the Denver Post said: "The American people are alarmed about Berlin. They want to know what is expected of them in the crisis."

The editor of the weekly Star Farmer in Kansas said he had not received a single letter on Berlin from his more than 375,000 rural readers since the crisis developed. The editor said there was a lively flow of mail during the Suez and Lebanon crises.

An interview with a Kansas farmer helped explain this lack of interest.

"You just can't keep getting excited every time the Russians start a little hell-raising," the farmer said. "I suppose folks are figuring that the Berlin thing is just another one of these Russians noises."

SOUTH—ATLANTA

Although most persons surveyed in the South thought the Berlin crisis was of grave

importance, there was no widespread understanding of the issues involved.

It was found also that the President had solid backing in the press and among the public for his standfast policy on Berlin. A conference at the summit also met with favor among southerners.

Will war result? Most southerners surveyed thought the Russians were bluffing. Although war was regarded as a possibility, few really believed it would come.

Interviews were conducted with 50 persons, 30 of them city dwellers and the rest rural residents. Eleven States were represented and the occupations of those questioned ranged from utility executive to porter.

Of the 50 persons questioned, only 21 could pinpoint Berlin geographically. The rest had no idea as to its whereabouts or thought it was in West Germany. Many, ashamed of their lack of knowledge, said concern over local problems was responsible.

"That's the trouble with the world today, I suppose," the publisher of the Quitman (Ga.) Free Press said. "We're all so wrapped up in our own little problems that we don't have time to give the big ones the considerations they should have."

A parking-lot attendant in Atlanta said: "I'm a working man. I don't have much time to read about these things."

A Greenville, S.C., waitress said, "If it comes to war, I guess we would be interested."

A major influence

But even those with scant understanding thought the crisis was a matter of grave significance. Only 2 of the 50 said that Berlin and what happened there were of little importance to the United States.

Little Rock's city manager commented: "What is done in Berlin will have a major influence on what happens to peace in the world in the future. It is of very great importance. I feel that it parallels the situation we ran into over Quemoy and Matsu, where a firm stand against possible aggression will pay."

In Mississippi, a regional representative of the national democratic executive committee contended that in Berlin "the future peace of the world is at stake—we'll either be at war by June 1 or we'll have a long period of peace."

S. Walter Martin, president of Emory University in Atlanta, said that a great deal of concern over Berlin had been expressed among young people, both university and high school students.

Of the 50 persons, 40 had either heard or seen President Eisenhower on radio or television or read accounts of his address. Of the 50, 41 said they supported his stand. One was undecided, five were indifferent and three were opposed if such a proposition would lead to war.

The wife of a Canton (Miss.) farmer said that in general she was willing to leave the decisions on Berlin to the President. "That's what he was elected for," she said.

Hungarian crisis recalled

An airline ticket agent in Atlanta was of the opinion that the United States should stand firm on Berlin. "We would lose face if we pulled out," she said, "just like we did in the Hungarian situation."

A Marietta (Ga.) railroad conductor concurred. "We should stand pat and not back up an inch," he said.

Those surveyed thought almost to a man that the answer to the problem lay in negotiations. Sixteen pinned their hopes on a summit conference; a number of such opinions were expressed in areas where local newspapers had favored such a meeting.

With few exception those questioned thought that a withdrawal from Berlin would only postpone a showdown. There was no sympathy for appeasement.

A woman civic leader in Birmingham, Ala., said that every possibility for negotiations should be explored. Like the others she opposed any retreat, however.

"This time," she said, "we've to call Khrushchev's bluff. The talking stage has just about reached the end."

The editor of the Warren Sentinel in Front Royal, Va., said the United States should seek "much closer liaison with our allies toward setting up a strong European policy" and "definitely explore every possibility for talks with Russia."

"Too often in the past we've overlooked chances to explore some means of agreement with Russia," he added.

An Atlanta building porter agreed. "Negotiations," he said, "that's the best thing for all of us."

A Little Rock lawyer made the point that more than Berlin was involved.

"It's not just West Berlin that they're after," he said. "It's a matter of a chess game with an advantage to be pressed wherever possible. If we're forced to relinquish West Berlin, it will give them a wedge to be used to propagandize the so-called softness and fear of the Western Powers."

Face-saving device

A vice president of a Wilkesboro, N.C., bank thought a summit conference "might give the Russians a face-saving way out of this difficulty and perhaps give our crowd more room in which to maneuver."

On the matter of whether the Berlin crisis would result in war, seven persons thought it was either highly likely or would definitely occur. Twenty-one thought there would be no war and 21 said that they did not know.

"I think Russia wants the world, but I don't think it wants it through a war," a Kissimmee, Fla., veterinarian said.

"Khrushchev realized much better than we how unreliable the satellites are," a radio commentator in Thomasville, Ga., said. "Do you think he would start his land armies moving knowing that they would get a burst of machinegun fire in their backs?"

The wife of a university professor at the University of Georgia, in Athens, said, "I think that both sides will be able to talk themselves out of war."

A textile mill spinner from Kannapolis, N.C., expressed the opinion that there would be no war because U.S. defenses were strong.

The survey in the South found that up to the time of the President's speech the press did not give much space to news about Berlin. With the speech, however, the crisis has been featured and has been given more space.

FAR WEST—LOS ANGELES

In the Far West 110 persons were surveyed. Almost all supported the Eisenhower administration's stand on Berlin, favored negotiations, and thought there would be no war.

Broadly the survey indicated that the public is moderately (but not too well) informed on the Berlin situation. In the southern California area, 36 of 60 persons interviewed knew Berlin is in East Germany. In the rest of the areas surveyed, 22 of 50 knew where the city is.

There was virtual unanimity in southern California about standing firm, and about half those interviewed thought that conferences with the Russians were a way toward a solution. Seven thought conferences would be useless.

Of the 60, only 2 said that they had watched the full Eisenhower telecast. Only two suggested the United Nations as an avenue through which the crisis might be resolved.

One person favored a preventive military attack, while another said that even Soviet domination would be preferable to nuclear hostilities.

Only one person, a gasoline station operator, suggested more cultural exchanges as a promising avenue to better relations with the Soviet Union.

"Kept me awake nights"

A public-relations man for a college said that he felt that the situation seemed so critical to him "it has actually kept me awake nights."

Only one person in southern California suggested that the situation had been made to appear more dangerous than it actually was. A suburban city official said: "People are talking like this was Armageddon. I don't think it's nearly as important as junctures like Korea, when we had both sides engaged in actual warfare."

Six persons blamed faulty U.S. foreign policy for the present situation. Five of these blamed the Eisenhower administration and the Truman administration.

Again, six thought the United States should carry out its policy of "standing firm" to the point of using force if necessary.

In the interviews elsewhere on the west coast, a persuasive gravity was noted. No flip answers this time, everyone seemed genuinely concerned. But optimism was general, quite sure, that all would work out.

Here are some samplings of opinions in the San Francisco area.

An attorney: "One side or the other has to back down and this time it will have to be the Russians. I think it will work out all right if our diplomats can accomplish this and make it look like a Soviet victory."

An employee of an automobile rental service: "Ike's speech was really sharp, the best thing he's done in a long spell. We can thank our diplomatic corps for keeping the situation from already boiling over."

A bank clerk: "There's always a crisis. I think it's just to keep the country on its toes."

"That's all it takes, talk"

A liquor store clerk: "This whole thing can be settled by a lot of talk. That's all it takes. Talk."

A curio shop manager: "I agree wtih Mr. Macmillan. I think we need a more open mind. I wish Mr. Eisenhower would listen to Mr. Macmillan's ideas on Berlin."

A hotel owner: "The Russians don't want war any more than we do. I think they'd like to have this whole thing simmer down a bit, and that's why we should have a summit conference."

A barber: "I don't think there'll be a war any time soon—maybe in 2, 3 years. But not now."

Editorially the Los Angeles Times, a Republican newspaper, has commented: "Something is going to happen concerning Berlin and the Germans before the year is out. We are more sure than ever of two things. It won't be: (1) Evacuation of Berlin, and (2) war."

The Phoenix (Ariz.) Republic, another Republican newspaper, said: "As long as the United States stands firm, the Reds will not embark on military adventures."

An independent newspaper, the Alberquerque Journal, commented: "The likelihood of any shooting as a result of the Berlin crisis within the foreseeable future [been] greatly diminished [by] President Eisenhower's offer to attend a summit conference."

Mr. JAVITS. Mr. President, the survey shows that the American people feel that the Russians have profound respect for the capabilities of the United States to carry on a cold or a hot war.

The President of the United States himself has equated foreign aid and its maintenance with the military defense of the United States. Certainly it must be equated with what is called a firm posture on the part of the United States.

If Congress indicates that it does not intend to back the President on the Development Loan fund I believe such action will be regarded as evidence of a lack of confidence in foreign aid, whether military or economic, and of a strong position generally in furtherance of the foreign policy of the United States. So I agree with Mr. William H. Draper, Jr., who was chairman of a group which surveyed the foreign aid policies of the United States, and who said it would be a tragedy if the $225 million request were rejected, because the vote on this proposal will be the first vote on the foreign aid picture at this session.

Finally, Mr. President, if we needed anything to buttress our determination in this field, and to show how shortsighted it would be for us to seriously damage the only program which really is an effective American offensive in the foreign field, we learned it from yesterday's newspapers, which informed us that the Soviet Union is now becoming a formidable rival of the United States in the foreign-aid field. The Soviet Union is paying the United States the flattering compliment of imitation.

We now learn that last year the Soviet Union expended more than $1 billion in foreign aid. That represents a vast increase in what the Soviet Union has previously done.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article to which I have referred.

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

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

REDS' FOREIGN AID TO 18 COUNTRIES UP BILLION IN 1958—BUT ECONOMIC ASSISTANCE IS FOUND TO LAG BEHIND AID PROVIDED BY THE UNITED STATES

(By E. W. Kenworthy)

WASHINGTON, March 21.—The Communist bloc signed aid agreements with 18 underdeveloped countries last year totaling $1 billion, according to the State Department.

This marked a sharp stepup in the bloc's economic offensive. However, even in the areas in which the Communist concentrated their offensive, their total aid program lagged behind that of the United States.

The Communist drive did not get underway until 1955. Up to the end of 1958, the bloc had signed agreements with 18 underdeveloped countries to provide $2,373 million in grants and credits for military and economic aid.

Of this total, $1.591 million was for economic aid and $782 million for military.

U.S. PROGRAM LARGER

By contrast the United States over the same period extended grants and credits to the same countries amounting to $4,442 million. Of this $3,304 million was in economic aid and $1,138 million for military.

The disparity in the Communist and U.S. programs is greater if account is taken of what the United States has extended since 1948.

Over the 11 years, the United States has extended to these 18 countries loans and grants totaling $8,628 million, of which economic aid amounted to $6,005 million and military $2,623 million.

The Communist bloc is also stepping up its technical assistance program. During the last 6 months of 1958, 2,809 technicians spent at least a month in one or another of 19 countries. This compared with 1,600 a year earlier. In addition, there were 1,200 military technicians serving in these countries.

FIGURES NOT COMPARABLE

Figures for U.S. technicians are not comparable because they do not move in and out as do the Communist advisers. As of December 31, 1958, there were 2,333 U.S. economic aid experts in the same countries.

The Soviet aid program began in 1954 with a $11 million credit to Afghanistan. Since then the yearly aid totals were as follows: 1955, $339 million; 1956, $718 million; 1957, $287 million; 1958, $1,029 million.

Of the nearly $2,400 million extended by the bloc, the Soviet Union has offered $1,600 million, the Eastern European satellite countries $650 million, and Communist China $120 million.

A relatively small amount of the Communist aid has actually been delivered—only about $900 million, of which more than half is military.

Aid has been concentrated in the United Arab Republic (Egypt and Syria), Iraq, Afghanistan, India, Indonesia, Argentina, and Yugoslavia. The aid to Yugoslavia was delivered before Communist Party relations between the Soviet bloc and Yugoslavia cooled again in 1957.

The Soviet Union moved into Iraq with offers of aid after last summer's revolution. It granted a military aid credit of $120 million. A few days ago negotiations were completed for economic aid credits of $137 million.

Virtually all Communist aid is in credit form; grants have been negligible.

For the past year, most development aid extended by the United States has been in loans repayable in local currency. Export-Import Bank loans are repayable in dollars. Technical assistance is in grants, and so, usually, is aid extended from special assistance or contingency funds for budgetary support of countries with shaky economies.

U.S. military aid is in grant form, and this is true also of defense support aid to enable countries to maintain larger military forces than they could otherwise afford.

The following table compares Communist bloc commitments and U.S. obligations and authorizations for economic aid from 1955 through 1958 in millions of U.S. dollars:

	Soviet bloc	United States
Afghanistan	$116	$62
Argentina	102	285
Brazil	2	551
Burma	34	58
Cambodia	34	125
Ceylon	58	32
Egypt	311	22
Ethiopia	2	45
Iceland	5	17
India	304	954
Indonesia	194	143
Iran	3	153
Iraq	0	10
Nepal	13	14
Syria	195	0
Turkey	13	431
Yemen	42	0
Yugoslavia	163	402
Total	1,591	3,304

Mr. JAVITS. Mr. President, that amount of foreign aid by the Soviet Union represents a vast increase in what the Soviets previously have done, and tends to rival our own efforts in the same field.

Mr. President, we must bear in mind that, because the Soviet Union is a dictatorship, it has the capability of massing its efforts at any particular point, in the most vexatious possible way—for example, in an area so inflammable as the Middle East—whereas the United States has to spread its foreign aid around through the free world.

Mr. President, the foreign-aid program of the United States, undertaken back in 1947–48, represents the offensive capability of our country to induce especially the underdeveloped areas not to try to improve their economies by the rule of force, secret police, and privation—which is the Communist system—but to proceed by the rule of the development of the individual, investment of savings and of a private economic system and of the working power of free men—which is our system. However, that cannot be done effectively without financing and credit.

The United States is the main source in the entire world of financing and credit. If we threaten to seriously reduce a necessary element of such credit because we are shortsighted and do not see clearly our own interests, I think the world may read into that action the idea that our words about firmness in Berlin do not mean all they seem to say, because we are not ready to back them up fully with deeds. Especially is this so in view of the fact that the Draper group, to which I have referred, asks us to back up our foreign military assistance with $400 million more a year—thus saying, in effect, that our country is not doing enough.

So, Mr. President, let us be sure that we do not design major foreign policies and then do something to imperil our own program.

Mr. GRUENING. Mr. President, let me inquire of the Senator from New York whether the amount requested is to be charged to next year's budget.

Mr. JAVITS. I think it is to be charged to this year's budget, under a supplemental appropriation bill.

Mr. GRUENING. I wonder whether it should be charged to next year's budget.

Mr. JAVITS. This request is properly charged to this year's budget, as a supplemental appropriation item. As a matter of fact, the President has requested $700 million for the same purpose, to be charged against the 1960 budget.

The $225 million is needed, because I believe the Development Loan Fund has received approximately $1,350 million of legitimate requests, but is practically out of money at this time.

So this item is truly and really a supplemental appropriation request, properly applicable to this year's budget.

Mr. GRUENING. I thank the Senator from New York.

THE DANGER OF ATOMIC FALLOUT

Mr. ANDERSON. Mr. President, the problem of fallout and its danger to the peoples of the earth is one which has been with us for a long time.

The members of the Joint Committee on Atomic Energy, in an effort to supply some of the answers to the questions that came pouring to them and to other Members of the Congress, held hearings in June of 1957. The hearings were conducted by the Honorable CHET HOLIFIELD, a Member of the House of Representatives from the State of California and chairman of the special Subcommittee

on Radiation of the Joint Committee on Atomic Energy.

One of the difficulties in those long hearings was that there seemed to be very little agreement among scientists. Some chemists and physicists seemed to discount the importance of fallout and tossed it away with casual comments as if it had no greater hazards to society than do luminous wrist watches.

A group of geneticists was tremendously interested in the possibility that radioactive fallout might result in a serious threat to generations yet unborn. One of them calculated that even though the problems of radioactive fallout might affect only a few people out of every million, yet, when those few were measured against the hundreds of millions who occupy the globe, they represented a substantial number of deaths or deformities each year, and as such they should be taken seriously.

The Joint Committee has continued its interest in this subject, and has scheduled for next May additional hearings, again under the chairmanship of Representative HOLIFIELD.

As is now well known, there seemed to be a disposition to keep any new fallout data from getting into the hands of the public. The Joint Committee released for the Sunday morning newspapers unclassified versions of recent classified correspondence from the Defense Department and the Atomic Energy Commission. At the time of its release, I issued a statement, the text of which ought to be available in connection with the letters. I, therefore, ask unanimous consent that the release be printed at this point in the RECORD.

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

In commenting the other day on the Defense Department leak of classified information on the Argus shots (high altitude shots in the South Atlantic in September 1958), I pointed out that it was curious that the Defense Department at the same time was gagging the Joint Committee on making public some important data on fallout from weapons tests.

The Defense Department and the AEC have now released their fallout correspondence with classified deletions, and it is made public in the attachments. First is a letter to me dated February 19, 1959, by the Defense Department revealing new data from classified sources on the residence time of fallout in the stratosphere, and the areas of maximum drip-out. Next is a letter from the AEC spokesman, Dr. W. F. Libby, commenting on the Defense Department letter and research project on which it was based. Then there is a transmittal letter from AEC stating their official reservations. Finally there is a brief chonology of our attempts to make this information public.

The process of making public the Argus and fallout information is an example of how difficult it is to make available to the public the information it is entitled to have.

The February 19 Defense Department letter states that their measurements indicate that the radioactivity in the stratosphere has a residence half-life of 2 years, instead of 7 years as had previously been assumed by AEC. It also indicates that there is a latitude band of maximum dripout of the fallout from the stratosphere which occurs from 35° to 50° north or south. This area includes the northern part of the United States, and the letter states that "the concentration of strontium 90 on the surface of the earth is greater in the United States than in any other area in the world."

"In layman's language," Senator ANDERSON stated, "it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent high readings of radioactivity in soils and plants.

"This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and the theory that stratospheric fallout tends to drip out uniformly throughout the earth. The AEC letter of February 27, 1959, ought to be checked for consistency with the speech of the same AEC spokesman on March 13, 1959, at Seattle.

"The Joint Committee will look into these matters when it holds its fallout hearings in May of this year under the chairmanship of Congressman CHET HOLIFIELD, of the Special Subcommittee on Radiation."

Mr. ANDERSON. Mr. President, with that statement several letters were released along with a chronology. I ask unanimous consent that the following be printed at this point in the RECORD: First, a letter from Gen. Herbert B. Loper, Assistant to the Secretary of Defense—Atomic Energy, dated February 19, 1959, addressed to the chairman of the Joint Committee on Atomic Energy; second, a letter from Dr. W. F. Libby, Commissioner of the Atomic Energy Commission, to Gen. Herbert B. Loper, indicating the differences which he might have, but also pointing out that he, himself, is "in complete agreement" on many other points of the letter, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst.

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

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., February 19, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy.

DEAR MR. CHAIRMAN: The following is a brief status report outlining the present programs for analyzing and evaluating the radiation hazards resulting from atomic detonations.

Fallout reports from Operation Redwing (1956), Plumbbob (1957), and Hardtack (1958) are currently under preparation.

The hazards of local contamination from nuclear weapon detonations have been fairly well delineated. However, the difficulty in accurately predicting the rapidly varying atmospheric condition results in uncertainties as to the area of fallout. Predictions of local fallout contours from enemy bombs must be based on a large number of assumptions such as the type of weapon, height of burst, and yield. These unknowns do not allow accurate prediction of fallout from enemy bursts during wartime. Delineation of contaminated areas by airborne radiac instruments after deposition of the fallout is presently practicable and will be of considerable military and civil value during wartime.

The deposition of worldwide fallout or worldwide surface contamination is now beginning to be accurately measured. [Classified portion deleted.] Recent indications are that the radioactivity in the stratosphere has a residence half-life of 2 years (in contrast to the previously assumed value of about 7 years) and the present amount of strontium 90 in the stratosphere would be maintained by the injection of about 6 megatons of fission products per year. The concentration of the strontium 90 on the surface of the earth is greater in the United States than in any other area of the world. The danger of carbon 14 and cesium 137 has been examined and the immediate probability of any one individual being affected is about 1 in 500,000.

The risk of damage resulting from the testing of weapons is therefore extremely small and much less than other common day occurrences such as X-rays, automobiles, chemical contaminants, household cleaners, etc. However, the probable casualties attributable to radioisotopes from weapons testing when summed over the populations of thousands of years create a moral issue that could be of considerable propaganda importance.

The distribution of the radioactive debris in the stratosphere as a result of detonations to date is not clearly defined as to its altitude and latitude variation. The altitude dependence partially determines the drip-out rate and the latitude dependence influences the extent to which the worldwide fallout is uniform over the earth. Tentative conclusions to date indicate that three-tenths of the quantity of radioactive debris leaves the stratosphere each year, that the north, south diffusion of radioactive particles in the stratosphere does exist, and that in both hemispheres, there is a latitude band of maximum drip-out which is from 35°-50° north or south.

There is a need for more experimental and collecting programs in the following areas of the effects and behavior of fallout from nuclear weapons:

(a) Amount of fallout deposited locally from a low height of burst.

(b) More accurate determination of the drip-out rate of radioactive particles from the stratosphere.

(c) Further define the estimate of the amount of radioactivity formed per KT of fission yield.

(d) The refinement of measuring techniques to account for all radioactivity produced from a nuclear yield.

(e) Advancements in the knowledge of fireball chemistry, physics, and particle behavior.

(f) Response of biological systems to radiation.

Sincerely yours,

HERBERT B. LOPER,
Assistant to the Secretary of Defense (Atomic Energy).

FEBRUARY 27, 1959.

Hon. HERBERT B. LOPER,
Chairman, Military Liaison Committee.

DEAR GENERAL LOPER: In connection with your letter to Senator ANDERSON of February 19, 1959, concerning radiation hazards resulting from atomic detonations, I have just complete a study of data * * * which you kindly made available to us last December. I am sorry that, because of the complexity of the problem and my preoccupation with other duties, I have been so slow in finishing my consideration of the data and in sending on my comments. * * *

I think your letter to Senator ANDERSON is an excellent exposition of the present position we are in. There are, however, one or two points you make on which I believe further words are necessary in order to resolve some questions.

The extensive data that have already been published by Project Sunshine and the United Kingdom study group, together with your beautiful * * * work, still leave us, despite their great volume and complexity in some uncertainty, as you say, as to the distribution of the radioactive debris in the stratosphere to both altitude and latitude variation. Since the altitude variation deter-

mines in part the drip-out rate and thus the residence half-life in the stratosphere, this quantity is left in some doubt. My own present conclusion is in agreement with yours as stated in your letter, in that my previous value of 7 years for this important number is too long and that it should be reduced. In a restudy of this question, being released March 13 in Seattle, a copy of which will be sent you as soon as it is printed, a new value of about 4 years rather than the earlier 7 is arrived at. I find it difficult to push it down to the 2 years you give as an indicative value.

On the amount of strontium 90 in the stratosphere, at the present time there is a somewhat larger difference in our estimates which may be due to your not having included the Russian series of last October which in itself alone, according to my estimates, increased the stratospheric inventory by about 50 percent. * * * You give the present inventory as requiring 6 MT (megatons fission equivalent) per year to be maintained at its present level. For a half-life of 2 years this corresponds to only 17 MT total and appears to leave too little room for the injections from tests before last October, which I estimate still have left some 25 to 30 MT in the stratosphere for a total at present of about 42 MT and a corresponding required rate of injection for steady maintenance of about 7 MT per year. The closeness of this figure to your 6 MT per year number shows how badly we need further information on the actual stratospheric content.

You indicate that the stratospheric fallout occurs at maximum rates in the 30°–50° bands of latitude in both hemispheres. This old argument still is not quite settled, I believe, although the evidence in favor of your conclusion is increasing. My principal difficulties with it at the moment are that we know that a considerable part of the peak in observed fallout in these latitudes in the Northern Hemisphere is due to tropospheric or local fallout which was never in the stratosphere and the evidence for a corresponding peak in the Southern Hemisphere seems to be rather weak.

With respect to the carbon 14 and cesium 137 hazards, the laboratories measuring radiocarbon dates in various parts of this country, in Europe, and New Zealand have sent me data on the present increase in the carbon 14 content of living matter which amounts to about 10 percent of the natural level of carbon 14 from the cosmic rays which in itself corresponds to about 1.5 milliroentgen per year—about 1.5 percent of the average total natural dose rate. Turning to cesium 137, Dr. E. C. Anderson in the Health Division at our Los Alamos laboratory has just reported data on the human level in the United States and Europe for the late summer and early fall of last year which amounts to an average of about 75 micromicrocuries per gram of body potassium for an internal dose rate of about 3 milliroentgens per year. The total cesium 137 fallout in the United States now amounts to about 50 millicuries per square mile. This adds about 1 mr/yr of external dose for a total of about 4 mr/yr due to cesium 137 which is about 3 percent of the natural average radiation dose rate from natural radioactivity and the cosmic rays. I can't tell whether these numbers are in strict keeping with your estimate that the immediate probability of any one individual being affected by bomb test carbon 14 and cesium 137 is about 1 in 500,000 but I think your estimate looks reasonable.

On the many other points in your letter I find myself in complete agreement, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst. Since it may be that we will not again have the opportunity to test devices, at least above ground, it is particularly important to consider whether we may not collect more information on this point from past tests. I believe there are some possibilities of doing this and I suggest that we undertake such a program jointly right away.

Sincerely yours,

W. F. LIBBY,
Commissioner.

Mr. ANDERSON. Mr. President, next I submit a copy of a letter sent by Gen. A. R. Luedecke to the Joint Committee on March 21. His letter was in response to a Joint Committee letter to the Atomic Energy Commission, requesting the Commission's views on the report, and asking to what extent the difference affected previous assumptions and statements. The letter from General Luedecke was a reply; and I ask unanimous consent that it be inserted at this point in the RECORD, together with a brief chronology of action by the Joint Committee on Atomic Energy to make public this important new information. I wish to have the latter also included in the RECORD, as some very interesting items resulted from it.

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

(Copy of letter to the Joint Committee, received March 21, 1959, from the AEC)

This is in reply to your letter of March 9, 1959, by which you forwarded a copy of General Loper's letter to Senator ANDERSON dated February 19, 1959, and requested our comments thereon.

Commissioner W. F. Libby has written his comments to General Loper in a letter dated February 27, a copy of which was sent to Senator ANDERSON at that time. For your convenience another copy of Dr. Libby's letter is attached.

The revised estimates of stratospheric burden and the residence time presented by General Loper are consistent both with the data referred to by General Loper and with the "Ash Can" data obtained by the Atomic Energy Commission in its balloon sampling up to 90,000 feet. However, it should be kept in mind that knowledge of the stratospheric content alone is not sufficient to determine retention time. In addition one needs the knowledge of either the stratospheric injection or of total stratospheric fallout as a function of time. Within the range of accuracy with which fallout has been measured, observed fallout to date is not incompatible with General Loper's estimate of the injection rate which would be required to maintain the present stratospheric burden.

The two main reasons for the uncertainty in the stratospheric burden and residence time are (1) that the entire stratosphere has not been adequately surveyed from pole to pole and up to altitudes beyond which the overlying radioactive debris can be confidently neglected and (2) that the data obtained at the higher altitudes by balloon only are subject to sizable sampling errors, uncertainties of collection efficiency of the sampling filters, and radiochemical analysis errors due to the small amounts collected.

As a consequence of these uncertainties we do not consider that the data now available are sufficiently decisive to resolve the differences between the estimates of stratospheric content and retention time made by General Loper and the higher estimates given by Dr. Libby in his letter to General Loper. It may be observed that on the basis of the estimates made by General Loper the total worldwide fallout of long-lived radioactive fission products anticipated from all tests up to date would be roughly two times the total deposition so far and that on the basis of Dr. Libby's estimate the total would be roughly three times.

We concur with General Loper in recognizing the need for further investigations along the lines suggested in his letter. We plan to continue our efforts in all these fields. In particular, we hope to be able to differentiate Operation Hardtack surface-burst debris and high-altitude debris, by analysis of tungsten and rhodium isotopes respectively, and, in turn, to distinguish these from the recent U.S.S.R. debris. In this way it should be possible to obtain a much better picture of the actual patterns and rates of spread of stratospheric debris originating in different latitudes and altitudes.

The information bracketed in red on the first page of the attached copy of Dr. Libby's letter of February 27, 1959, is considered by the originating agencies to be confidential defense information. With these deletions Dr. Libby's letter is declassified.

Sincerely yours,

——— ———,
General Manager.

BRIEF CHRONOLOGY OF ACTION BY JOINT COMMITTEE ON ATOMIC ENERGY TO MAKE PUBLIC DEFENSE DEPARTMENT REPORT ON FALLOUT

December 1958: Dr. Libby furnished new data by Defense Department indicating that the radioactivity in the stratosphere has a residence half-life of 2 years instead of previously assumed value of 7 years.

February 20, 1959: Joint Committee received fallout report by the Department of Defense dated February 19, 1959, classified "confidential—restricted data."

February 27, 1959: Confidential letter sent to Defense Department by Dr. Libby with copy to Joint Committee chairman in which Dr. Libby arrived at new value of 4 years instead of previous 7 years.

March 9, 1959: Joint Committee by letter this date to the Defense Department questioned the reasons for the "confidential" classification of the report and inquired as to what extent the information could be discussed in public without compromising classified information.

A separate letter this date was also sent to the AEC requesting the Commission's views on the report and to what extent the conclusions affected previous assumptions and statements.

March 13, 1959: Restudy by AEC of worldwide stratospheric fallout released at Seattle, Washington, in which no mention of Defense Department study is made and which maintains position of a residence time of 5 to 10 years, selecting 6 years as the mean residence time of stratospheric fallout. Results of another AEC analysis, Project Ash Can which indicated a residence time of 3 years was discounted as being doubtful. No mention was made that the Department of Defense conclusions of residence half-life of 2 years tended to support results of Project Ash Can.

March 18, 1959: By letter, the Defense Department advised the Joint Committee that only one sentence in the report contained classified information and after identifying it went on to state:

"Although the remainder of the letter is unclassified; the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that has been obtained so far. We believe it would be far better before the data and conclusions are made public that there be a close agreement amongst the investigators concerned. Therefore, we believe that until the results are more than preliminary, the 'confidential' classification should remain on the letter."

March 20, 1959: Letter received by Joint Committee from the Defense Department advising the report could be made public with deletion of the one classified sentence.

March 21, 1959: Letter received from AEC stating what portion of Dr. Libby's confidential letter of Feb. 27, 1959 to the Department of Defense does not contain classified information.

Letter and report released by Joint Committee after deletion of classified information.

Mr. ANDERSON. Mr. President, the New York Times published in full the entire correspondence. I regard its publication as a public service of the highest order. All over the country there are anxious people who have been trying to learn all they can about the question of fallout and the suppression of fallout data. The action of the New York Times in printing the correspondence in full was a splendid step, and I commend that publication for its fidelity to the interests of the public in this regard.

The Washington Star published a very good article on Sunday, also. I do not believe that all of it needs republication, but I ask that a portion of the article by Richard Fryklund be printed at this point in the RECORD.

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

ANDERSON SEES FALLOUT REACHING FASTER RATE—BUT NEW DATA DISCLOSED BY SENATOR MAY MEAN TOTAL QUANTITY IS SMALLER

(By Richard Fryklund)

Radioactive strontium 90 may be falling from the stratosphere at a faster rate than the public hitherto has been told, and the fallout may be greatest over the United States, Chairman ANDERSON of the Joint Atomic Energy Committee said yesterday.

But, on the other hand, new data released by Senator ANDERSON also indicates that total future fallout appears to be half what had been expected.

This is another episode in a long dispute between Senator ANDERSON and Atomic Energy Commission policy and Pentagon secrecy. The significance to the public of the new data is still a matter of controversy—a controversy further complicated by admissions by all scientists concerned that they really do not know enough about radioactivity to say positively what the fallout danger is.

Senator ANDERSON's data is in the form of a series of letters to the committee from Maj. Gen. Herbert B. Loper, assistant to the Secretary of Defense for atomic energy; Dr. Willard F. Libby, Atomic Energy Commissioner and the only scientist on the Commission; and A. R. Luedecke, General Manager of the AEC.

With the letters was an interpretation by Senator ANDERSON, who said:

"In layman's language, it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent higher readings of radioactivty in soils and plants.

"This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and to the theory that stratospheric fallout tends to drip out uniformly throughout the earth."

Mr. ANDERSON. Mr. President, the Washington Post has a special science reporter, Edward Gamarekian, whose writings on atomic energy have been unusually competent. It is hard to reduce a scientist's words to a layman's language; but I think Mr. Gamarekian in reporting in that fashion, has done an excellent job. I ask that his article, entitled "Defense and AEC Clash on Fallout Rate" be printed at this point in the RECORD.

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

DEFENSE AND AEC CLASH ON FALLOUT RATE

(By Edward Gamarekian)

A sharp disagreement between Defense Department and Atomic Energy Commission experts on the question of fallout was brought to light yesterday by a series of letters made public at the insistence of the Joint Congressional Committee on Atomic Energy.

The controversy involves the manner in which the radioactive atomic bomb debris now in the stratosphere is "dripping" down to earth.

The correct answer will be important since the fallout mechanism will determine the amount of strontium 90 and other radioactive elements that appear in milk and other foods during the next 5 or 10 years.

The first letter, dated February 19, was from the Defense Secretary's atomic energy adviser, Gen. Herbert B. Loper, to the Joint Committee chairman, Senator Clinton P. ANDERSON, Democrat, of New Mexico. In it, Loper informed the Joint Committee that fallout measurements during the past three years indicate the debris in the stratosphere is falling out at a much faster rate than predicted.

He also stated that most of it is concentrating in the Northern Hemisphere between the 35 and 50 degree latitudes—the band in which the northern part of the United States is situated.

The rate of fallout, he added, is such that half of the amount now in the stratosphere will drip out in 2 years, half of the remainder in the next 2 years, and so on.

His conclusions were based on measurements of the Defense Department and differ from the conclusions arrived at by the AEC's leading fallout expert, Commissioner Willard F. Libby.

The second letter, dated February 27 was written by Libby to General Loper, with a copy to the Joint Committee chairman. In his letter the AEC Commissioner admits that his previous estimate of 7 years for 50 percent fallout was too high, and lowers it to 4 years.

"I find it difficult," he said "to push it down to the 2 years you give as an indicative value."

Libby maintained his position that the atomic end products now in the stratosphere are well distributed and are coming down uniformly over the entire surface of the earth. He conceded, however, that there appeared to be increasing evidence in favor of a heavy concentration in the middle latitudes of the Northern Hemisphere.

Although there is no argument over the fact that most of the fallout that has occurred so far has been concentrated in this band, Libby believes that this fallout is mostly from the atomic debris that never reached the stratosphere. He contends that it remained in the lower atmospheric layer, called the troposphere, and came down to earth in a relatively short time—a matter of weeks or a few months at most.

Because winds blow essentially in an easterly or westerly direction, this fallout showed up in the middle latitudes of the northern half of the earth, where most of the tests have been held, the AEC Commissioner contends.

Libby's belief that the debris in the stratosphere takes longer to come down than indicated by Loper follows logically from his assumption that the radioactive material is uniformly distributed in the upper atmosphere. Since the amount of fallout measured in the Southern Hemisphere is low, uniform distribution would lead to the conclusion that less has come down.

If Loper is correct, the strontium 90 that turns up in milk and foods during the next decade will be higher than that anticipated by the Atomic Energy Commission. Neither the AEC nor Defense Department has given any estimates recently, however, on what levels might be reached. Before last year's tests, they estimated that the strontium 90 that had already accumulated in the soil would increase two to three times within the next 5 to 10 years, if no further atomic tests were held above the earth's surface.

The AEC has put Libby's concept forward on a number of occasions, the most recent being March 13, but the Defense Department's findings were kept secret until yesterday.

When Senator ANDERSON attempted to make the Defense Department results known by including the substance of Loper's letter in a speech a few days ago, the military censors deleted one sentence which included some classified material, but then, on the request of Libby, asked that the letter not be used at all.

They wrote the following to the Joint Committee on March 18:

"Although the remainder of the letter is unclassified, the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that have been obtained so far.

"We believe it would be far better before the data and conclusions are made public that there be a close agreement amongst (sic) the investigators concerned.

"Therefore, we believe that until the results are more than preliminary, the confidential classification should remain on the letter."

When Senator ANDERSON charged the Defense Department with gagging the Joint Committee on data important to the American people and demanded that the confidential classification be removed, Loper's letter was made available. Libby's letter to Loper was also declassified after some deletions were made for security reasons.

The Joint Committee accused the AEC of discounting the measurements of fallout made in its Project Ash Can because they did not confirm the theories of long-term fallout. These measurements showed a 50-percent fallout in 3 years, which tended to support the Defense Department finding, the committee stated.

It pointed out further than neither the "Ash Can" nor Defense Department results were mentioned in Libby's March 13 speech which was very detailed and contained 24 pages of charts and graphs.

Mr. ANDERSON. Mr. President, the above article has one inaccuracy in the very last paragraph which I would like to correct. It mentions that the Joint Committee "pointed out further that neither the 'Ash Can' nor Defense Department results were mentioned in Libby's March 13 speech which was very detailed and contained 24 pages of charts and graphs."

Dr. Libby's March 13 speech did mention the "Ash Can" results but he cast doubt on them and indicated the weight of evidence supported his values. What the Joint Committee pointed out was that although Dr. Libby had the results of the Defense Department report which supports those of Project Ash Can, Dr. Libby made no mention of the Defense Department report in his March 13 speech.

Mr. President, this morning the Washington Post published an article entitled "New Fallout Data Puts AEC's Libby on Spot." This article, by Mr. Gamarekian, is extremely revealing in connection with the other articles; and I ask unanimous consent that it be printed at this point in the RECORD.

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

NEW FALLOUT DATA PUTS AEC'S LIBBY ON SPOT)

(By Edward Gamarekian)

The set of letters and statements on fallout released Saturday through the efforts of the Joint Congressional Committee on Atomic Energy have put the Atomic Energy Commission's leading expert on fallout, Commissioner Willard F. Libby, on the spot.

They show:

First, that Libby's prediction on how fast the radioactive atomic debris in the stratosphere is coming down and where it is coming down were wrong, because they were based on incorrect assumptions.

Second, that Libby attempted to suppress the fallout measurements of the Defense Department until he could revise and publish his own calculations to bring them into better agreement.

DATA RELEASED IN SPEECH

Because the Joint Committee was pressing hard for the release of the Defense Department findings, Libby apparently decided to make his revised calculations public as soon as possible.

His first opportunity was a speaking engagement that was scheduled for March 13. It turned out to be a lecture-concert series at the University of Washington. It was a most unusual speech. It read more like a scientific report, and the prepared text had 24 pages of tables and charts attached to it.

Libby made no mention of the Defense Department findings but dropped his estimate of the time for 50 percent fallout from 7 to 4 years.

He did mention a theory of E. A. Martell, who predicted that the atomic end products from the 1958 Soviet tests would come down in a year. Libby showed that fallout measurements fitted his own predictions more closely but did not make a comparison with the Defense Department estimate of 2 years for the 50 percent fallout.

The speech came none too soon, for only 4 days before the Joint Committee had taken formal action to obtain release of the information. The committee asked the Defense Department in writing why the data had to remain classified and what portions could be made public.

The committee also wrote the AEC asking it to explain and comment on the differences between its calculations and the findings of the military.

ASKED FOR LOPER'S LETTER

After Libby's March 13 speech, Senator CLINTON P. ANDERSON, anxious to make the Defense Department results public as soon as possible, decided not to wait for the official release of all the data. The chairman of the Joint Committee asked for the immediate release of a February 27 letter from Maj. Gen. Herbert B. Loper to the committee in which the Defense Department findings were summarized.

There was again an attempt to suppress the information. Loper, the Defense Secretary's atomic adviser, refused permission to use the letter. He disclosed later that he refused to release it because Libby was opposed to making it public on the grounds that he (Libby) was not in full agreement with the Defense Department findings.

The AEC evidently was unhappy about the extent of disagreement which still existed between Libby's results and those described in Loper's letter.

The AEC General Manager, Alvin R. Luedecke, in a letter to the Joint Committee last Saturday, attempted to cast doubt on the accuracy of the Defense Department measurements.

Incredibly, Luedecke admitted that the AEC results from its own measurements during Project Ash Can were consistent with the results described in Loper's letter. He then proceeded to discredit the AEC data.

On the insistence of Senator ANDERSON, Loper's letter was released last Saturday with one sentence deleted for reasons of security. With it came the publication of the letters of Libby and Luedecke.

DOUBT CAST ON ESTIMATES

Some Congressmen said yesterday that this entire episode may throw considerable doubt on Libby's revised estimates and his predictions of the future fallout pattern. Libby has been the AEC's leading expert and theoretician on fallout.

This episode also throws into confusion previous predictions on the amount of strontium 90 which will be deposited on the United States over the next decade as well as its rate. Both are important, since a faster fallout means it will come down hotter.

Previous estimates indicated the strontium 90 in the soil would increase two to three times during the next 5 to 10 years. These figures are now too low because the Russian tests almost doubled the quantity of atomic debris in the stratosphere and the new Defense Department findings indicate this debris is not being distributed throughout the stratosphere but is coming down in the middle latitudes of the Northern Hemisphere.

Libby agreed with Loper's statement that the effects of this fallout would be small, and that only 1 out of 500,000 would probably be affected by the radioactive cesium 137 and carbon 14. However, both used the curious term "immediate probability" when it is well known that most of the effects will show up only after long periods of time and in succeeding generations. They also talked in terms of external radiation and omitted the internal radiation produced by the ingestion of radioactive atomic end products.

Loper mentioned strontium 90, but gave no figures, saying only that the fallout of this radioactive element is greater in the United States than in any other area of the world. Libby did not refer to it at all.

Mr. ANDERSON. Mr. President, finally, the Washington Post has published today an editorial entitled "Faster Fallout." It is a good statement of the situation that existed, and it is to be commended. I ask unanimous consent that the editorial may be printed at this point in the RECORD.

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

FASTER FALLOUT

The news that radioactive fallout drops from the stratosphere at a far more rapid rate than previously calculated is hardly a cheerful disclosure. But no less distressing is the fact that once again the Atomic Energy Commission has used a secrecy stamp to try to prevent the public from learning this and other data vital to the health and safety of the Nation. Senator ANDERSON, chairman of the Joint Congressional Atomic Energy Committee, has expressed outrage at this attempt to smother information. The file of correspondence which the committee has released seems fully to support his complaint.

According to the committee's records, the Defense Department furnished AEC Commissioner Libby in December with data showing that half the deadly radioactivity now in the stratosphere comes down in only 2 years rather than the previously assumed 7 years. This faster fallout means that harmful particles descend to earth far more quickly and in a much "hotter" state than previously thought. Surely this is the kind of information that the country has a right to know. But apparently because Dr. Libby disagreed with the findings, the report was filed with the Joint Committee on a classified basis. After repeated prodding, the Defense Department informed the committee that only one sentence in a letter summarizing the report contained classified material. The sentence was deleted and finally the news is out.

Manifestly, the new information should not cause any panic. The Defense Department estimates that the chances of an individual being immediately affected is about 1 in 500,000. Yet the new disclosure clearly affords no grounds for smug proclamations that fallout may possibly be good for everyone. There is also something deeply distressing about a Pentagon spokesman's cool notation to the committee that the long-run damage of fallout creates a "moral issue that could be of considerable propaganda importance." Isn't it conceivable that safeguarding mankind from the malignant effects of fallout might be of more than mere propaganda importance?

Mr. ANDERSON. Mr. President, I have placed these numerous items in the RECORD because I believe the people of the United States are entitled to know what the fallout situation is, insofar as it can be gaged by the scientists. We have no way of measuring what effect fallout will have on generations yet unborn, because we would have to have scientific data based upon a series of births which might occur 50, 75, or 500 years from now.

But we do know that many persons are very seriously worried about this situation. We know that in our own country, as well as in many other countries all over the world, the fallout of strontium 90 is apparently heavier than it is in other areas; and we have a right to know whether that situation poses any unusual problems to the people of the United States.

It is quite significant to have the Department of Defense release a study which states that fallout is dropping from the stratosphere 3½ times faster than had been calculated.

Finally, it is also quite significant to have the admission that it does not fall equally all over the world, as has frequently been asserted, but does fall heaviest on the United States.

That statement is of interest because some person were referring to the fallout in certain South American countries and saying, "If that is all there is there, that is all there is anywhere, because it falls equally all over the earth." That was said despite the fact that in Wales it was discovered there was a fallout of strontium 90 far above what it was in other sections of the earth. We have known that there seems to be a belt in the northern part of the United States that receives more strontium 90 fallout than is received at the equator, for instance. Therefore, it becomes important to have the Defense Department information on record.

I was surprised and disappointed that although the information sent to the Joint Committee on Atomic Energy was unclassified, that there was an admonition that the committee should keep the information to itself and treat it confidentially. I know of no obligation on the part of the Joint Committee on Atomic Energy to withhold the truth about fallout from the people of the United States. So far as it may be my responsibility on the Joint Committee, particularly as chairman of the Joint Committee, I intend to see that the essential facts are made available to the American people for their independent judgment as to their importance.

I regard it as extremely unfortunate that so many statements have been made that seem to indicate fallout is something nobody has to worry about, that people can walk ankle deep in strontium 90 and not be bothered at all. It may be somewhat difficult to prove, but I suggest to the Senate and to the people of the United States that it would be very well indeed to read these reports, and to read them, insofar as possible, in full.

I hope that in the hearings before the Joint Committee on Atomic Energy, which will begin in May, we may have the cooperation of scientists from all over the earth, so that they may help us in making available to the American people information for the protection of the position for which they have stood.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Minnesota [Mr. HUMPHREY] be given 10 minutes, and that it not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I rise to join in the discussion this morning of the very important problem of radioactive fallout, which has been given such thoughtful and constructive consideration by the distinguished Senator from New Mexico [Mr. ANDERSON]. I wish to join with him and to associate myself with him this morning, as I have on other occasions.

During the past few weeks a number of articles have appeared in the press regarding the rising levels of radioactivity in soil, water, milk, and foodstuffs.

I commented on this matter about 2 weeks ago, and assured the Senate I would attempt to collect what limited information was available to the Subcommittee on Disarmament and make it a part of the total record of the Joint Committee on Atomic Energy.

We are beginning to receive reports of studies being made on the amounts of radioactivity in soil, water, milk, and foodstuffs generally. In some cases the studies are only preliminary because heretofore we have not analyzed or tested our foodstuffs very thoroughly. And in the case of most foodstuffs and in most areas the studies have only scratched the surface.

The State of Minnesota, not waiting for action by the Atomic Energy Commission, initiated an analysis of samples of wheat. I may add that the Governor of the State of Minnesota has appointed a statewide atomic energy commission for the purpose of working with the Federal Government in studies of the peaceful uses of atomic energy, as well as keeping a watchful eye on the problems which are inherent in the use of atomic energy.

The result of the analysis in Minnesota was a sobering reminder that our knowledge of the radioactivity problem was woefully incomplete.

In an effort to obtain a better understanding of the question of rising levels of radioactivity I requested that the staff of the Disarmament Subcommittee prepare a summary memorandum of the recent reports that have been discussed of late.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks the following:

First. A memorandum from staff of the Disarmament Subcommittee concerning recent data on radioactive fallout.

Second. Letters of February 9, February 28, and March 4, 1959, from Dr. Maurice B. Visscher, of the University of Minnesota.

Third. A statement by Dr. Maurice B. Visscher, February 6, 1959.

Fourth. A statement on strontium 90 in Minnesota wheat made before the Joint Committee on Atomic Energy, February 7, 1959, by Willard F. Libby, member, U.S. Atomic Energy Commission.

Fifth. A Survey of Radioactive Residues in Foods Before and After 1945: Evidence of Possible Fallout Contamination, by Edwin P. Laug and Wendell C. Wallace, Food and Drug Administration. Excerpts from Health and Safety Laboratory Strontium Program Quarterly Summary Report, February 24, 1959, published by Atomic Energy Commission.

Sixth. Excerpt from letter from official in Public Health Service concern- in strontium 90 levels in cistern water.

Seventh. A series of articles in the Washington Post by Edward Gamarekian entitled "Radiation and Cancer," Washington Post, January 21, 1959; "A-Fallout Piling Up in U.S. Soil," Washington Post, March 3, 1959; "Strontium 90 in Diet," Washington Post, March 7, 1959; "Health Service Urges Program to Measure, Control All Radiation," Washington Post, March 11, 1959; and "Peril in 'Acceptable' A-Radiation," Washington Post, March 12, 1959.

These are not the same articles the Senator from New Mexico introduced.

Eighth. An article entitled "Radioactive Fallout Confusion Caused by Lack of Responsibility," by Lillian Levy, from the Washington Sunday Star, March 15, 1959.

Ninth. Release of February 27, 1959, by Public Health Service on Radioactivity in milk.

Tenth. Excerpts from article entitled "The Milk All of Us Drink," Consumer Reports, March 1959.

I ask unanimous consent that these documents may be made a part of the RECORD at the end of my remarks.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

(See exhibit 1.)

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

Mr. HUMPHREY. I am happy to yield.

Mr. ANDERSON. I wonder if the Senator from Minnesota would mind my pointing out that the work of the Disarmament Subcommittee, which he heads, and which he has served so effectively, is affected, in a way, by the series of studies made by the Defense Department. For example, if when we talk about disarmament and ignore the hazard from strontium 90 fallout, then we are dealing only with its psychological factors.

Mr. HUMPHREY. Yes.

Mr. ANDERSON. But when we discover that the rate of fallout is three times faster than it was contemplated it would be, and therefore the fallout comes to the earth "hotter," and when we realize the heavier fallout is in the Northern United States, then the question of nuclear testing of weapons takes on a new aspect. Then perhaps what the Senator from Tennessee [Mr. GORE] and the Senator from Idaho [Mr. CHURCH] have suggested should be considered, namely, the testing of atomic weapons either underground or at a very high level, so as to escape the effects of "drip-out" of strontium 90 and other radioactive material.

I think I speak for all the members of the Joint Committee on Atomic Energy when I commend the Senator from Minnesota for trying to keep this question before the American people, in its right frame of reference. We certainly have had proof that it is a subject which should be discussed, and that more discussion of it is needed.

Mr. HUMPHREY. I thank the Senator from New Mexico. I again assure him, as I have on other occasions, that the efforts of the Subcommittee on Disarmament will be closely coordinated with those of the Joint Committee on Atomic Energy. The main responsibility obviously lies with the Joint Committee on Atomic Energy, but the Subcommittee on Disarmament has a role when it comes to the consideration of dangers from fallout resulting from bomb testing and, indeed, from war itself. I think our committee has an interest in that. This subject is important enough to command a great deal of interest. We know the Senator from New Mexico has interested himself in it, and the statements he made 1, 2, and 3 years ago, as to the lack of information made available to the Atomic Energy Committee on this very important subject of fallout, have been vindicated.

Even a preliminary gathering of material on recent studies on radioactivity suggests that certain measures ought to be taken in the immediate future.

I understand that the Joint Atomic Energy Committee is planning to update this spring its studies on radioactive fallout and its effects on man. This will be extremely helpful, because the hear-

ings held by the joint committee in 1957 have given us the best compilation of information and opinion yet on the problem. After these hearings I am sure we will have a better understanding of the measures which should be taken to protect our health and the health of our progeny.

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

Mr. HUMPHREY. I am happy to yield to my distinguished colleague from Texas.

Mr. YARBOROUGH. I wish to commend the distinguished senior Senator from Minnesota, as well as the distinguished Senator from New Mexico, for the work they have done and for the leadership they have shown in this field of study of the problems of radioactive fallout. We have read many scientific opinions with regard to this new grave danger to the human race—a danger in the unknown incidence of and increase of cancer in young people and children, caused by the increase of strontium 90 in the soil, from fallout from nuclear explosions. I do not think this body should stand idly by, because someone is "trigger-happy" with atomic tests, and fail to do something about the matter. The studies should continue, and information should be given to the people of the entire Nation. What this country needs is executive leadership in administration, leadership in negotiation, and leadership in a move to save the human race, not from sudden extermination by one bomb, but from the slow mass suicide of the race by the constant pollution of the air with materials which scientists say cause cancer in babies, children, and young people.

I again commend these distinguished Senators for the leadership they are showing, and I pledge my support to them in the fight to see that we have accurately determined, by scientific evidence, and have given fairly to the people, a scientific opinion on the extent of the danger. It is time to seek the full facts and the full truth about radioactive fallout, and that we act on that knowledge.

Mr. HUMPHREY. Mr. President, I should like to make some further observations and suggestions, but first a wish to thank the junior Senator from Texas. His remarks were generous, but at the same time they remind us of the gravity of the situation.

On the basis of the information now available, I should like to make the following observations and suggestions:

First. It is becoming apparent that the Atomic Energy Commission, with its important and primary interest in the field of atomic weapons and the production of atomic power, is not the best agency to conduct research on fallout and its effects on human health and heredity. This research should be lodged in another Government agency, one which has adequate funds to do its job and one which can be completely independent in reporting its findings. I suggest that this agency might properly be the U.S. Public Health Service with some assistance from the Food and Drug Administration and the Department of Agriculture. Of course, the valuable data and techniques and talent of the Atomic Energy Commission should not be ignored. The Commission's material and personnel should be called upon but the primary responsibility should rest with the Public Health Service.

I say this, Mr. President, because I am convinced the Atomic Energy Commission has been playing down the dangers of radioactive fallout as it pursued its weapons program. While we need the atomic weapons as a shield of defense, we also need to be considerate of the lives of human beings now on the face of this earth and those yet unborn.

It is very interesting to note that in recent months the Atomic Energy Commission has finally come to recognize that there is a serious problem. I notice that Dr. Libby is a much more concerned man outside the Commission than he is in the Commission. I notice that he is now making many more statements about radioactive fallout.

Second. The Public Health Service obviously does not have sufficient funds to do a thorough job. This year the Health, Education, and Welfare Department had $634,100 for research and control measures in radiation. That is slightly more than a half million dollars to protect the lives of the people of this country and of the world. The request of the Secretary of Health, Education, and Welfare, Arthur S. Flemming, for an increased appropriation of $1,439,100 plus $2 million for radiation studies under the National Institutes of Health should be granted, and a careful examination should be made to determine whether these sums are adequate.

Third. It has been suggested by a fellow citizen from Minnesota, Dr. Maurice B. Visscher, head of the department of physiology of the University of Minnesota Medical School, that the Atomic Energy Commission should contain a biological scientist as a Commissioner in addition to having a nuclear scientist. At the present time the Commission is composed of three businessmen, a lawyer, and a physical scientist. After June 30 there will be two vacancies, including the post now held by Dr. Libby, the physical scientist. These two vacancies present an opportunity for the appointment of a biological scientist as well as a physical scientist. This suggestion has real merit and ought to be given serious consideration by the Commission and the Joint Committee on Atomic Energy.

Fourth. Since the problem of radioactive fallout is a worldwide and not solely a national problem, it is imperative that the United Nations Scientific Committee on the Effects of Atomic Radiation be given complete records on the results of these recent studies. At the present time the Atomic Energy Commission and Department of State screen all material on this subject to decide what would be useful to the U.N. committee.

Mr. President, I am not satisfied with having political bodies of this Government screen materials relating to the lives of the people. I have seen enough of such screening through the so-called censorship apparatus. We are not given the information we need even for our national security, much less for our physical well-being. I rise to protest this kind of self-styled secrecy on the part of agencies of this Government when it involves atomic energy information.

It is important that all relevant material on the health effects of radiation be submitted regardless of whether it confirms or casts doubts on Government statements and conclusions regarding the extent of the danger.

I am of the opinion that a good deal of the material could be held back if it cast doubt on some of the earlier statements of Government officials. I am not willing to let statements of Government officials be considered more important than the lives of my children or the lives of children yet to be born. We find ourselves today with an overwhelming body of evidence coming forth day after day as to the problems involved in bomb testing and as to the dangers of radioactive fallout. There does not seem to be the kind of deep concern in the high councils of this Government that there should be.

Furthermore, it is becoming apparent that an agency like the World Health Organization ought to play a larger role in coordinating research on this problem in many parts of the world.

I talked to the World Health Organization officials about this matter, and I suggested that as one of the topics of advance research on the part of the World Health Organization, a program which is now being designed in the field of research, there should be a special category of research in the field of radioactivity and radiation medicine. I spoke with Dr. Candau about this subject while I was in Geneva.

To date the activities of the World Health Organization related to radiation have been concerned primarily with radiation from peaceful uses of atomic energy. It is clear that the Department of State ought to raise at the next session of the World Health Organization the question of broadening the frame of reference to include the effects of radioactive fallout. This is a phase which I will explore in my capacity as Chairman of the Senate Government Operations Subcommittee which is studying world health.

Fifth and finally, it is one thing to conduct more research so that we know more of the complete effects of radioactivity on man and his environment. It is another thing to try to see that this rising radioactivity does not rise further. This means that the efforts to halt nuclear weapons testing must continue to be pursued vigorously.

The Senator from New Mexico [Mr. ANDERSON] told this body today that the northern parts of the United States happen to fall within an area in which the radioactive fallout seems literally to gush down upon us, and fall all over us. Because of geography, we happen to be the victims of a larger dose of radioactive fallout than other parts of the world.

Mr. President, the five recommendations and suggestions above occur to me as a result of reviewing the memorandum and articles that I have submitted for the RECORD today. I hope that the administration will see fit to act on them. If not, further investigation by committees of the Congress become a vital necessity.

I assure my colleagues today, as I have done before, that I stand ready to do everything in my power, as chairman of two subcommittees, one on disarmament and the other on matters relating to world health, to study the danger of radioactive fallout in meticulous detail. This is something with which we cannot trifle.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. I commend my colleague from Minnesota for the leadership he has shown in the Senate with regard to the nuclear testing program.

As he knows, I appeared before his subcommittee several weeks ago and expressed my great concern. I also expressed serious criticisms of officials at the Pentagon and the State Department.

Today I wish to add that in my judgment the President of the United States is not giving the people the leadership to which they are entitled with regard to the serious potential danger involved in the continuation of nuclear tests by my Government.

I have asked for a memorandum on this subject. We are apparently proceeding with the development of one missile which will contain within it material which, if it escapes into this hemisphere, will release a shocking amount of nuclear danger to mankind.

I repeat, as I have stated before the Senator's subcommittee, that it is time that the United States of America, as well as Russia, should be held to some moral standards on this issue. In my judgment, my country, as well as Russia, is guilty of immorality in regard to the matter of continuing nuclear testing. It is about time to lift the ban of secrecy in connection with this subject and tell the people of the country what their Government is doing in regard to the problem of threatening the health of mankind for generations to come by a continuation of nuclear testing. It is about time to call the issue on this administration, and to bring to an end at least our responsibility for a continuation of this immoral conduct.

Mr. HUMPHREY. Mr. President, I conclude by asking my colleagues to read most carefully the staff memorandum which was developed by the very competent staff of the Senate Subcommittee on Disarmament, based upon recent data on radioactive fallout. I shall not take the time of the Senate to read it, because it is a very complicated material, and it would undoubtedly not result in the kind of discussion which would be as helpful as I would wish.

Suffice it to say that from 1954 to 1958 the number of microcuries of strontium 90 deposited per square mile in the soil has doubled, and the cumulative effect is nothing to brush aside as being inconsequential. When my colleagues from the great food-producing areas of America look at what has been happening to some of the foodstuffs, particularly in terms of milk and dairy products, they will see what the problem amounts to, not only in terms of health but also in terms of economics.

EXHIBIT I

MEMORANDUM

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
March 18, 1959.

To: Senator HUMPHREY.

From: The staff, Subcommittee on Disarmament.

Subject: Recent data on radioactive fallout.

In response to your request for an analysis of the recent data on radioactive fallout, the following summary analysis has been prepared:

There are several reasons for the recent increase in concern over fallout. First, the results of last year's intensive testing by the nuclear powers are beginning to be evident in measurements of many different elements. Second, in some cases monitoring and measuring systems are just getting into full sway so that for the first time we know more precisely how much radioactive material is being absorbed. Finally, since the talks at Geneva have not made rapid progress, many citizens fear that tests may be resumed with a further increase in fallout levels as a result. Even if nuclear tests are not resumed, however, fallout from past tests will continue as well as man-made radiation from other sources such as X-rays. Further study of the effects of fallout and radiation and methods to minimize health damage appears essential.

NEW DATA ON FALLOUT LEVELS IN RECENT WEEKS

In the past few weeks statistics have been published showing not insignificant levels of radioactive material in several elements essential to man's physical well-being including air, water, soil, and milk.

Most of the danger to health appears to stem from the single element, strontium 90, which is long lived and is absorbed like calcium into bones causing such diseases as bone cancer and leukemia.

Not yet apparent in statistics are the effects of this fallout on the genes and chromosomes which determine the characteristics of future generations. However, we do know, in the words of Warren Weaver, chairman of the Committee on Genetic Effects of Atomic Radiation of the Academy of Sciences before the Subcommittee on Disarmament on January 16, 1957: "Radiation produces mutations; mutations are bad; the amount of mutations is proportional to the total accumulated dose. There is no radiation dose which is too small to count from the point of view of genetics."

WHEAT

The substance which has most recently come to attention as being jeopardized by the rising levels of radioactive fallout is wheat. The State of Minnesota has been responsible for gathering important information on this problem. The Minnesota Governor's committee on atomic energy development problems stimulated research on this problem which might otherwise not have been undertaken. Dr. Maurice Visscher, head of the department of physiology of the Medical School of the University of Minnesota, reported that studies of environmental contamination by radioactive materials in the Plains States and the Northwest Central region were initiated by the Governor's committee. Preliminary results of these studies indicated unexpectedly high levels of radioactivity in certain areas, and it was decided that more precise measurements were needed. Subsequently the Atomic Energy Commission agreed to analyze certain materials for the committee. The results of the AEC's wheat analysis have only recently been made public, and it is from this data that the new concern arises.

Samples of wheat from the 1956, 1957, and 1958 crops from 10 different localities were obtained from the Institute of Agriculture of the University of Minnesota and analyzed for strontium 90 content. The average of the amounts of strontium 90 content were 107 micromicrocuries per gram of calcium in 1956, 152 in 1957, and 155 in 1958. In one sample in 1957 a level of 606 micromicrocuries per gram of calcium was found, but this was excluded from the average. However, it is this sample which the AEC considers above the maximum permissible limit. According to Dr. Visscher, "to interpret these figures, it must be pointed out that it is generally agreed that the maximum tolerable level for strontium 90 in food for a population is not more than 100 micromicrocuries per gram of calcium in the diet. Therefore, anyone who derived all of his calcium from whole wheat of the type analyzed would exceed the maximum tolerable limits. Fortunately, however, two factors reduce the hazard to people using wheat. The first is that a majority of the calcium and, therefore, the strontium 90, is in the bran and is milled out of the white flour. The second fortunate circumstance is that we ordinarily get only 5 to 10 percent of our calcium from cereal grain products in the average American diet. Thus, even if there is an excess of strontium 90 in one foodstuff, it need not be hazardous unless one lives on it as one's major food. However, here the problem is complicated by our ignorance. There are not available today adequate figures on the strontium 90 content of other foods."

It is ironical that the removal of the wheat germ to make white flour, long deplored by dieticians because the nutritive value of the wheat germ is taken out, decreases the danger of strontium 90 problems. One mother wrote that after working for years to get her family to eat wheat germ and whole wheat bread, she finally succeeded only to find that she may have increased the amount of strontium 90 going into the bones of her children.

Levels of strontium 90 in foods which furnish the rest of the calcium in our diet are not now known. Recent data covering a wide geographical area and the gamut of foodstuffs which compose the American diet is not available. The studies have either not been made, or have not been completed or published. Only milk has been studied to any significant extent.

MILK

Last month new figures were also released showing rising levels of strontium 90 in milk. The Public Health Service, which has what it calls a pilot study to measure radioactivity in milk, published the results of its analysis of samples from 10 different locations. With the maximum permissible level for strontium 90 in milk for lifetime exposure considered to be 80 micromicrocuries per liter, the December levels ranged as high as 15.6 mmc per liter in St. Louis, and this was a fluctuation downward from 20 in November. In other words, in November in St. Louis the level of strontium 90 in milk was more than a quarter of the maximum permissible limit. In Fargo, N. Dak., the level was 12.3; in Atlanta, Ga., it was 10.2. In 6 of these cities the program has been under way long enough to show 12-month averages, which are considered the most significant figure in interpreting public health effects because of monthly fluctuations. These showed a slow but steady rise everywhere, except Sacramento, Calif., when a slight decline in the yearly average from October to November was noted.

In powdered milk from Mandan, N. Dak., the level of strontium 90 was 26.74 micromicrocuries per gram of calcium in July 1958.

WATER

Radioactivity and strontium 90 levels in rainwater and running water in general appear to vary according to the amount of nuclear tests being conducted at the time. An analysis of strontium 90 in New York City tapwater, which has been measured since 1954, shows a constant fluctuation, with the highest level ever measured in June 1958 of .38 micromicrocuries of strontium 90 per liter. The latest measurement was for November 1958 at which time the level was down to 0.066 micromicrocuries per liter.

The more serious problem apparently concerns collections of water, for example in cisterns or stockponds, which do not have the advantage of certain natural forces to reduce the amount of radioactivity and strontium 90. In these collections the radioactive elements may be accumulated rather than absorbed or evaporated. As a result, in areas where people depend entirely on cistern water and hence could get a significant portion of the strontium they ingest from water, the Public Health Service is monitoring, or advising local authorities to monitor, strontium 90 levels. According to the Public Health Service, it would be possible to take measures to remove the strontium if the levels indicated this was necessary.

MISCELLANEOUS FOODS

In January 1957 the Food and Drug Administration began analyzing various samples of food predating 1945 and comparing it with similar samples of post-1945 foods. The conclusion of this study, published on October 15, 1958, but based largely on food produced prior to the intensive nuclear testing of last year, was that "compared to food samples produced prior to 1945 this survey shows that the great majority of post-1945 samples do not carry significant burdens of radioactivity. Notable exceptions are certain sea foods, dairy products, and tea."

The largest increase noted, according to this study, was in tea. On this item the study said "It could * * * be possible that many of the tea samples examined contain strontium 90 in excess of the present tolerance of 80 micromicrocuries per kilogram, but analyses of strong tea brews revealed that only about 17 percent of the radioactivity was extracted. It can be concluded therefore that the beverage as commonly consumed would not contain overtolerance amounts of strontium 90."

However, this analysis does not appear to be completely up to date.

SOIL

Still another report just issued by the Atomic Energy Commission indicated that strontium 90 is accumulating in the soil of the United States and other countries at an increasingly rapid rate. New York City is the only area which has been measured for a significant length of time. It has been measured since 1954. In 12 other cities it has been measured since the end of 1956. The New York City measurements show in 1954, 7.2 microcuries of strontium 90 were deposited per square mile; 1955, 9.2 microcuries of strontium 90 were deposited per square mile; in 1956, 11.3 microcuries of strontium 90 were deposited per square mile; in 1957, 11.6 microcuries of strontium 90 were deposited per square mile. In first 11 months of 1958, 14.04 microcuries of strontium 90 were deposited per square mile.

Thus the cumulative number of microcuries per square mile has steadily increased to 53.3 in November 1958.

PHILOSOPHY TOWARD RISKS OF ATOMIC AGE

In summary, all the latest results of studies undertaken on the amount of radioactive fallout and the level of radioactive strontium show an upward movement, upward closer and closer to what are currently considered maximum permissible levels. It is important to note the words "currently considered," for as our knowledge of the effect of these levels on our health and heredity increases, these levels may be changed. And the change will probably be downward. Dr. Warren Weaver now sounds prophetic in what he told the Subcommittee on Disarmament about the strontium 90 problem 2 years ago, before this country had undertaken much study of it. He said:

"The limit which one puts down as being tolerable and the concentration which one finds, unfortunately, are moving toward each other. The limit which one accepts as tolerable tends to decrease, and the concentration which we actually find existing, tends to increase."

The gap is narrowing, and when this gap is closed we may be faced, not with a small increase in certain diseases or a few days shortening of our life span which will go unnoticed, which is the current risk, but with health hazards which are significant and noticeable by any standards.

We have been told that we must adopt a new philosophy for the atomic age. For example, Dr. Lauriston S. Taylor, chief of the Atomic and Radiation Division of the National Bureau of Standards, recently said that the establishment of permissible levels of radiation exposure is not basically a scientific problem. He added:

"It is more a matter of philosophy, or morality, and of sheer wisdom. The problem centers about a philosophy to which mankind is well accustomed; it may be called a philosophy of risk."

He stated that there were risks on "virtually any mode of transportation from boat or bicycle to the airplane, but without these, life today would be very different indeed."

However, it is only sensible to make every effort to reduce the risk as much as possible. It would be as foolhardy to ignore blithely potential danger signals in the nuclear age as it would be to ignore oncoming traffic while driving a car. We should reduce the risks of the atomic age just as we work to reduce the hazards of driving.

UNIVERSITY OF MINNESOTA,
THE MEDICAL SCHOOL,
Minneapolis, February 9, 1959.

Senator HUBERT HUMPHREY,
Senator EUGENE MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT AND GENE: I have a new job for one of you. I don't know whether either of you is willing to take it on, but I know it needs doing. I am enclosing copies of a statement I prepared for the Governor's committee on atomic energy development problems. From it you will see that we have been greatly misled by the AEC as to the absolute safety of strontium 90 levels in the country. The really shocking thing to me is that the AEC itself has no other significant number of analyses of wheat. This I learned by telephone from Dr. Ira B. Whitney in the New York office of the AEC last Tuesday.

The fact is that the AEC has not done its practical job in the biological and medical area very well. It is not that Congress has not appropriated enough money to do it. The trouble may be that the AEC is run by Commissioners who are primarily in the weapons business and don't really know enough about the biological and medical sides of things to have informed opinions as to policy in those areas.

There is a job for some congressional committee investigation here. The Congress had every right to expect that its appropriations to the AEC would be used to investigate the strontium 90 hazard in soils, plants, animals, and man, and that by now, 10 years after the secret Project Sunshine was started, we would have all the basic facts necessary to meet the hazard that exists today. Actually, we know almost nothing of practical value as to protection on the biological side. Hundreds of millions of dollars, exactly how much I don't know, have been spent on biological research under AEC auspices, but it has gone mainly into things almost totally unrelated to the practical problems. I would not object at all to the fact that many millions of Federal money have gone into basic studies of genetics, metabolism, etc. I only object to the fact that the AEC has not done the job the public thought it was doing and needed to have done.

What I am suggesting is an investigation looking toward congressional action to induce the AEC to do a better job in acquiring the simple facts about radioactivity levels in soil, water, plants, animals, animal products such as milk and eggs, and in man. They should also make greater efforts to get information about the factors that determine the amounts of strontium 90, uranium, plutonium, and other important elements, that are taken up by plants and animals, including man.

The AEC has been so concerned about reassuring the public that there is no harm in what it has been doing in the bomb-testing area that it has failed to devote enough attention to finding out the facts even as to what the levels of radioactivity in foods are.

I should tell you that there are some very competent people now on the AEC Advisory Group for biology and medicine. Harland Wood, Bentley Glass, and James Horsfall are all very sound. They are, I believe, recent appointees. I do not know whether this Advisory Group has actually had much influence, however.

Another thing that should be looked into is why the Plains States and our region should be made to take the brunt of so much fallout burden if we are to continue bomb testing. I think all of the Senators and Congressmen from those areas might get together and get stoppage of further contamination of this region. Some other region might take the brunt if testing must continue. It would be only fair to spread the load.

So much for the job I hope one of you will undertake.

There is another matter that I have been thinking about for some time. You may be able to use the idea some time. I really cannot see that the use of our scarce scientific and technical manpower on bomb development is compatible with achieving our greater need which is to get better ICBM's. Every million dollars we spend on bomb development takes hundreds of men from the pool otherwise available to work at missile development. There are only so many scientists in the country and if you appropriate money to employ them in one area they are not available in another.

Isn't this perhaps our most compelling military reason for stopping the bomb development and testing business? We already have enough bombs, and cleaner or smaller ones are not going to make us less vulnerable to being wiped out by the Russians. I would feel more secure if we had some working ICBM's with which to stand off Russian threats in the next few years. We are not getting them as fast as we could if we were to quit wasting manpower on bomb development and let it work on missiles.

Sincerely yours,

MAURICE B. VISSCHER.

UNIVERSITY OF MINNESOTA,
THE MEDICAL SCHOOL,
MINNEAPOLIS, *February 28, 1959.*

Senator HUBERT HUMPHREY,
Senate Office Building
Washington, D.C.

DEAR SENATOR HUMPHREY: The strontium 90 levels in wheat samples analyzed by the

AEC for the Minnesota Governor's committee on atomic energy problems have created considerable public discussion and some concern. The findings of increasing levels of such radioactivity from averages of 105 in 1956 to 155 strontium units per gram of calcium in 1958 wheat demonstrates a rising level which might become serious.

The AEC has cooperated with the Minnesota committee in these studies, and this cooperation is much appreciated. I find no fault with the general interpretation of the AEC findings as explained by Dr. Willard Libby on February 27. In fact, these interpretations are in large part identical with those I gave in releasing the data in a conference with Gov. Orville L. Freeman on February 6, 1959. I pointed out that the major source of bone mineral for man in the U.S. is milk, and that cereal grains are ordinarily minor sources for the human. It should be noted that for economic animals a quite different situation prevails.

However, I do find several faults in the past, and so far as I know, the present, AEC program. I see no valid excuse for the failure of the AEC to have strontium 90 data on all of the major foodstuffs in the American dietary, on a much more comprehensive scale than has previously been undertaken. Such data should be made fully available to the public.

Second, I am distressed by the fact that estimates as to the rate of rise in strontium 90 contamination in foodstuffs in the United States have been proven by experience to be in error. The rate of rise was considerably underestimated.

Third, I am disappointed that the AEC has not devoted a larger fraction of its research attention to methods of ameliorating potential strontium 90 hazards. Much more attention should be paid to devising methods of decreasing the strontium 90 uptake by plants, and diminishing the proportion of that ingested by man and economic animals which is absorbed into the body itself and stored in the bones.

I congratulate the AEC for devoting attention to numerous other biological problems. Some of the best basic biological research today is being supported by the AEC, but it would surely be an evidence of public irresponsibility if the AEC did not devote energy equal to that which it puts into its offensive weapons program upon research aimed at protection of the American public against the radioactivity which will be present if any of the devices which it or its Russian counterpart are producing should ever be used, or if bomb testing continues in the places and at the pace that has been in practice over the last six years.

Sincerely yours,

MAURICE B. VISSCHER.

UNIVERSITY OF MINNESOTA.
THE MEDICAL SCHOOL,
Minneapolis, March 4, 1959.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I believe that the composition of the Atomic Energy Commission itself is a grave defect in its ability to operate in the way that the Congress and the American people believed it would operate. It is to be noted that there is no biological scientist among the members of the Commission. This oversight is hard to understand since the hazards of use of nuclear energy are primarily biological. In peace as in war, the blast, the burn, the immediate and the delayed radiation damages to living things are of greatest importance.

It is not enough to have an Advisory Committee on Biology and Medicine, although it is better than nothing. Life would seem to be important enough to the country so that the Commission itself might have at least one, and preferably more, persons appointed to it by the President who have expert scientific knowledge about biological phenomena. The U.S. Senate has a responsibility in this matter because it must confirm any Presidential appointment. I respectfully suggest that no new appointments be confirmed until at least one biological scientist is included on the Commission.

Sincerely yours,

MAURICE B. VISSCHER.

STATEMENT BY MAURICE B. VISSCHER, FEBRUARY 6, 1959

The Governor's committee on atomic energy development problems has initiated studies of environmental contamination by radioactive materials in this general region. In one study in the spring of 1958, soybean plants from various areas were studied for their gross radioactivity levels, and in another, numerous samples of wheat from North and South Dakota and Minnesota were studied. The results showed unexpectedly high levels of radioactivity from various areas, and the range of values was very large. Because these preliminary results indicated that the Plains States and the Northwest central region in particular might have a problem in connection with environmental radioactive contamination of its food supplies, either now or in the future, it was decided to have some more precise measurements made. Since strontium 90 was considered to be in all probability the most serious hazard, it was studied first. The State department of health undertook early last summer to assay strontium 90 in milk, and last spring, the U.S. Atomic Energy Commission agreed to analyze certain other materials for the committee.

Samples of wheat from the 1956, 1957, and 1958 crops from several localities, obtained from the institute of agriculture of the University of Minnesota, were analyzed by the AEC and the results have just been received. The findings indicate that some further action is necessary in connection with atomic energy problems, especially in regard to the establishment of a permanent State commission and in connection with appropriation of funds for its work. There are probably serious economic as well as health implications to the entire North Central and Plains region including Minnesota in the data we are presenting.

The AEC findings on strontium 90 content of wheat in this region are as follows:

Strontium 90 content micromicrocuries per gram of calcium

Location	1956 crop	1957 crop	1958 crop
1	163	150	124
2	169	146	191
3	88	187	184
4	82	200	(1)
5	82	(1)	111
6	74	[2] 606	213
7	94	105	129
8	(1)	124	120
9	(1)	(1)	158
10	(1)	(1)	169
Averages	107	152	155

[1] No sample.
[2] Exclude from averages.

The locations were chosen to obtain as great a variety of soil types as possible. These results are the only ones available in the United States today on wheat from a number of locations over a period of 3 years.

To interpret these figures, it must be pointed out that it is generally agreed that the maximum tolerable level for strontium 90 in food for a population is not more than 100 micromicrocuries per gram of calcium in the diet. Therefore, anyone who derived all of his calcium from whole wheat of the type analyzed would exceed the maximum tolerable limits. Fortunately, however, two factors reduce the hazard to people using wheat. The first is that a majority of the calcium and, therefore, the strontium 90, is in the bran and is milled out of white flour. The second fortunate circumstance is that we ordinarily get only 5–10 percent of our calcium from cereal grain products in the average American diet. Thus, even if there is an excess of strontium 90 in one foodstuff, it need not be hazardous unless one lives on it as one's major food. However, here the problem is complicated by our ignorance. There are not available today adequate figures on the strontium 90 content of other foods. The U.S. Public Health Service has released figures on strontium 90 in milk from the areas of St. Louis, Mo., and Fargo, N. Dak., which show that in the fall of 1958 the values there averaged 14 and 17 micromicrocuries per gram of calcium in the two cities. The values in some other parts of the United States are as low as 2. An "educated guess" as to Minnesota levels is that they are not less than 8 micromicrocuries per gram of calcium. Milk provides more than three-quarters of the calcium in the American dietary, consequently, the amount of strontium 90 contaminating it is of greatest practical importance. However, if plant foods contain as much as 600 micromicrocuries per gram of calcium, they could be very important in raising the average level to the so-called maximum tolerable limit even if they supplied a minor fraction of the total intake.

One further point should be mentioned. It is usually agreed that strontium 90 is more hazardous for children than for adults. No one knows positively what is the minimum amount of strontium 90 that will do damage to growing children. Some recent studies indicate that it may be much less than 100 micromicrocuries per gram of calcium. However, only a very small fraction of a population will sustain any obvious injury from small doses.

Bone cancer and leukmia are believed to be the main diseases which may result in an individual from eating small amounts of strontium 90. These are fortunately relatively uncommon diseases. According to the State board of health, there are about 36 deaths per year in Minnesota from the first and 300 due to the second, out of total deaths of somewhat under 30,000. Increases in the above rates 10 or 20 years from now might be expected to occur as a result of increased radioactivity.

This report is being made because it seems obvious that the State of Minnesota, in common with all its neighboring States, has an interest in doing two things. First, it must learn more about what its strontium 90 and other radioactive contamination problems are. Milk, meat, fish, poultry products, and vegetables require study in all areas. Second, it must be prepared to apply corrective measures since there may be some localities where all the foodstuffs, including milk, are heavily contaminated, and because if bomb testing continues throughout the world, the situation will undoubtedly become progressively worse. It seems essential to be able to protect children now against food containing as much as 600 micromicrocuries per gram of calcium. To do this one must have more analytical information. At least as important as this is to initiate researches on methods of lowering the strontium 90 content of the plants themselves and of diminishing the amount of strontium 90 retained in the human body after food containing it is eaten. Scientists already have some clues as to how these objectives might be attained.

It is the responsibility of the State legislature to decide whether to make a serious effort to minimize these health and economic hazards. It can do so by establishing the commission that Governor Freeman is requesting and by providing it with funds to operate.

It is appropriate to note that Governor Freeman's foresight in setting up a committee to study and report upon these problems is responsible for the fact that Minnesota is the first State in the Union to obtain information of the type reported at this time.

There will be some people who will say that these findings should have been kept secret, so as not to disturb people. Their false logic would be that what people don't know, doesn't hurt them. In any dictatorial society that is the rule that would be followed. It is our philosophy that in a democratic society people not only have a right to know, but must know the facts if they are to act intelligently. The role of the scientist is to provide a sober interpretation of facts, to allow people to take precautionary and preventive measures before it is too late. Fortunately, we have a Governor whose policy it is to give the people the facts so that they may act intelligently through their legislature. The present situation is not one to become panicky about. It is, however, one that requires increased information to avoid a panic situation in the future.

STATEMENT ON STRONTIUM 90 IN MINNESOTA WHEAT MADE BEFORE THE JOINT COMMITTEE ON ATOMIC ENERGY DURING THE AUTHORIZATION HEARINGS, FEBRUARY 27, 1959, BY WILLARD F. LIBBY, MEMBER U.S. ATOMIC ENERGY COMMISSION

The strontium 90 content of wheat is a matter of real concern to us. There is nothing good about radioactive fallout, and it has been our constant effort to reduce it to the minimum in keeping with necessary weapons development programs. We welcome the interest of everyone willing to help us study it and have a system of publication and dissemination of the information which we hope is good. A particularly comprehensive document was issued recently. It is a nearly complete summary of U.S. data up till about last summer and is available through the Department of Commerce Office of Technical Services. It is the Health and Safety Laboratory Report, No. 42, entitled "Environmental Contamination From Weapons Tests."

The high levels found sometimes in wheat and rice and other grasses and vegetables apparently are due to a particular circumstance. These plants apparently pick up more fallout from the rain falling directly on the leaves than from the roots and the soil. As a consequence, their level depends more on the rate of fallout than it does on the total accumulated fallout in the soil, though I hasten to add that there definitely is soil pickup. The soil pickup, however, does not lead to the large fluctuations with seasons of the year that are found in these grasses and lies at lower values than the peaks which direct leaf pickup can attain during a period of intense nuclear weapons testing when the rate of fallout can be particularly high for a short time. In other words, a high value may be followed by lower values if the rate of fallout is lower during the later growing seasons due to the timing of nuclear tests.

We are very concerned, however, by the amount of strontium 90 found in these products and by the fact that occasionally samples are found which exceed the levels which are generally acceptable for a steady diet. Actually, of course, the general average food level is the important matter and we can say that this level is well below the maximum permissible level as given by the National Committee on Radiation Protection.

To summarize, then, the high values in wheat probably are due largely to surface pickups from particular rains and are not expected to show a steady rise, except for the relatively smaller soil pickups, unless rates of testing exceeding the very heavy ones of last year occur again, and I assure you that it is our policy to do everything to keep radioactive fallout outside the test areas to the very minimum.

It will be 2 years in June since your committee held its important hearings on radioactive fallout and we would be pleased to discuss the situation as it exists at present with you at any time you wish.

[Excerpts from Health and Safety Laboratory, Strontium Program, Quarterly Summary Report, Feb. 24, 1959, Published by Atomic Energy Commission]

A SURVEY OF RADIOACTIVE RESIDUES IN FOODS BEFORE AND AFTER 1945; EVIDENCE OF POSSIBLE FALLOUT CONTAMINATION

(By Edwin P. Laug and Wendell C. Wallace, Food and Drug Administration, U.S. Department of Health, Education, and Welfare)

This report covers results of a survey conducted over the past 2 years to determine to what degree foods may have become contaminated with radioactive fallout. It has been assumed that no significant manmade radioactive contamination could have occurred prior to 1945, the year the first experimental and military nuclear devices were exploded. Foods produced before and after this critical date have therefore been examined for total radioactive content adjusted for the presence of potassium 40, a widely distributed naturally occurring radioactive isotope. It is possible that other naturally occurring radioactive substances may contribute to the total. This contribution is extremely small, and while it may vary from food to food there is no reason to expect it to vary with time. Consequently if we consider the radioactive content of all pre-1945 foods as a base line, any increase over this in food produced since 1945 can be interpreted as manmade radioactive contamination. This contamination is presently contributed mainly by fallout from weapons testing, but it can be expected also to reflect the presence of nuclear power plants and other applications.

In January 1957, in response to an appeal by the Food and Drug Administration, nearly a thousand samples of food antedating 1945 were submitted. These foods came from private homes and the food industry; some even from the caches of the Shackleton and Byrd Antarctica expeditions dating back to 1906. In addition, an equal number of post-1945 samples were collected mostly from retail outlets. The program is now current, with certain items under more intensive surveillance than others.

The following categories were examined for total radioactivity: vegetables, fruits, fruit juices, sea foods, dairy products, bread, meat products, wheat, sugars, jams and jellies, cocoa and cocoa beans, tea. Nearly half of the samples analyzed were fruits and vegetables.

RESULTS

I. Vegetables: Analyses of the following number of samples of different vegetables, about half of each of which were produced before 1945, revealed that the post-1945 samples showed no significant increase in total radioactivity: potatoes, 29; corn, 90; beans, 132; peas, 92; beets and turnips, 40; carrots, 30; spinach, 27, and miscellaneous 90.

II. Fruits: Analyses of the following number of samples of different fruits, about half of each of which were produced before 1945, revealed that the post-1945 samples showed no significant increase in total radioactivity: pears, 48; cherries, 61; peaches, 89; apricots, 28; plums, 61; tomatoes and tomato products, 134; berries, 74; fruit juices, 78; and miscellaneous, 57.

III. Seafood: Fifty-one samples of miscellaneous fish varieties and 32 samples of oysters and clams, half of each of which were canned after 1945, exhibited a trend toward higher radioactivity. However, individual shellfish values showed a significent rate of increase when plotted by years since 1944. Other types of seafood such as shrimp, lobster and crabs showed no trend whatsoever.

IV. A number of unrelated items were also examined for total radioactivity. Analyses of the following numbers of samples revealed no increase in total radioactivity: meat products, 26; wheat, 47; sugar and jams, 38. In the case of bread where there were unfortunately no pre-1945 samples available there was no evidence of total radioactivity that could not be accounted for by the potassium content. On the other hand in cocoa and cocoa beans there was a radioactive content greater than could be accounted for by potassium. Without comparison with pre-1945 samples it could of course not be determined whether this excess radioactivity had been caused by fallout contamination.

V. In consonance with the findings of other investigators, the analyses of dairy products consisting chiefly of fresh fluid milk, evaporated milk, milk powder and cheese, show a statistically significant increase in total radioactivity in those products produced since 1945.

VI. The largest increase noted was in tea. While the examination of 36 pre-1945 samples showed no radioactivity on the average in excess of that accountable by potassium, 78 post-1945 samples chiefly from 1956 and 1957 harvests showed radioactivity that averaged about 30 times greater, with 6 individual samples ranging as high as 109 to 135 times greater. In terms of micromicrocuries per kilogram of tea leaves the average value for the 78 samples was 13,500. While no specific isotopes have been identified we may assume that at least 1 percent of this activity could potentially be strontium 90. It could therefore be possible that many of the tea samples examined contain strontium 90 in excess of the present tolerance of 80 micromicrocuries per kilogram, but analyses of strong tea brews revealed that only about 17 percent of the radioactivity was extracted. It can be concluded therefore that the beverage as commonly consumed would not contain over-tolerance amounts of strontium 90.

CONCLUSION

Compared to food samples produced prior to 1945 this survey shows that the great majority of post-1945 samples do not carry significant burdens of radioactivity. Notable exceptions are certain seafoods, dairy products and tea.

EXCERPT FROM LETTER FROM OFFICIAL IN PUBLIC HEALTH SERVICE CONCERNING STRONTIUM 90 LEVELS IN CISTERN WATER

Our interest in total activity and strontium 90 levels in cistern water supplies stems from the fact that rainfall is the major contributor of fallout activity to the environment. As you know, cistern waters are generally collected directly from the roofs into tanks for household use. The levels of activity encountered directly reflect the levels of activity in rainfall inasmuch as there has been little or no opportunity for natural agents to reduce this activity.

When rain falls on the soil or grass some of the material in suspension will be filtered out as the raindrops percolate through the vegetation cover and the soil below. In addition, some of the dissolved material will be exchanged on the soil particles or absorbed by the vegetation. As a result of this, the amounts of activity reaching our surface streams along with normal runoff may be much lower than the levels that we encounter in cistern water supplies.

Another parallel to cistern water supplies would be waters collected from surface stock

ponds or small lakes which have no outlet. Here the activity falling with the rainfall will be collected and retained in this confined basin. There will be some loss of activity due to uptake on biological life normally encountered in such stock ponds or lakes and there will be some loss due to absorption on bottom muds and to deposition of activity associated with particular matter. However, particularly in the case of animals, if they step into the stock pond to drink they can stir up some of this deposited activity thus consuming higher levels of activity than that contained in the water alone.

During periods of low rainfall, the quantities of water in these stock ponds, and also in cisterns, will be reduced and there will be a very significant addition to the total volume with the next large rainfall. Thus there is a constant change in the levels of activity related to the water usage and the activity contained in subsequent rainfalls.

One other point that may be of interest is that activity levels in streams are generally transient; in other words, a given quantity of water remains in a given location for a relatively short period of time. This is of considerable significance because if high levels of activity are encountered, one can suggest that for a day or two no water be taken from this source thus providing time for this activity to go on to some downstream location. Obviously this cannot be done in the case of a stock pond or a cistern unless one goes to some other source, as for example, a well water supply.

We have determined strontium 90 in some cistern water supplies in the Cincinnati area and find strontium 90 levels ranging from approximately 0.3 to 7.5 $\mu\mu c/l$. These levels may be compared with the currently accepted maximum permissible concentration of strontium 90 in water of 80 $\mu\mu c/l$. It must be remembered, however, that where one is consuming water containing this amount of strontium 90, we must also add to his daily intake the strontium 90 coming from all other sources of the environment including air, milk, and foods. As an example, considering the situation in Cincinnati alone, and assuming that a person is consuming cistern water having a strontium 90 content of 7.5 $\mu\mu c/l$, milk with a strontium 90 concentration of 8.5 $\mu\mu c/l$, and food materials containing a concentration of strontium 90 ranging from approximately 0.2 to 12 $\mu\mu c/kg$, the actual intake of strontium 90 per day in micromicrocuries would be: water, 16.5; milk, 8.5; and foods, 7. This would indicate that this person is getting about half of his daily strontium 90 intake through the cistern water supply. If we accept the fact that the daily intake of strontium 90, not to exceed the body burden stipulated by the National Committee on Radiation Protection, amounts to 176 $\mu\mu c/day$ (arrived at by multiplying the 80 $\mu\mu c/l$ strontium 90 maximum permissible concentration value in water by the daily intake of 2.2 liters of water), it can be seen that the total strontium intake from these three mediums amounts to 32 $\mu\mu c/day$, or approximately 18 percent of the permissible intake.

Cistern water supplies have one additional advantage and that is that comparatively simple devices (for example, ion exchange resins, which are used on many household water supplies at this time for softening water) are quite effective for removing the radioactive material that may be dissolved in water. Our purpose, therefore, in following cistern water supplies is to determine when it would be reasonable to suggest that such supplementary devices be installed on these supplies to reduce the levels of radioactivity in such waters and the exposure of individuals from such supplies.

If we can be of any further assistance to you in providing additional information, please do not hesitate to get in touch with us.

Very sincerely yours,

CONRAD P. STRAUB,
Chief, Radiological Health, Research Activities Division of Radiological Health.

[From the Washington Post and Times Herald, Jan. 21, 1959]

RADIATION AND CANCER: SOME ATTACK PROPOSAL FOR STUDY

(By Edward Gamarekian)

A number of scientists are beginning to attack a recent proposal for a 20-year study of the relationship between natural background radiation and the incidence of leukemia and other cancers in Denver and San Francisco.

Many of them are afraid it may be used to show that radiation from the fallout produced by atomic weapon tests is not harmful and may, in fact, be beneficial. This argument is already being used by some proponents of continued atomic testings.

The study, to cost $15 to $30 million, was proposed a few weeks ago by the Committee on Pathologic Effects of Atomic Radiation, a unit of the National Academy of Science and the National Research Council—two top-level scientific bodies.

It will now be discussed at a meeting set up by the Atomic Energy Commission at the Argonne National Laboratory early next month.

Shields Warren, chairman of the committee which proposed it, told reporters that detailed recommendations would be made within a year to the Public Health Service, the Atomic Energy Commission and the Department of Defense. Either of these organizations might sponsor the project, he stated, although the Public Health Service would be the ideal agency for supervising it.

Warren, a professor of pathology at Harvard University, said such a study would provide valuable data on the effects of low-level radiation on man. The two cities have different background radiation levels, he pointed out, and should show if these levels produce cancer.

Both sides in the developing controversy admit that a study of the effects of background radiation will indicate the effects of the fallout from atomic tests because of the following:

The background level in Denver is reported to be twice that in San Francisco. It is higher in Denver because that city, at an altitude of 1 mile, is not as well protected from cosmic rays. The difference is greater than the external effect now being produced by the radioactive fallout, but is comparable to the internal effect being produced by the strontium 90 in the fallout.

This radioactive substance finds it way into milk and ends up in the bones of people, particularly growing children.

Opponents of the proposed study point out that statistics already indicate how the study may turn out. These figures show that the incidence of leukemia (blood cancer) and bone cancer was lower in Denver than in San Francisco in 1947–48, showing that a little radiation is not harmful and may, indeed, be healthful.

But the argument is phony, they contend, because a comparison of these cities with eight other metropolitan areas covered in the 1947–48 study, shows no such correlation. A comparison of Denver with Pittsburgh, for example, indicates the opposite. It makes background radiation appear harmful.

The unknowns and variables of cancer formation are so great they obscure the small effects produced by differences in altitudes, many scientists contend.

Who is pushing the proposed study? Warren and AEC Commissioner William F. Libby. Both are strongly and outspokenly opposed to the stopping of atomic weapon tests. Both feel that new and improved atomic weapons are needed to prevent an all-out nuclear war that would kill millions.

Warren's announcement came as a surprise to several members of his committee who said it was premature. The idea had been discussed, they stated, but needed further examination by experts in such fields as genetics and epidemiology before it could be put forward as a proposal. In fact, a meeting was set for the first of next month to consider this idea and similar ones.

Why the public announcement of the proposed study? Several scientists in the AEC's Division of Medicine and Biology said it was made to achieve a fait accompli since opposition to the study was building up. They also guessed it was done to win outside support from people who, at first glance, might consider such a study valuable.

One scientist in a high-level position, clearly disturbed, stated: "I am going to fight this thing as much as I know how."

The proposed study, almost everyone agrees, is becoming a hot political issue within the AEC.

AEC Chief John A. McCone said he knew nothing about it. It is undoubtedly impossible for one individual to keep tabs on everything going on in the $2.4 billion-a-year operation.

Several scientists described Libby as one of the chief advocates of the study. Libby, the only one of the five Commissioners with a scientific background, stated last week that he was in favor of it. It might be "difficult" and "perhaps impossible," he said, but "worth trying."

The AEC Commissioner himself has used the San Francisco-Denver figures several times. He gave them in a speech delivered at the University of New Hampshire on April 11, 1957, which he put into the record at a congressional hearing on radioactive fallout a few months later. After citing the numbers he said, "Our data may not be too significant (since the number of cases is small) but these figures do point to a definite tangible evidence of a margin of safety." The figures were later published in a book by Edward Teller, another proponent of continued nuclear testing.

Libby's figures came from the 1947–48 survey of 10 metropolitan areas. When asked why he didn't mention the cancer incidence in other cities, the AEC Commissioner said he did not know they had been covered in the survey.

The wheels were set in motion for the proposed study during the Atoms for Peace Conference in Geneva last fall when Libby asked Warren to look into the idea.

[From the Washington Post and Times Herald, Mar. 3, 1959]

A-FALLOUT PILING UP IN U.S. SOIL—GROWING DEPOSITS OF STRONTIUM 90 REPORTED BY AEC

(By Edward Gamarekian)

A report just issued by the Atomic Energy Commission indicates that the strontium 90 from atomic weapons tests is accumulating in the soil of the United States and other countries at an increasingly rapid rate.

New York City is the only area in which the fallout has been measured over a long enough period to obtain a picture of the buildup, but short-term data from 12 other U.S. cities show a similar pattern.

The strontium 90 deposited in the New York City area since measurements began in early 1954 was 53,310 microcuries per square mile. The rate of fallout in 1958 was double that in 1954.

Richmond, Calif., received a larger short-term dose than any other U.S. city. Two samples collected during the 2-week period beginning last March 20 showed a fallout of 3,000 and 4,470 microcuries per square mile.

The fallout during the Los Angeles scare last October 30 was not given in the AEC report. The latest data for Los Angeles are the August figures.

* * * * *

The maximum permissible concentration of strontium 90 in milk (80 micromicrocuries per liter) is the concentration which will deposit somewhere in the order of 0.1 microcurie in the human skeleton over the long term.

Most of the strontium 90 in milk comes from the fallout deposited directly on the fodder eaten by cows. Studies on the strontium uptake from the soil are now under way in many parts of the world.

Practically all of the strontium 90 in the fallout is retained by the top 6-inch layer of soil. More than half of it is caught in the top inch. As a result, the quantity of this radioactive element in the soil is steadily accumulating. Some scientists feel it is approaching an alarming level even though its effects on human beings cannot be accurately evaluated as yet.

The Atomic Energy Commission did not begin measuring the fallout of strontium 90 in cities other than New York until the end of 1956.

AEC measurements in 15 other countries indicated that the fallout has been higher in the United States than elsewhere. Retiring AEC Commissioner Willard F. Libby pointed this out in a speech last year.

The fallout was even higher in this country than in Japan, which was between the United States and Russian testing grounds.

Measurements in 13 U.S. cities during the past 2 years show that the fallout has been the highest over Westwood, N.J. During the 12-month period ending in October of 1958, 15,030 microcuries of strontium 90 per square mile were deposited on that city.

The other cities in the network which received large amounts of fallout during 1958 were:

New York City: 14,600 for the 12 months ending last November.

Coral Gables, Fla.: 13,400 for the 12 months ending September 6.

Tulsa, Okla.: 12,540 for the first 8 months of 1958.

The fallout in the District of Columbia area is not being measured, but data from the cities around it indicate it is of the same order of magnitude as the figures already cited.

Measurements made in New York during the past five years show the increasing rate of fallout. During 1954, 7,200 microcuries of strontium 90 were deposited per square mile. During 1955, it increased to 9,200; in 1956, it was 11,300, and in 1957, 11,600. The first 11 months of 1958 already show a fallout of 14,040 units.

In Japan, the strontium 90 fallout was 10,860 in Nagasaki and 10,340 in Hiroshima during the 12-month period ending last August.

Figures for Austria were incomplete, but they showed monthly levels as high as 3,510 units last summer.

The fallout in Formosa and Southeast Asia was much lower.

The fallout in the countries below the equator was much lower than that in the countries above because most of the tests have been in the northern hemisphere and wind movements are predominantly easterly and westerly.

AEC officials said yesterday that there was no way of distinguishing the fallout from Russian and U.S. tests.

During the Russian series which apparently began August 22, 1957, and continued to the end of the year, five explosions were detected. During the spring series from February 23 to March 22, 1958, at least nine test shots were detected. The Russians said they would conduct no further tests unless the U.S. did. After the U.S. tests last summer, the Soviet Union exploded at least 16 more bombs. This series was held between September 30 and November 3.

The United States announced 16 test explosions of bombs over 20,000 tons in size (TNT equivalent) in the Pacific between March and August of last year, but the Russians reported they detected at least 32. This figure appeared to be more accurate when U.S. military leaders charged the Russians with spying.

The United States announced 19 tests of bombs under 20,000 tons during September and October at the Nevada test site.

[From the Washington Post and Times Herald, Mar. 7, 1959]

STRONTIUM 90 IN DIET: FIGURES LACKING ON TOTAL INTAKE IN UNITED STATES

(By Edward Gamarekian)

Despite the steady rise in radioactivity in food stuffs, no one seems to be keeping tabs on the amount of strontium 90 that is finding its way into the total diet these days.

In some parts of the country, the strontium 90 in milk has crept up to 20 to 40 percent of the maximum permissible concentration recommended by the National Committee on Radiation Protection, but the Atomic Energy Commission and the Public Health Service continue to assure the public that it is still not dangerous.

They point to the fact that the levels are well below the permissible limit. This limit, however, is based on the premise that no strontium 90 will be taken into the body from other sources.

Last week, reports on the strontium 90 in Minnesota wheat showed that the levels had climbed to the maximum permissible concentration, going 50 percent higher in one batch. The public was again reassured that all was well.

AEC Commissioner Willard F. Libby told the worried Congressional Joint Committee on Atomic Energy that the increase was due to direct fallout on the wheat and not to pickup from the soil, in which strontium 90 is steadily accumulating.

He assured the committee that the radioactive strontium in the wheat would decrease now that the tests were over, "unless rates of testing exceeding the very heavy ones of last year occur again."

"Actually, of course, the general average food level is the important matter," he added, "and we can say that this level is well below the maximum permissible level."

One would have to eat a ton of Minnesota wheat at one sitting to obtain the permissible limit of strontium 90, he declared.

The AEC Commissioner neglected to point out that strontium 90 accumulates in the bones and remains radioactive for a long time. This element has a half-life of about 25 years; that which is taken up by the bones today will still have half its radioactivity 25 years from now. Some of the strontium 90 deposited in the bones will slowly be eliminated by normal biological processes, but the amount is not accurately known yet.

The average person in the United States eats about a ton of cereal products (bread, cake, breakfast foods, and so forth) every 10 years, according to figures published by the Department of Agriculture. A ton of wheat, therefore, is not a very large amount when one doesn't attempt to eat it at one sitting.

How about the additional strontium 90 from milk, fish, vegetables, tea, and all the other foods in which strontium and other radioactive elements are beginning to appear?

The most recent U.S. study of the strontium 90 in the total diet is based on the concentrations measured in foods back in 1956 and 1957. The Lamont Geological Observatory of Columbia University calculated there were about 6.5 strontium units in the total diet. This appears to be a safe level when compared with the maximum permissible concentration of 80 units.

An examination of the Lamont figure shows it is based on a level of 6 strontium units in milk, 15 in cereals, and 10 in vegetables.

The levels today are much higher. Public Health Service and AEC studies show that milk has gone up as high as 40 units in Mandan, N. Dak., and 20 units in St. Louis, with the average levels ranging from one-third to one-half this amount.

A recent Consumers Union report shows the level in Washington, D.C., was 9.8 units last July and August.

The wheat in Minnesota went well over 200 units, far above the 15 figure used by Lamont in its tabulation. (These figures, based on the calcium content of the wheat, do not disagree with figures published last week that were based on the total weight of the wheat.)

A study of 1957 foods by the West German Institute of Milk Research showed mixtures of U.S. and German wheat were up to 80 strontium units, rice was up to 150, and rye was as high as 128.

Vegetables were also well above the figure of 10 strontium units used by Lamont. The West German study showed levels of 45 in asparagus, 40 in potatoes, 80 in tomatoes, and 50 in dried peas.

The Lamont calculations are clearly obsolete. Yet they are being used to assure Americans, and the rest of the world, that there is nothing to worry about.

[From the Washington Post and Times Herald, Mar. 11, 1959]

HEALTH SERVICE URGES PROGRAM TO MEASURE, CONTROL ALL RADIATION

(By Edward Gamarekian)

A broad program to control and measure the total radiation being received from fallout, medical treatment, and industrial atomic devices in this country is being sought by the Public Health Service.

A Public Health Service advisory committee has concluded that the "maximum permissible concentrations" of radiation that are being used by many as "safe" limits are both useless and misleading.

"There is no such thing as a safe radiation level," committee Chairman Russell H. Morgan stated yesterday. Although the effects may be small and acceptable by some, he added, these effects are related to the radiation dose and will increase as the dose increases.

A program of measurement and control should have been started 15 years ago, the Johns Hopkins University professor of radiology declared.

Morgan also disclosed in testimony before the Senate-House Atomic Energy Subcommittee that the Public Health Service control proposal will be publicly recommended in the next few days.

It is "unfortunate," the scientist noted, that the responsibility for health and safety is in the agency which is developing atomic energy—the Atomic Energy Commission.

Morgan appeared with other radiation experts before the Joint Atomic Energy Subcommittee at the first day's hearing on radiation hazards in the atomic energy industry and workmen's compensation in radiation cases.

Representative MELVIN PRICE, Democrat, of Illinois, chairman of the subcommittee, said his group was not only interested in insuring the health and safety of atomic workers but had the complex task of writing laws affecting compensation for injuries which may show up many years after an excessive dose of radiation.

There was some discussion during yesterday's session on the effect of the administered dose of radioactive gold on Secretary of State John Foster Dulles.

Dr. Shields Warren, director of the Cancer Research Institute at the New England Deaconess Hospital in Boston, told the committee that the ability of this radioactive isotope to help in cases of Dulles' type was not yet certain. He confirmed previous reports that the dose was a heavy one which produced enough external radiation to require the restricting of visitors.

The former director of the AEC's Division of Medicine and Biology also indicated there was an extremely slight possibility the Secretary of State may develop leukemia as a result of the radiation from the gold. In cases like this, the total effect is the guiding consideration, he stated.

Members of the committee hammered hard on the meaning of the term "maximum permissible concentration," or MPC, of radiation. Since 1934, the MPC for atomic workers has been drastically reduced from 100 rems per year to 5.

A rem is a dose of radiation that has the same biological effect as an X-ray dose of one roentgen. A diagnostic chest X-ray is about one-tenth of a roentgen. A local dose to check cancer may run into the thousands, although a dose of 1,000 to certain critical organs is enough to be fatal.

The MPC recommended for the general population is now about five-tenths rem per year, one-tenth that for atomic industry personnel.

These levels have been set up by the National Committee on Radiation Protection (NCRP), an independent group of Government and non-Government scientists who are recognized authorities in their fields.

Lauriston Taylor, Chairman of the NCRP, told the Congressmen that the levels have been steadily lowered because of an improved knowledge of the effects of radiation and a more conservative approach.

[From the Washington Post, Mar. 12, 1959]

PERIL IN ACCEPTABLE A-RADIATION

(By Edward Gamarekian)

The American people are led to believe, erroneously, that foods with less than the maximum permissible concentration of radioactivity are not dangerous

Estimates in scientific publications show, however, that if the strontium 90 alone reaches the permissible limit in the human body, it may increase the incidence of leukemia by more than 20 percent—2,600 more cases a year on top of the present annual rate of 11,400.

The effect of strontium 90 and other radioactive atomic products on the incidence of other diseases would be added to this toll.

Although the Atomic Energy Commission and the other agencies involved cannot be charged with concealing these figures, they have made virtually no attempt to make them generally known to the public.

CLIMB EFFECT MINIMIZED

Instead, they have used such expressions as "acceptable," "negligible," "protective," and "statistically unobservable" when the levels of radioactivity climbed in milk, wheat, vegetables, and other foods.

They have pointed out that the permissible concentration of strontium 90 in the bones would produce only about twice the amount of natural radiation that comes from cosmic rays, uranium in the soil, and so on.

Humans have got used to this level, they argue, but they neglect to point out that 10 percent, and perhaps more, of the number of new leukemia cases each year are attributed to the background or natural radiation.

The "maximum permissible concentrations," or MPC's, are recommendations set by the International and U.S. Committees on Radiation Protection. These committees have just revised their handbook of MPC's for the various end products of atomic reactions.

HANDBOOK QUOTED

Although the new values have not yet been released, they are reported to be close to the present ones. The following statement was quoted from the new handbook during the current hearings before the Congressional Joint Committee on Atomic Energy:

"The permissible dose for an individual is that dose * * * which in the light of present knowledge carries a negligible probability of severe somatic or genetic injuries.

"Furthermore, it is such a dose that any effects that ensue more frequently are limited to those of a minor nature that would not be considered unacceptable by the exposed individual and by competent medical authorities."

The words "negligible" and "unacceptable" depend, of course, on the user.

When AEC Commissioner Willard F. Libby testified before the Joint Committee a few weeks ago on the radioactivity of Minnesota wheat, he referred to the MPC's as "levels which are generally acceptable for a steady diet."

DECLARED WORTHLESS

Even the Public Health Service has indicated everything was all right by stating that the MPC's listed were "for the protection of the general public."

Two days ago, however, the Chairman of the Advisory Committee on Radiation of the Public Health Service lowered the boom, declaring the MPC'S worthless, meaningless, and "based on something other than scientific fact."

"Nowhere is there a concerted effort being made to obtain sound scientific data to obtain answers to the problems," he went on. "It is questionable whether we can continue long in this framework." He indicated the Public Health Service would seek to set up an integrated system of measurement and control, taking this function out of the Atomic Energy Commisison.

The Advisory Committee Chairman, Russell H. Morgan, is a radiology professor at Johns Hopkins University and the radiologist in chief at the Johns Hopkins Hospital.

Morgan blasted the theories being put forth by some scientists on the existence of a safe threshold below which there are no radiation effects.

"There is ample evidence that there is no safe level," he said, "and that biological effects begin above zero."

[From the Washington Sunday Star, Mar. 15, 1959]

RADIOACTIVE FALLOUT CONFUSION CAUSED BY LACK OF RESPONSIBILITY

(By Lillian Levy)

There is real fear that division of responsibility will retard the necessary progress in keeping up with the dangers of radioactive fallout on public health and safety.

The need for a unified program for the measurement, evaluation, and control of radiation from manmade atomic sources was stressed last week in testimony before the House-Senate Joint Atomic Energy Research and Development Subcommittee.

What the committee was called to discuss was workmen's compensation growing out of radiation hazards in industry. It went far afield, however, bringing out in the clearest form yet the confusion among Government agencies involved in the radiation problem.

The committee first received a proposal that the Public Health Service of the U.S. Department of Health, Education, and Welfare become the monitor of atomic dangers. The author of this proposal is Russell H. Morgan, professor of radiology at Johns Hopkins University and Chairman of the Advisory Committee on Radiation of the Health Service.

Professor Morgan said monitoring of the fallout should not be left to the Atomic Energy Commission since the Commission is established to develop atomic energy for military and peacetime uses. He said the weapons responsibility of the AEC is in conflict with the responsibility to protect the public from resulting radiation hazards from its testing program.

This conflict was acknowledged by Willard F. Libby, scientist-member of the AEC, who told the committee earlier, "There is nothing good about radioactive fallout and it has been our constant effort to reduce it to the minimum in keeping with the necessary weapons development programs."

Most of the monitoring of atomic fallout in this country has been left to the AEC despite the fact that this agency does not have the official responsibility for protecting the public from radiation hazards. The Atomic Energy Act of 1954 made the AEC responsible only for guarding the health and safety of those employed either on its installations or in plants licensed by the AEC.

The Department of Health, Education, and Welfare is the Federal agency established to promote public health and safety. It also does a share of monitoring fallout through the Public Health Service and the Food and Drug Administration.

Consequently, when the question of food, soil, or air contamination from fallout arises, judgment on the peril to the general public may be pronounced by the AEC, or the Department of Health, Education, and Welfare through the Public Health Service or Food and Drug Administration.

Adding to the confusion is the fact that the judgments pronounced by any Government body are based on standards set up by a National Committee on Radiation Protection and Measurements. This is a semi-official body operating under the Bureau of Standards of the Department of Commerce. And these standards or tolerance levels of which the scientists speak are, at best, estimates rather than tested and proved values.

For example, when Dr. Maurice Visscher, a Minnesota scientist, made public the high strontium 90 content in Minnesota grain crops, the AEC used the estimates set up by the radiation committee as a firm measuring stick to assure Congress and the public that the grain radiation levels presented no peril. They said this level is well below the maximum permissible level.

SCIENTIFIC BUCKPASSING

This scientific passing-the-buck is, perhaps, best illustrated by the case of the *Tancred* cargo of tea.

Not since the Boston Tea Party has a cargo of tea brewed up such a storm of controversy as the 540 chests of Japanese tea brought to the port of New York by the freighter *Tancred* some months ago. This time radiation was the issue.

The controversy began when New York's longshoremen refused to unload the *Tancred* after the U.S. Coast Guard had announced that it found evidence of slight radioactivity in its cargo. Food and Drug Administration inspectors allayed these fears when their field-type Geiger counters failed to reveal any radioactivity. The ship was then unloaded and 160 of the chests of tea were transshipped immediately to Canada.

Subsequently, it was discovered that the type of Geiger counter used was not sensitive enough to detect very slight contamination and the tea was, in fact, radioactive. The FDA so notified Canadian authorities. The remaining chests of tea remained in New York harbor pending a more thorough examination of the cargo by the FDA. The FDA stated that from a public health standpoint the purpose of the examination was to determine primarily the amount of strontium 90 (a known cause of bone-cancer and leukemia) present in the tea.

George P. Larrick, FDA Commissioner, announced that the testing showed that the amount of strontium 90 in the *Tancred* cargo was "well below the established tolerance." The tea was pronounced safe, and by authority of the FDA was released for sale in the United States.

From Commissioner Larrick's statement, it could be assumed that the harmful concentration of strontium 90 had, at last, been fixed with sufficient certainty to be acceptable by this distinguished Government agency charged with the protection of the public against adulterated foods and drugs.

THE TOLERANCE LEVEL

Yet testimony presented to the Joint Atomic Subcommittee underscored the fact that no legally established tolerance level for strontium 90 exists. The established tolerance to which both FDA Commissioner Larrick and Commissioner Libby of the AEC referred is only a standard recommended by the Radiation Committee.

The Committee includes in its membership scientists from Government, industry, and the academic world. It does not use the word "safe" in discussing estimated values that, in its opinion, cause no obvious injury.

Further, there is growing evidence that the present "guesstimate" for strontium 90, as well as other radioactive elements, may be too high. Many competent scientists appearing before the Joint Committee questioned whether there is any value for strontium 90 below which no physical harm would occur.

There is a growing feeling here that one agency should bear the responsibility of coordinating all measurements for fallout, evaluating them and making judgments known. The suggestion that this be done within the framework of the Health, Education, and Welfare Department, whether by the PHS or the FDA, is one that will have the consideration of the Joint Atomic Energy Committee.

The argument is that the AEC could continue to take measurements which it must to discharge its legal and moral responsibility to employees in atomic industries. The PHS could maintain and expand its facilities to measure the radiation in milk, water, and air throughout the United States, which it has initiated. The coordinating agency would have the sole responsibility of collecting this data, evaluating it and judging the danger level to the general population.

EXCERPTS FROM ARTICLE ENTITLED "THE MILK ALL OF US DRINK," CONSUMER REPORTS, MARCH 1959

By testing samples of milk purchased over store counters in 50 widely distributed places in the United States and in Canada, Consumer's Union has sought to extend the work done by the Government agencies. The results serve to check the relatively scant data on milk published by the AEC and the PHS, and to extend their coverage to include many more areas. That a private organization of limited means can carry out such a program suggests that an expanded monitoring network should be economically feasible under Federal, State, or even community or dairy auspices.

Consumer's Union goes further. Though the interest of the PHS in the matter has led it to equip and staff some very competent laboratories, it is still true that the overall problem has remained the province of the AEC. But it is hard to see why judgments on matters of public health should have to depend primarily on the reports of the very agency charged with the responsibility of manufacturing nuclear weapons, rather than on those of an agency whose specific job is to safeguard the public health. Without reflecting in any way on the AEC's competence or integrity, Consumer's Union would support measures which would lead to thorough and independent investigations (as well as routine surveillance) by the Public Health Service on fundamental biological and control problems, wherever there is concern with fallout.

The fact is that fresh clean milk, which looks and tastes just as it always did, nevertheless contains (wherever you get it these days) an unseen contaminant, a toxic substance known to accumulate in human bone.

* * * * *

So far some 200 pounds of strontium 90 have been carried aloft by the churning hot gases of the mushroom explosions. It has spread worldwide. It falls out of the upper atmosphere, in a manner not yet fully understood. It comes down slowly with rain and snow, on river and reservoir, plant leaf, and soil. Some of it is taken up chemically through the roots of plants to become part of grass or seed, and eventually part of the glass of milk or the rice in the bowl. In the United States, about 80 percent of the minute quantity which enters our bodies comes to us in our milk. In Japan more than two-thirds comes from rice. Unpolished or whole wheat, unfiltered rain water, and similar items of diet, such as vegetables, may also contribute a significant amount of strontium 90. If there never are any more explosions, the fallout from tests already made will reach a maximum about 1970, rising to two and a half or three times its present value, and then will decline slowly for a generation or two.

* * * * *

Among all the scores of constituents of fallout, strontium 90 is especially hazardous because it is released in considerable quantity (it forms a few percent of all radioactive products of fission), it seeks the bone, and it stays there a long time. Some of the other radioactive products decay so quickly that they cannot pass through the long chain of ovents to reach the target; some which have a long life do not accumulate in the body; but strontium 90 lasts on the average about 40 years and it accumulates in bones.

What will strontium 90 do in bone? Both general theory and direct animal experiments (with rather heavy doses) suggest that the longer-ranging rays of strontium 90 (and its radioactive decay product yttrium 90) are in fact only one-fifth or one-tenth as damaging as radium rays, energy for energy. On the other hand, the concentration of strontium 90 may show "hot spots," in the same way as does radium. And localized damage will tend to reflect not the average but the maximum insult done to living cells. Prudence dictates that we increase our estimate of damage by a factor of 5 or 10 to take into account the possible effect of the concentrating tendency; that is the practice of both the ICRP and the UN.

It appears that 1 S.U. contributes about one-fifth of a rad in a 70-year residence in bone. Various experiments suggest that children whose bones are being formed from current milk supplies are retaining strontium 90 at a level between one-half and one-fourth of the S.U.'s in their milk. On the basis of these facts we can set a rough maximum "permissible" burden of strontium 90. If we follow the argument already made for radium, which seems the one closest to the real situation, we could allow a burden of nearly 150 S.U. before reaching the 30 rads which we set as a rough "permissible" burden for the bones of an average individual. The use of somewhat arbitrarily selected factors at several stages in such calculations may be viewed as suggesting that a maximum "permissible" dose might lie somewhere in the large range from as little as a fifth of the 150 S.U. to as much as 10 times that.

It does not seem safe, however, to apply to the poorly known and highly variable bone burden, affecting the whole world's people, any smaller safety factor than that used for external radiation. In this case one would again set the limit at something near 30 rads, several times the natural internal burden. This gives us our 150 S.U. again, which agrees well enough with the ICRP limit of 1955, put at 100 S.U.

But it must be emphasized that any permissible level obviously is predicated on the assumption that there is a threshold dose for strontium 90 below which any effects are insignificant. The absence of a threshold would mean that bone damage would be proportional to the dosage in any amount, and the concept of a tolerance dose would then imply accepting as socially tolerable an unknown number of radiation-diseased individuals.

Consumer's Union milk samples were gathered from 48 cities scattered across the United States and from 2 in Canada close to the U.S. border. Several considerations went into the selection of these sites. Foremost of these was the requirement for a good extensive sampling network, with emphasis, wherever feasible, on the larger centers of population. Various distinctive soil regions of the United States, as classified by the Department of Agriculture, were also included since soil conditions may be considered as the integrated end products of climatic, topographical, and geologic effects, all of which are important in affecting the strontium 90 content of soil, which in turn affects the strontium 90 content of pasture, cow, milk, and man.

All areas whose soils had been found by AEC studies to be high in strontium 90 also were included, as well as several sites whose milk had been tested previously by the PHS and the AEC.

At each of the cities selected, Consumer's Union shoppers purchased 8 quarts of fluid milk each week, for a period of 4 weeks. Generally, two separate across-the-counter purchases were made each week of 1 quart from each of four major local dairies. Four-ounce portions from each of the 32 quarts thus purchased were composited to provide a total of 1 gallon of milk for testing from each sampling site. The pooled composite thus obtained represented a major part of the milk supply of each of the cities sampled for the period from mid-July to mid-August 1958. A total of approximately 1,600 quarts were purchased for these tests.

Analyses for strontium 90 were made for Consumer's Union by a consulting laboratory which specializes in such work, and whose reliability had been established by check sample data provided by the AEC as well as by Consumer Union.

In drawing up its program for sampling and testing milk, Consumer's Union consulted the Lamont Geological Observatory, the Atomic Energy Commission, the U.S. Department of Agriculture, and the U.S. Public Health Service, and gratefully acknowledges the suggestions made by these organizations.

RESULTS

The data obtained by Consumer Union, together with some related results from other laboratories, are shown in the table on this page. Consumer's Union data, it should be emphasized, provide breadth rather than depth of coverage. Any trend or variation of strontium 90 content with time or other factors cannot, of course, be noted by a one-period sampling and analysis. The best data available for observing the progressive change in milk's strontium 90 content probably are the monthly figures of the PHS.

From these and other studies, there is incontrovertible evidence that the strontium 90 content of milk has been increasing since 1954. The average rate of increase was estimated by the AEC in 1957 to be between 0.5 to 1.0 S.U. per year for past years. The overall average of 48 U.S. cities sampled by Consumer's Union is 8.0 S.U.; the average of

the 10 cities covered by the Public Health Service for approximately the same period is 7.6 S.U., a figure that is in good agreement with that found by Consumer's Union, considering the differences in the sites sampled and in the nature of the samples. For purposes of noting change, an overall estimate of the strontium 90 content of milk in 1957 may be obtained by averaging figures published by the Public Health Service for five cities sampled that year (4.35 S.U.) or by taking the average which was published by Lamont (6.1 S.U.). It would appear from these figures that the strontium 90 content of milk in mid-1958 was more than 2 S.U. greater than it was in 1957, which is at least double the AEC estimate for the annual rate of increase over the last few years. This more rapid rate of increase must be considered tentative, since data for all of 1958 are not yet available. The summer months, when cows graze on the open range, are more likely to yield milk with a higher strontium 90 content than winter months, when cows are fed on stored hay and fodder. Offsetting to some degree such an anticipated drop in the strontium 90 content of milk for the latter half of 1958 will be the effects of fallout from the stepped-up rate of weapons testing during the period August to November 1958. Because of this testing, it may be assumed reasonably that the average strontium 90 content of milk as currently consumed in the United States is about 8 to 10 S.U., and will likely be closer to the higher figure during the coming summer.

However, an average may be falsely reassuring. Local meteorological conditions and other factors conceivably could create conditions resulting in high concentrations in relatively small areas that embrace large numbers of people. Consumer's Union's tests, a range from about 2 S.U. to almost 16 S.U. was found in the composited samples. It has been estimated that a factor of five applied to the average found would encompass most of the variations that might be expected for all factors. In such hot areas the concentration of strontium 90 in milk might be about 50 S.U.—more than half the currently recommended maximum permissible concentration.

In its tests of samples collected in July and August 1958, Consumer's Union found that the strontium 90 in the milk supplies of several cities was about twice the average of the others. These seven cities were:

	S.U.
New Orleans, La	15.6
Bismarck, N. Dak	14.1
Boston, Mass	13.9
Pittsburgh, Pa	13.7
Memphis, Tenn	13.6
Quebec, Canada	13.6
Chicago, Ill	12.6

Several other cities were well above average, though not so much as those above:

	S.U.
Duluth, Minn	11.5
Rapid City, S. Dak	11.2
St. Louis, Mo	11.1
Norfolk, Va	10.6
Des Moines, Iowa	10.6
New York City	10.5
Seattle, Wash	10.1

As was to be expected, most of these cities are in the northern part of the country; several high-count areas were found in the southern part of the United States, too. Ten of the thirteen U.S. cities just listed are not included in the present PHS test network. It appears to Consumer's Union that the PHS would do well to extend its testing to include at least these 10. Furthermore, it appears to be desirable to investigate the milk supplies of all other areas, which have not been included up to now in any study, in order to locate any other areas whose milk is abnormally high in strontium 90. It is further suggested that the study of milk supplies might profitably include provision for more representative sampling than has been the practice in the past.

INFLATION—THE COLD WAR ON THE DOMESTIC ECONOMIC FRONT

Mr. GOLDWATER. Mr. President, there is much interest today—and rightly so—in the subject of inflation. At the present time the Vice President has a special commission to study this subject.

The Joint Committee on the Economic Report, under the able leadership of the distinguished Senator from Illinois [Mr. DOUGLAS], who now presides over the Senate, is also conducting hearings into this subject.

There are many factors contributing to the present inflation. They are discussed in two articles which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks. The first, entitled "The Cold War on the Domestic Economic Front," was written by James J. Butler and published in the February 14, 1959, issue of the magazine of Wall Street. The second article touching on the same general subject is entitled "Who Makes Inflation?" and was written by Henry Hazlitt and published in Newsweek for February 9, 1959.

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

[From Wall Street magazine, Feb. 14, 1959]

THE COLD WAR ON THE DOMESTIC ECONOMIC FRONT

(By James J. Butler)

The battering ram of strikes is punching gaping holes in the national economy in a cold war which cries out for the attention of Congress but is being temporarily put aside by concentration on how to insure national security within the capacity and willingness of the people to pay.

It should be clear that any labor-management legislation adopted in the reactivated Capitol Hill "crusade" must fall short of the objective unless there first is action to cure an elemental weakness: No one has fully marked out the problem to be overcome; specifically, no one (in Government or industry) has focused the enormous and avoidable economic loss due to strikes.

Since Congress has not used its mechanisms of discovery as fully as it should, and private business doesn't possess the machinery for a full canvass, only public demand upon Washington has the power to stir action. Meanwhile, Congress is launching another "labor law" sortie without the weaponry of fundamental facts: What is the cost, and who bears it? Union dominated legislators who equate the right to strike with the right to destroy, would find upon objective inquiry that the cost and the inconvenience borne by labor and the public outweigh the damage inflicted on the intended target in many situations. What is suggested here is more a bill for labor than a "labor-management bill." With the blindfolds off that fact stands out.

The opportunity, the duty, of Congress to explore is presented in two actions which have been initiated, one in each House. The most publicized of recent strikes, and the ones creating the greatest mischief-laden waste and defiance of the rights of the public, have been against airlines, and newspapers.

PROTECTING LABOR FROM ITS LEADERS

Senator GEORGE SMATHERS of Florida, has a program afoot to put a halt to airline stoppages; Rep. FRANK CHELF of Kentucky, is moving along similar lines to block invasion of the constitutional guaranty of free press which he finds basic in strikes which shut down newspapers.

SMATHERS and CHELF are friends of organized labor. It is in that role that they are moving. Theirs is an effort to save workingmen—union men—from the economic prostration being visited upon them.

An example: Several months ago, 13 web pressmen on Washington, D.C. newspapers walked out in a labor contract disagreement and made more than 1,000 employees of publishing companies jobless. The number of persons adversely affected was multiplied in the distributing trades, the truckers, the newsboys, and the newstand operators. The Nation's Capital, with more than 1 million persons within the circulation area of the papers was left without printed news. Department and other stores felt the impact in sharply curtailed patronage of sales events. Because of 13 strikers.

Many more illustrations are at hand to point up some of the fruitful fields of investigation in which Congress can bestir itself. Take the rash of airline strikes which have just been settled one at a time.

Here are the revenue losses to companies resulting from December strikes of mechanics and pilots: Eastern, $28 million; American, $18 million; TWA, $13 million; Capital, $11 million. Total, $70 million. The question whether other lines may assist the struck carriers (out of added revenue which came their way) has been answered affirmatively.

But there is no appeals board and no recapture possible for working pilots who were mulcted of $500 assessments each month that other pilots were grounded by their own decision. The assessment is payable at the rate of $125 a week.

This reduced the income of the nonstriking pilot, and it left the striker with a fraction of his normal take-home pay. The striker will not repay his benefactor, whose only compensation is the hope that if he strikes later he will be similarly supported. On short rations, to be sure, as pilot salaries go, but supported.

A lesson could have been learned (evidently was not) from the strike against Phelps-Dodge at Bisbee, Douglas, and Morenci, Ariz. About 4,765 employees were idled for 30 working days, losing a total, for the 30-day strike period, of $2,503,050.

Settlement of the strike brought an average increase in wages of 15 cents an hour, but since the employees were offered an averaged increase of 12½ cents an hour before the strike, the actual gain was 2½ cents an hour.

Dividing the total lost wages ($2,503,050) by the daily increase for all 4,765 employees ($935), it appears that the employees must work 2,626 days to make up their lost wages out of their actual gain. If we figure a 5-day week that means 10 years of work just to break even.

PROVISIONS INADEQUATE

Under the provisions of the Taft-Hartley Act, whenever the national health, safety or welfare is imperiled by threat of strike, the Government has the power to take effective action to cope with the situation. But railroad and airline industries are exempt from the provisions of the Taft-Hartley Act. They come within the jurisdiction of the Railway Labor Act, which has no comparable authority to move against stoppages. Under existing law there are no provisions which can assure transport operations during periods of negotiation between management and labor. Yet the airline industry is a quasi-public utility and its employees are per-

forming a service essential to the public welfare. The industry is Government licensed, Government supervised, Government protected and, in some instances, Government subsidized. All of this being true, the Congress has a greater responsibility than it has with respect to ordinary business and industry.

Senator SMATHERS proposes that the utility coloration be taken into consideration that both strikes and lockouts be declared illegal during contract negotiations. The Floridian finds this no substantial extension of existing attitude: "The Government has even limited competition in this field and when it becomes nonoperational a substitute for its activities is not at hand."

Under the Smathers program, this agreement ultimately reached between management and labor could carry retroactive provisions. This is suggested as a means of fulfilling a governmental responsibility to the public while doing equity to both management and labor involved. Unless existing law is revised, Senator SMATHERS sees the public continuing the role of innocent, but victimized, bystander.

GETTING DOWN TO BRASS TACKS

The share-the-grief program of airlines as approved by the Civil Aeronautics Board permits companies which have been struck to be compensated by operating lines in the amount of computable additional revenue diverted to them by the strike. It will apply only in situations where the stoppage was in defiance of recommendations of a Presidential Board, of the Railway Labor Act, or when the union has not exhausted available remedies under the RLA. It is immediately apparent that this arrangement, as approved by CAB, cannot go to the root of the trouble. It is palliative, not cure; it is directed to a labor abuse but it is not preventative, coming into existence after-the-fact—after a strike is in force.

POT CALLS THE KETTLE BLACK

In the voluminous record of testimony, briefs and exhibits filed with CAB, there appears to be no emphasis on the fact that labor unions, as normal practice, assist one another with loans and gifts designed to prolong strikes by relieving the economic pressure on one side—the striking union's. The distinction between this form of aid and the airline agreements was not apparent. One of the objections to the company plan gleaned from the stack of briefs was a possible violation of the antitrust laws. Why unions have seen fit to make this point raises interesting questions. It comes at a time when the business community is pleading with Congress to look to the equities of labor-management affairs and place labor under the Sherman and Clayton Acts. It could be that the laborites have reviewed the past record of Capitol Hill and see nothing to fear from Congress.

If CAB ruled against management and its mutual assistance pact, a telling point would have been scored for making the same principle statutorily applicable to the unions, and in the most practicable way—by inclusion under the antitrust laws.

A FAIR PROPOSAL

Representative CHELF's thinking on the subject of newspaper strikes meshes with the expressions by Senator SMATHERS. Neither proposes a no-strike bill. Each envisions a cooling-off proposition except that no time limit is specified within which negotiations must culminate in an agreement, or failing that a strike may be called. The circumstances of each case would control. If either side fails to pursue bargaining in good faith, all bets would be off: a strike would be legal if management commits the departure; if the union becomes recalcitrant or evasive and uses its own dereliction as an excuse for strike, it might find itself heavily penalized in money damages, with each day of non-compliance a new offense, adding to the penalties.

How this legal machinery can be made to operate effectively is a lesson John L. Lewis and his Mine Workers learned when they had a multimillion dollar fine slapped on them by Judge T. Alan Goldsborough of the District of Columbia District Court.

The Smathers and Chelf proposals touch identified lines of business, each of which is in a public interest classification not common to labor disputes. But the precedent would be of monumental importance. With refinements to cover all cases such laws might very well represent the most important labor-management legislation of the current session if not, in fact, the only venture into the area of labor laws.

Before going into the circumstance of James Hoffa's contumacious proposal to organize police and firemen in unions with Hoffa-like view toward morality (a type of labor weapon certain to be covered by the Smathers-Chelf recommendations), it might be well to consider the Kentucky Congressman's motivation. Chelf spoke up after the New York City newspaper strike had idled thousands and mounted losses of many millions of dollars, most of it wrung from people who were not even consulted about the strike. He conceded his proposition plays two legal tenets against each other: One, the constitutional guarantee of a free press; the other, the court-upheld right to strike. But Chelf asks:

"If a strike against a newspaper isn't suppressing the press or the news and with it the freedom of thought, I wonder what is?"

Warming to his subject the Kentuckian submitted: "In my judgment it is just as serious to shutdown a newspaper by strike as it is by order or an edict of the roughest dictator. Both methods have the same end result: The newspaper is deprived of expressing itself in its editorial columns because there are none allowed to be printed—if printed, not allowed to be circulated or delivered."

New York City's $50 million newspaper blackout ended December 28, 1958, after 19 days. Involved was a labor contract with the deliverers' union but in spite of openly expressed condemnation by other unions, members of those crafts refused to cross picket lines. Circulation of the struck papers totals 5.5 million daily and 8.5 million on Sundays. Some of the more direct costs have been compiled. They make interesting reading:

The papers lost $25 million in anticipated revenues, based on normal business plus the Christmas advertising emphasis. Merchants associations counted their economic hurts and translated the result into another $25 million, irrevocably lost. Employees furloughed by the publishing companies without pay lost an estimated $5 million—the combined wages of 17,000 payrollers about 90 percent of whom weren't asked whether there should be a strike or on what basis it should be settled.

"The cost outside the newspaper business has been in incalculable millions of dollars," said Chairman Barney G. Cameron, of the Publishers Association of New York. "The effect of the strike has been felt in industry, trade, cultural life, and almost every element of our society."

This does not overstate the case. Theaters unable to publicize their billings suffered a 50-percent cut in box office in greater New York. Print paper manufacturers dropped $820,000 a week. Department stores, especially those relying on heavy telephone business, furloughed most of their telephone operators. No ads; no calls.

To the extent that international unions were called on to contribute, locals all over the Nation paid for a strike in New York City. American Newspaper Guild ladled out $100,000 a week. ANG financial officers protested they were going broke in the process and raised dues to 5 percent of the weekly paychecks of its members.

AND NO GAINS FOR WORKERS

Here is the point that cannot be stressed enough in presenting to the rank and file of union workmen the cost they pay for the arrogant bravado of their chiefs: The offer that ended the strike was the same one that had repeatedly been made by the publishers to the union, and twice formally rejected.

The Reverend William J. Smith, director of St. Patrick's Institute of Labor Relations, Jersey City, N.J., issued a statement that the strike could not be morally justified. An eminent, respected authority in the field of labor, Father Smith placed his finger on the weakness which the Smathers-Chelf proposals and like measures would cure. He said: "To date, no law, board, or code has been established to prevent such strikes." Then he offered a list of five conditions which must be met, he said, if any strike is to have moral justification. The guides are:

1. The cause must be just.
2. The means used in the execution must be morally good.
3. The good anticipated from the strike must be at least equal to or exceed the damage that can be anticipated.
4. There must be a solid hope of success before action is taken.
5. The strike is a last resort to be used only when every other means of peaceful settlement either failed or proved futile.

Point 5 will be recognized as the heart of the bills due to come before Congress.

Before leaving the subject of newspaper strikes in New York City (the most costly one ran for 17 days in 1945), some of the economic damage suffered by unions last December may be examined with interest. The data, more comprehensive than most, is certain to engage the attention of Congress.

UNION TREASURIES EMPTIED BY STRIKE BENEFIT PAYMENTS

While publishers were offsetting against their losses, payroll money which was not disbursed, and $2 million worth of newsprint paper saved, the unions—most of them not involved in the labor dispute—were dipping into their treasuries in painful depth. Some were literally scraping the bottom of the till for money to pay members strike benefits. These are the innocent bystanders SMATHERS and CHELF hope to save from their picket-happy leaders.

The International Typographical Union thinned its bank account for between 2,500 and 3,000 idle members—$88.80 a week for heads of families, $63.50 for single men. The Stereotypers Union distributed about $50,000 a week among 400 members whose union pledge forced them to obey the picket line block. The Photoengravers Union with $126,000 in its treasury when the strike began had to ask the international union to advance $50 a week to each member, making the weekly benefit $87.50. Paper handlers went to their international union and wangled $25 a week in order to pay 350 idled men $50 a week. The Mailers Union members received $72.70—all of it by tapping the international.

HOFFA'S CONTEMPT FOR CONGRESS

Tied in with the economic costs of strikes but inestimably more damaging from the standpoint of national safety was Hoffa's declaration of war on the New York City Police Commissioner's labor policy. This obviously was a gimmick on Hoffa's part to dramatize his announced plan to bring State and municipal workers into the Teamsters Union. But he made a fatal blunder. When he boldly proclaimed that police stations and fire houses would be picketed, essential

supplies would not be delivered by the Teamsters Union, the public awakened to a peril greater than that imposed by the cold war and the conquest of outer space.

If he were to succeed in organizing the policemen and the firemen and placing them under his code, the decision whether property and lives might be saved from destruction would rest with Hoffa. By the single command, "Strike" he would be in a position to turn the United States into a lawless jungle that would make the Cuba of recent days appear idyllic in comparison. The President of the United States and the Armed Forces at his command would be rendered powerless by the expanse of the crisis.

In that situation, Jimmy Hoffa might as well move right into the White House. But he wouldn't; his palatial Teamsters union building is a more modern, better equipped, and a more costly structure than the White House itself. Then, too, it looks down upon the Senate and House Chambers literally, and possibly in other respects.

Has Hoffa taken "one step backward, in order to take two steps forward" in imitation of the Communist formula? Yet it would be grievous error to overstate the extent of this retreat. He backed down on calling a national convention to ratify his dictatorship over the Teamsters Union. That ducked a test of authority between Hoffa and the Federal judicial system. He canceled his challenge to law, order, and public safety which was implicit in the plan to picket the protection departments of New York City. But the simile of the wounded jungle beast is apt, for people of the Hoffa stripe are most dangerous when they have been badly, perhaps mortally hurt.

Congress this time was quick to respond to the threat. While the Smathers-Chelf approach seems made to order to put down Hoffa's ambitious expansion moves as they arise, Senator JOHN MCCLELLAN, of Arkansas, invited his colleagues to join him in seeing to it that they do not arise. The chairman of the Labor Rackets Committee has prepared legislation to prevent the Teamsters from making alliances with any other transport unions, and indicated he looks favorably upon the even stricter proposal that none but teamsters (vehicle drivers and helpers) be permitted to join the union Hoffa now heads. The latter approach was suggested to the Kefauver committee's opening session this year, by Edwin G. Nourse who was chairman of the Council of Economic Advisers in the Truman administration. Its effectiveness is immediately apparent.

Meanwhile Hoffa's purpose is made clear in his call to IBT members to launch public employee organizing campaigns this year: "It is high time that informal understandings, verbal and written, which exist in too many Governmental agreements, be eliminated and replaced by strong, positive union contracts. Our international union negotiates such contracts."

We single out Hoffa because we believe him to be the most dangerous individual in our country today. Dangerous to the sound expansion of our economy—the well-being of the union worker—and to maintaining our free system of Government. All labor excesses seem to be concentrated in the activities of this single union leader. And there is no question that if we clip his wings the entire labor movement will benefit and be reestablished on the sound basis and goals of Samuel Gompers, its founder—for the benefit of the workers—so that they can benefit financially and economically—be subject to no man, and retain the freedoms to which they are entitled as citizens of these United States.

Our country stands at the crossroads economically and politically. That Mr. Hoffa believes this to be so, is clearly evidenced by his hot pursuit of every advantage—his testing of every opening that leads to personal power. And the inadequacies of the labor law are his opportunity.

The struggle against this cold war at home must be resolved, if we are to have the strength needed to win the cold war abroad.

With a large number of major labor contracts expiring in 1959 (negotiations have already begun on several of them) Congress must act with firmness and speed if it is to prevent shutdowns, dislocations and economic problems, already looming on the horizon. And it won't be too soon.

That is the challenge the new Congress faces today. Are they going to bicker and stall? Or will our lawmakers give us the legislation necessary for survival? That is the question of the hour. For history will be made by the 86th Congress, and future generations will know where and upon whom the blame falls if Congress is remiss in this crisis in our affairs—and in stabilizing our ship of state.

Major labor contracts expiring in 1959

Industry and companies	Union	Expiration date	Number of employees
Aircraft:			
Boeing (Washington, Florida)	Machinists	May [1]	37,800
Boeing (Kansas)	do	July [1]	15,000
Curtiss-Wright	United Auto Workers	September	13,500
Aluminum:			
Alcoa	Aluminum	July	10,600
Alcoa, Kaiser, Reynolds	United Steel Workers	do	33,000
Apparel: Cloak and suit manufacturers	ILGWU	May	50,000
Communications:			
Northwestern Bell Telephone	Communications Workers	January	20,000
Bell Telephone of Michigan, New Jersey, Ohio, Pacific Telephone & Telegraph, and 4 other telephone companies.	do	February	120,000
Southern Bell Telephone	do	May	55,000
American Telephone & Telegraph Long Lines	do	June	25,000
Container: American Can, Continental Can	United Steel Workers	September	37,000
Food products:			
California Packing	Teamsters	February	12,000
California Processors and Growers	do	do	60,000
Major meat packers	Packinghouse; Meat Cutters	August	100,000
Mining: Anaconda and Kennecott	Mine, Mill Workers	June	18,300
Paper:			
International Paper	Three unions	May	11,000
Pacific Coast Association of Pulp & Paper Manufacturers.	Papermakers and Pulp Workers	June [1]	19,000
Petroleum: Major oil companies	Oil Workers	do	100,000
Rubber: Firestone, Goodrich, Goodyear, United States Rubber.	Rubber Workers	April	94,000
Rail equipment: General American Transportation, Pullman.	United Steel Workers	August	11,500
Railroads:			
All class I railroads	All railroad unions	October	1,000,000
Railway Express	Clerks	do	35,000
Shipbuilding:			
Pacific Coast Shipbuilders	Metal Trades	June	15,000
Bethlehem Steel	Marine	July	12,000
Shipping:			
Pacific Maritime Association	West Coast Longshoremen	June	15,000
New York Shipping Association	East Coast Longshoremen	September	30,000
Steel: Bethlehem, Republic, United States Steel	United Steel Workers	June	300,000
Textiles:			
Dan River	United Textile Workers	May	9,000
American Viscose	do	June	11,000

[1] Contract does not expire this year but can be reopened for wage demands.

THE PRESIDENT'S PROPOSALS FOR LABOR-MANAGEMENT LEGISLATION

1. All unions to file detailed reports with the Department of Labor, to furnish information on their financial operations to their members and such reports to be open to the public.

2. All unions to file with the Labor Department copies of their constitutions, bylaws, and procedures.

3. All unions to be required to keep proper records which are open for examination by Government and union members.

4. Unions and employers to report any payments, transactions or investments which create conflicts of interests or interfere with statutory rights of members and employees.

5. To require that union officers administer union funds and property solely for the benefit of the union members and to make this duty enforceable in any court in a suit for an accounting by the union or by members.

6. Unions to observe minimum standards for election of officers, including periodic elections, secret ballot, the right of any member to run for office and a ban on use of union or employer funds to promote candidates for union office.

7. Union to observe minimum standards in supervision and control of subordinate bodies; such control to be limited to correcting corruption or disregard of democratic procedures.

8. The administration of this legislation to be vested in the Secretary of Labor, with appropriate and adequate authority to compel compliance.

9. Criminal penalties for willful violation of the act, concealment or destruction of records, bribery between employers and employee representatives and embezzlement of union funds.

10. Present remedies under State or Federal law to be preserved for union members.

11. To amend the secondary boycott provisions of the National Labor Relations Act, so as to cover direct coercion of employers to cease doing business with other persons; and inducement of individual employees to refuse to perform services with the object of forcing their employers to stop doing business with others.

12. To make it illegal for a union, by picketing, to coerce an employer to recognize it as bargaining agent, where the employer has recognized another labor organization in accordance with law, or where a representation election has been conducted within the last 12 months or where it cannot be demonstrated that there is sufficient interest on the part of employees in being represented by the picketing unions.

13. To authorize the National Labor Relations Board to decline to take cases where the effect on commerce is insubstantial and to permit State agencies to act in these cases.

14. To eliminate the prohibition barring certain strikers from voting in representation elections, leaving their voting eligibility to the National Labor Relations Board for determination.

15. To authorize the Board under certain conditions to certify building and construction trades unions as bargaining agents without an election.

16. To allow the Board to speed up representation elections without prior hearings, where no substantial objection is made.

17. To extend the non-Communist affidavit to employers as well as unions.

18. To make clear that parties to a collective bargaining agreement need not negotiate during the life of the agreement, unless the agreement so provides.

19. To authorize the President to designate an Acting General Counsel of the Board when vacancies occur.

20. To require that the Board be bipartisan in composition by providing that not more than three members be of the same political party.

[From Newsweek, Feb. 9, 1959]

WHO MAKES INFLATION?

(By Henry Hazlitt)

The Economic Report of the President reflects the same schizophrenic attitude toward spending versus economy, inflation versus dollar integrity, as his budget message. At one point he declares: "An indispensable condition for achieving vigorous and continuing economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead." But most of the report endorses policies that would clearly undermine this confidence.

Describing governmental actions that helped "to bring about a prompt and sound recovery" he says: "Monetary and credit policies were employed vigorously to assure ample supplies of credit. Legislation was enacted to lengthen temporarily the period of entitlement to unemployment benefits. Numerous actions were taken to spur building activity. Steps were taken to accelerate Federal construction projects already underway and to speed up projects supported by Federal financial assistance. Activities under a number of Federal credit programs, in addition to those in the housing field, helped counter the recession. And the acceleration of defense procurement * * * exerted an expansive effect."

WHO PRINTS MONEY?

Every one of these policies was inflationary. All of them meant pouring new money and credit into the system, increasing the supply of dollars, reducing their individual purchasing power. In a later part of the report it is admitted that the Federal Reserve policies enabled the commercial banks "to add nearly $10 billion in loans and investments to their assets," largely by "additions to their holdings of U.S. Government securities." This in turn added $13.6 billion to the total money supply (including inflated time deposits), and helped to boost living costs.

Yet the President's report blurs responsibility for inflation and tries to shift it on to consumers, business, and labor. The individual consumer is advised to shop carefully for price and quality—as if he couldn't be depended upon to do that without urging. The Government in effect is saying to consumers: "Here are $10 billion or more additional paper dollars; but don't be reckless enough to spend them, because it will make you responsible for raising prices." Businessmen are told they must wage a ceaseless war against costs—as if self-interest and self-preservation did not insure that. But nothing is said about Federal labor laws (including compulsory exclusive bargaining) which render the employer all but impotent in resisting excessive demands. And leaders of labor unions (after having been granted monopolistic bargaining powers by law) are urged not to ask as much as they can get under these conditions. This means that they would not last very long as labor leaders.

THE REAL CULPRIT

The President goes on to declare: "If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement." What the President seems to be saying is that it is consumers, businessmen, and labor leaders who threaten to bring inflation by lack of self-discipline and restraint, and that they may force Government controls. But the real culprit is Government. Government must stop deficit spending, stop flooding the country with more paper dollars, and stop encouraging monopoly in the labor field while blaming our free competitive economy for rising wages and prices.

Perhaps the most important recommendation in the Economic Report is that Congress "amend the Employment Act of 1946 to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that act." Well, if the mischievous Employment Act of 1946 is to be retained, this amendment on net balance would probably make it less mischievous, because the act has been constantly interpreted as a directive to inflate. But an immensely better solution would be to repeal the act altogether.

ROLE OF TELEVISION IN THE AIR AGE

Mr. GOLDWATER. Mr. President, in this anything but pacific age of aviation, radio, and television fill the air, while the pages of newspapers and magazines overflow with reports of missiles, jets, rockets, and all the other assorted, terrifying hardware of pushbutton warfare.

The public is hammered incessantly by the rapidly burgeoning vocabulary of this rapidly changing aeronautical era.

All of this causes me to wonder if we are losing sight of the invaluable human element—the one element that remains constant in this state of scientific flux. So, I ask: Are the American people able to appreciate the contributions made by the men of our Nation's Air Force, who have pioneered and will always continue to blaze the way in the great conquest of sky, space, and outer space?

I am happy to say, Mr. President, that there is currently a project dedicated to our well-deserved appreciation of human deeds in aviation's miraculously short half-century of history. This project is a television film series, entitled "Flight," produced by California National Productions, a subsidiary of the National Broadcasting Co. "Flight" presents in well-documented dramas the aspirations and exploits of the men who are largely responsible for our air progress. Episodes of this brilliant series range from the days of the primitive experiments at Kitty Hawk to today's launchings at Cape Canaveral, with most of their thrilling television half-hours dramatically devoted to the heroic achievements of our military flyers in World War II and the Korean campaign.

Host and narrator for "Flight" is Gen. George C. Kenney, U.S. Air Force, retired, whose own brilliant career closely parallels the development of this country's air strength. He enlisted as an air cadet in World War I, when our military aviation was relegated to a small section of the Army's Signal Corps. In World War II, as Chief of the Allied Air Command in the Pacific, General Kenney masterminded our air offensive against Japan. He later became head of our Strategic Air Command. Although he is now retired from active military affairs, General Kenney continues to serve his country and the cause of aviation by taking part in the "Flight" project—a mission which deserves the gratitude of the American people.

The "Flight" series is being broadcast on television stations throughout the United States to ever-increasing numbers of viewers. Here in the Capital, where it is particularly important for all of us to see it, "Flight" is telecast over Station WRC-TV.

In that connection I invite the attention of my colleagues to the episode which will appear on that station on April 3. It is entitled "The Snark."

I wish to commend all those who have contributed to this splendid program's success: among them, the U.S. Air Force, the Civil Air Patrol, the Air Force Association, General Kenney, and especially California National Productions, for having had the foresight and sense of national dedication to produce such a costly television film series. I am confident that the general public's and advertiser's response will justify its efforts.

Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

RETIREMENT PAY IN THE ARMED SERVICES

Mr. GOLDWATER. Mr. President, I have one more item to present. Strangely, it touches upon a part of the remarks I have just made, in which I ask the American people if we are not losing sight of the human element in our Military Establishment, forgetting that it requires men to push buttons, forgetting that man's brain is the best computer ever devised.

Last year on this floor, acting upon proposed legislation reported from the Committee on Armed Services, in accordance with the Cordiner report, we enacted legislation which raised servicemen's pay in nearly all categories. Our action took care of most of the Cordiner report, except the important area covered by retirement pay.

Mr. President, I have introduced a bill, S. 269, which has a number of cosponsors. The Senator from Washington [Mr. JACKSON] has introduced an identical bill, with additional cosponsors. We are hopeful that the Committee on Armed Services will see fit in the near future to take up this important oversight in the legislation passed last year.

In relation to this subject, I ask unanimous consent to have printed in the body of the RECORD at this point an editorial published in the Washington Sunday Star of January 25, 1959, entitled "Rank Discrimination."

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

RANK DISCRIMINATION

There are gratifying indications in Congress that a highly discriminatory provision in the 1958 military pay law will be eliminated at this session. This provision, in effect, set up an "inferior" and a "preferred" retired list for pay purposes. Relegated to the inferior list were all officers who retired prior to June 1, 1958, the day the law became effective. They were limited to a retirement pay increase of 6 percent. All officers retiring after that date are on the preferred list. They are entitled to a much larger increase, based on the traditional relationship between active duty and retired list pay scales.

Among the penalized "inferior" group are many of the combat leaders of two World Wars and the Korean war. They have been cut off arbitrarily from the benefits which they justifiably had expected under a century-old formula. Yet officers retired since last June 1 and those hereafter to be retired are entitled to the full benefits of this formula (50 percent of present base pay of rank for officers with 20 years' service, 75 percent for those with 30 years' service). The unfairness of this so-called "economy" measures may be seen by the fact that a major general or rear admiral with 30 years of service who retired the day after the law became operative receives $1,884 more a year than an officer of like rank and service who had the misfortunate to retire on the previous day.

The storm of protest which has arisen among active as well as retired officers of the three services is based not only on the inequity of the plan but on fear that departure from the established formula last year may set a precedent for future congressional "economy." As the Cordiner report on armed service pay persuasively pointed out, the relationship between active duty and retired pay has been a vital force in stabilizing the military career service over many years. To abandon this relationship is to impair morale by holding over the services the threat of an unstable retirement-pay structure.

Hence, it is encouraging that nearly 30 Senators and numerous Representatives have sponsored identical bills at this session to "equalize the pay of retired members of the uniformed services." This legislation, involving amendment of the 1958 pay law, merits early passage—in the interest of a more stable and stronger Military Establishment.

ORDER OF BUSINESS

Mr. CHURCH addressed the chair.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Chair will inform the Senate that the previous occupant of the Chair ruled that the transaction of morning business had been concluded and that it would be necessary for Senators to ask unanimous consent to proceed to the transaction of further morning business, with the additional request that the time consumed be not charged against either side on the pending business. The Chair will recognize the Senator from Idaho [Mr. CHURCH].

Mr. HUMPHREY. Mr. President, I request on behalf of the Senator from Idaho and myself that we may speak and that the time be not charged to either side.

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

THE GENEVA CONFERENCE

Mr. CHURCH. Mr. President, on March 2, I made an address on this floor entitled, "The Geneva Conference, A Proposal for the Eleventh Hour." In it, I urged the United States to seek a ban on nuclear weapons tests in the earth's atmosphere only, within the framework of an adequate international detection and control system, should it prove impossible to reach agreement banning all types of nuclear tests. I made this proposal in the hope that it might salvage the conference now deadlocked for many weeks, and produce the ground for a treaty that would both put an end to the accumulating pollution of the air, and take the first step toward establishing international safeguards over atomic power.

I am happy to say that the reaction of the American press, or such part of it as has taken note of my proposal, has been favorable. Last week I placed in the RECORD a number of editorials from American newspapers.

This morning I should like to include in the RECORD an English reaction to the proposal, as published in the Economist, of March 14, 1959. This splendid summation of the fallout hazard as it relates to the Geneva Conference, and synopsis of current thinking in this country regarding the whole problem, is contained in an article by Mr. Brian J. Beedham, captioned "Fallout Falls In."

I ask unanimous consent that the article may appear in the RECORD following these remarks:

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

[From the Economist, Mar. 14, 1959]

FALLOUT FALLS IN

WASHINGTON, D.C.—The words "eleventh hour" have been heard in Washington in the last couple of weeks not, as might be expected, in connection with Berlin—most Americans remain trustfully Micawberish about that problem—but in connection with the negotiations at Geneva for stopping tests of nuclear weapons. Those who want these talks to succeed have realized that they have reached a deadlock at the stage which is ideal for those who would be happy to see them fail. If the Americans and the British want to point an accusing finger as they walk out of the conference room, now is the best time, when the Russians are at their most mulish about giving the control organization any effective powers to police tests. Mr. Dulles, whose absence from the State Department makes liberals' hearts grow daily fonder of him, is no longer there to whisper "persevere" in one of the President's ears as the Defense Department and the Atomic Energy Commission say "desist" into the other. It was he who overruled the original reluctance of these agencies to enter into the atomic negotiations at all.

As the rumors that the administration is moving toward breaking off the talks revived this week, those who want to forestall such a decision have been rather desperately searching for new ideas to keep the negotiations going, spurred by recent suggestions that portions, at least, of the earth's surface are getting a heavier dusting of dangerous strontium 90 from fallout from tests than can be comfortably ignored. Samples of wheat gathered in Minnesota in the last 2 years have almost all contained more than half of what is usually regarded as the maximum safe amount of strontium 90 and samples from places as far apart as Germany and Chile have exceeded the permissible level. Now the Atomic Energy Commission itself has disclosed that in several American cities the strontium content of milk, which along with its products is the vehicle for three-quarters of the strontium that gets into human bones, has recently been many times above what was assumed to be the national average only 18 months ago; in North Dakota milk has contained up to a third of the maximum acceptable dose.

It is true that, as Dr. Libby of the AEC has pointed out, one meal of an excessively strontium-laden food is no cause for alarm; the maximum permitted levels are those which, if consumed regularly over a long period of years, would result in a risky concentration of strontium in a man's bones. It is also likely that the strontium which has produced the worst of these statistics is that which has fallen directly upon wheat ears or cows' fodder—and has thus had a "one-shot" contaminating effect—rather than that which has settled in the topsoil and may poison successive crops. Nevertheless, the scientists who have been critical of the AEC's complacency feel that the new data have strengthened their argument.

For one thing, since the present system of sampling for strontium content is, to put it mildly, a patchy affair, it is possible that some even more poisonous local concentrations have gone unobserved. Secondly, there are reasons for taking a closer look at the figure which is normally cited as the maximum permissible concentration. At present the custom is to fix this, by what is admittedly pure rule-of-thumb, at one-tenth of the level permitted for industrial workers exposed to hazards from radiation. A substantial number of American scientists think the permissible concentration ought to be cut by, say, a half. With two such areas of doubt, it is not surprising that some observers fear the onset of that "combination of unusual circumstances" in which, according to a report published by the AEC, "it is possible that fairly large numbers of people in some localities may accumulate strontium 90 in their bones * * * above the permissible limit for large populations." A group of scientists is now drafting a proposal to put the Public Health Service in charge of a revised—and closely monitored—code of radiation safety.

Some of those who have talked to the Russians at Geneva believe that it may yet be possible to coax them into signing a treaty to halt all atomic tests. One of the ideas being circulated in Washington is to offer to increase the number of neutral representatives on the control commission in the hope that the Russians will withdraw their demand for a veto; another is to set an annual ration of on-site inspections so as to lull Soviet fears that roving control teams might indulge in indiscriminate prying. This approach assumes that the technical problems raised by the American underground tests last autumn are not as great as the administration has suggested.

These tests, by revealing that underground nuclear explosions produced smaller seismic disturbances than expected, made the skeptics fear that only the bigger bangs—from 15 to 20 kilotons upwards—could be distinguished from earthquakes without recourse to extensive on-site inspection. But new evidence presented to Senator HUMPHREY's disarmament subcommittee last

month suggests that the problem is not insoluble. By measuring surface waves, for instance, and burying seismographs in holes to reduce the "background noise," it may become easier to distinguish between man-made and natural concussions. If the number of suspicious events calling for on-site inspection is reduced enough, the Russians may be persuaded, some think, to put up with patrols in principle.

Quite possibly, however, they may never accept mobile control teams. It is generally assumed in Washington that the suggestion which Mr. Macmillan put to Mr. Khrushchev in Moscow involved the "threshhold" concept; this, by legalizing underground tests below a certain size, dodges the worst of the problem of on-site inspection. As Mr. Eisenhower has said, there are technical snags in this too. It is difficult for the tester to forecast exactly what the yield of his explosion will be, so that he may violate the "threshold" by accident. The size of the signal recorded on the seismographs also varies according to the kind of rock in which the explosion takes place. The more radical suggestion made last week by young Senator CHURCH of Idaho avoids all these complexities. He would simply confine the ban on tests to explosions in the earth's atmosphere, which could be adequately monitored from fixed observation posts.

The Russians may reply that, for a treaty limited purely to tests in the atmosphere, a gentleman's agreement supervised from outside their borders will be enough. If they do not, this proposal has an attractive simplicity. It would stop the contamination of the air. It would provide the rudiments of an international control system, even if on-site inspection would not be called for. Since underground tests (which have no fallout of radiation) would continue to be free for all, the Atomic Energy Commission would be able to go on with its experiments with "clean" bombs and explosions for peaceful purposes, such as obtaining petroleum from oil shale. The Defense Department would be less happy, since it is more interested in measuring the effect of explosions and in fitting a bigger bang into strategic warheads, both of which seem to require tests above ground. But, if the President decides that the world cannot afford to see the last glimmer of negotiation at Geneva snuffed out, some of the generals—both American and Russian—will have to be disappointed. If it is impossible to agree on full inspection, Senator CHURCH's intelligent idea deserves the State Department's study.

FAMINE IN HAITI AND THE SCHOOL-LUNCH PROGRAM IN THE DISTRICT OF COLUMBIA

Mr. HUMPHREY. Mr. President. in this morning's papers there appeared a most distressing report on a famine in Haiti which is affecting some 45,000 men, women, and children. This present food crisis has been caused by a drought which has lasted for more than a year. A French priest reports that things have become so desperate that the people have lost hope. Even if the rains come, they ask, who has any seed left with which to plant? Who has any animals left to sell to get money to buy seed?

A Baptist minister reports starvation conditions among his parishioners—"potbellied children with spidery legs, sagging skin, and haggard eyes."

Right here in the District of Columbia we find people living lives of terrible poverty. It is estimated that some 7,000 children in our grade schools have inadequate diets. Yet, we have no school-lunch program for such children. Washington citizens have become so alarmed and so frustrated over the refusal of the Congress to act that they have undertaken a private fundraising campaign to help ease the hunger of schoolchildren in some of the lowest income areas of the city.

Mr. President, something is seriously wrong when we have so much food in our land that it is pouring out of our ears, and yet children right here in the District of Columbia are going hungry and famine haunts so many parts of the world.

We cannot be complacent in the face of such tragedy. We have a moral obligation to share our great abundance with the less fortunate.

Some people have called our food abundance a curse. To me, Mr. President, it seems rather a blessing, and it should be treated as a blessing. The present Holy Week is a most appropriate time to reflect upon the words of our Lord that we feed the hungry.

Let us put to full use our surplus foods to aid those both here and abroad who are living on inadequate diets. Public Law 480 is an example of an intelligent and imaginative way in which our huge food surpluses may be used. This program should be expanded and it will be expanded.

I understand that the problem in Haiti is that the food can be put ashore at the port cities, but that there is no transportation available to take the food from the ports to the hinterland, where the food is needed.

Mr. President, there are enough trucks in the surplus depots of the U.S. Army to move this food across Haiti back and forth 10 times. It is about time for the Government of the United States to extend its helping hand to voluntary organizations, in this case the Catholic Welfare Agency, who are attempting to help feed the hungry people of Haiti. I ask the Secretary of Defense to get in touch with the Secretary of Agriculture. There are still telephone lines operating in the District, tapped or untapped. I suggest that the Secretary of Defense call on the Secretary of Agriculture and inform him that the facilities for moving the food supplies will be made available to the organizations which are taking care of it.

In order to meet crises such as that which has arisen in Haiti, I have suggested that we demothball a number of U.S. Navy ships and form them into a task force for peace. I have called this a white fleet which would carry food and supplies to disaster-stricken areas in Asia and Africa. It could be sent to the scenes of famine, earthquake, floods, and epidemics. Such a fleet would serve as a dramatic symbol of our desire to aid in alleviating suffering and deprivation.

This is but one proposal as to how we may more effectively make use of our food surpluses and great wealth in a spirit of brotherhood and to aid in building a better world. I am confident that the Congress will act with intelligence, generosity and imagination to help bridge that gap between poverty and wealth.

I ask unanimous consent that the article on famine in Haiti which appeared in the Washington Post of March 23 be inserted at this point in the RECORD.

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

[From the Washington Post, Mar. 23, 1959]

FORTY-FIVE THOUSAND AFFECTED—FAMINE KILLS 200 IN NORTHERN HAITI AFTER MORE THAN YEAR OF LITTLE RAIN

(By Bernard Diederich)

JEAN RABEL, HAITI, March 22.—Famine is affecting some 45,000 people in this and 2 adjoining districts along the rim of northwest Haiti.

A member of the Catholic Youth Organization, which conducted a house-to-house survey, estimated that famine has caused 200 deaths in the coastal region reaching from Anse Rouge through Baie de Henne to Jean Rabel and in the interior mountains.

Famine is no stranger here. The Haitian farmer of the northwest ekes out a living on an average of a half-acre plot of land. During the dry season it is not uncommon for some areas to be reduced to a diet of green mangoes.

But this is no ordinary dry spell. Little rain has fallen for more than a year. A slight shower wet the ground in December, and farmers hastily scattered seed in their gardens. But it dried up.

The Reverend Marcel Cornet of the Roman Catholic parish here says the most discouraging sign is that people have lost hope. Even if rain comes, who has any seed left? Who has any animals left to sell to get money to buy seed?

The French priest pointed to one family in which four persons died of typhoid. Dispensaries in the area are short of medicines.

Four miles back in the hills from Jean Rabel is the small tin church of the Reverend Wallace Turnbull, the Baptist mission of Poirier.

Pastor Turnbull, who came to Haiti more than a decade ago from Los Angeles, reported starvation conditions when he discovered among his own parishioners potbellied children with spidery legs, sagging skin and haggard eyes.

The Catholic Welfare Organization and the Protestant World Service Organization handle U.S. Government emergency aid. They have 6,000 tons of foodstuffs to distribute in Haiti this year.

The Haiti Government is supposed to pay transportation costs from the port of entry. But appeals from Jean Rabel, isolated by poor or nonexistent roads, appear to have been lost in redtape.

Mr. HUMPHREY. Mr. President, if there is a lack of legal authority for our Government to help feed the needy children in the District of Columbia, Congress, as the city council of the District of Columbia, needs only the recommendation of the Commissioners or the executive branch of the Government to enable it to take action.

If there is a lack of legal authority to aid in the feeding of the people of Haiti, who are only a short distance from the shoreline of the United States, I suggest that the executive branch of the Government send a recommendation to Congress to remedy the situation. Action will take place. It certainly does not look very good to see headlines about a famine in the Caribbean area, in the area of the Americas, when there is $8½ billion worth of food in surplus storage and when, I venture to say, there are several thousand surplus trucks and

moving vans available for the distribution of the food. In this instance the voluntary church organizations are providing the manpower free of charge to take care of it. Their problem is transportation and supplies.

HUMPHREY ON COLLEGE TEACHING

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the junior Senator from Minnesota [Mr. McCARTHY] be permitted to proceed for 1 minute and that the time be not charged to either side.

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

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address on the subject "College Teaching in Today's World," delivered by the senior Senator from Minnesota [Mr. HUMPHREY] on March 3, 1959, at the 14th National Conference on Higher Education, held in Chicago, and sponsored by the Association for Higher Education.

I share my colleague's conviction in the importance of education and on the need to resist pressures seeking to weaken our tradition of liberal education in favor of purely scientific and technological training. Of particular interest is the Senator's proposal that we develop an "education for peace" program to take its place beside the "food for peace" and the "health for peace" programs already initiated as a positive and practical effort in American foreign policy.

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

COLLEGE TEACHING IN TODAY'S WORLD

(Address delivered at the banquet session of the 14th National Conference on Higher Education, sponsored by the Association for Higher Education, Chicago, March 3, 1959, by the Honorable HUBERT H. HUMPHREY, U.S. Senator from Minnesota)

Clearly one of the mainstreams of Western thought—cradled in the life of the great Western colleges and universities—has been the principle of balance, of equilibrium, of symmetry.

How vital it is today that this Aristotelian principle should shape American planning and policy.

Yet how far from balanced, how free from distortion many of our national policies are today.

There is, for example, a gross underemphasis on the need for expanded national productivity, particularly in the public-service area.

Domestically, we are currently failing to assign a sufficiently high priority to housing, to school and hospital construction, to basic research, to education in general.

There is a striking dependence today on short-run, makeshift solutions, an unwillingness to program boldly ahead, and a fixed idea that, while corporate planning is somehow good, government programing is invariably bad.

In our foreign policy we have developed a dangerously distorted pattern—a general overemphasis on the importance of preserving the status quo, a habit of overreaction to moves of the Soviet bloc, and in recent years a failure to institute broad but flexible programs to deal with the infinitely complex problems of a world in the process of rapid and often violent change.

A crisis mentality has developed a pattern of drift, crisis, and drift again. Each flareup is met by sudden hasty improvisation, followed almost invariably by an almost total relapse into drift again.

Throughout the vast emergent areas of Asia and Africa, we have too often sought only defensive military alliances. We have, thereby, missed sweeping opportunities to win the cold war by taking the struggle to the higher plane on which we have greatest chance of success—the fight against hunger and disease, the struggle for knowledge and human dignity.

We seem forever on the defensive, forever standing firm, forever reacting to a new Soviet-created crisis.

Standing on the defensive, we have failed to come to grips with the underlying economic and social problems of the world on which communism feeds and grows.

While the emergent peoples of the world are vitally interested in the great East-West struggle, they are primarily engrossed in their own struggle to find a way up—at almost any cost—from the mire of famine and disease, from the filth and rags of native quarters, from degrading ignorance, from their outcaste, almost subhuman status assigned to them by a civilization which stumbled into the industrial revolution two or three centuries before they did.

There are three words—"people, progress, and peace"—that belong to the lexicon of democracy, and that uniquely represent the democratic tradition. They are powerful words—so important and so powerful that the enemies of freedom have attempted to take them to their bosoms—literally to steal them away.

There is a plethora of Communist peoples republics.

The Communists are determined to demonstrate to the new and rising nations that communism means economic and social progress.

And we have permitted the Communists very nearly to appropirate the word "peace"—to pose as the peacemakers and to tag us with the label of "warmongers."

Like it or not, the Communists have been "getting away with" ideological piracy. They have been quicker than some of our own leaders to recognize the real battleground of the world—the struggle for men's minds—and swifter to understand the surging drives that are toppling kings and emperors and colonialist powers throughout Asia and Africa.

But we do not know our own strength. At least we have failed to mobilize it.

We urgently need to design and launch a broad-gaged and affirmative foreign policy on the natural strengths of our Nation—yes, to harness to the plow of foreign policy our tremendous industrial capacity, our dominant capital, our technical knowledge, our agricultural abundance, our wealth of trained educators, agriculturists, administrators, technicians, doctors, and students.

Why have we not done it?

I would suggest that the cause may be found in part in the lack of status of the intellectual in our midst, and in the habit which a nation of producers has developed of judging the worth of a man or of an idea in terms of annual salary or dollar cost.

There appears today to be too narrow a circle from which the political leadership of the country tends to draw its advice and ideas.

Valuable as may be the counsel of financiers and manufacturers and military officers—and the experience of these groups of men is useful and valuable—the Government's fundamental policy decisions might well be predicated upon a wider base. I am convinced that the counsel of men and women broadly representative of agriculture, of labor, of the press, of the scientific community, of the legal and medical professions, of the clergy, of the teaching profession—yes, and of the arts—should be sought out and given intense consideration by the responsible political leaders of the Nation.

Firmer, stronger, more freely flowing lines of communication must be set up to channel the ideas and enthusiasms of intellectual America into the Halls of Congress and into the mind and heart of each man who occupies the Office of the Presidency.

I am not one of those who believe—nor do I think that anyone in this audience believes—that all the problems of the world can be solved by education.

But I am deeply impressed with the value and the power of education—its value as an end in itself, for its key role in the freeing of man's spirit and the enrichment of his life—and its power to shape the destinies of nations.

There is increased public attention to education today—reflected in its most dramatic form in the passage by the Congress of the National Defense Education Act last year. Congress in this act explicitly recognized the worth and the importance of a broad-based educational system—and did not plunge the country into a lopsided effort in behalf of scientific and technical training alone.

We specifically encouraged young people to go into teaching, through a provision permitting the writing off of a portion of the federally guaranteed college student loan. We singled out language training for special emphasis, because of the really appalling gaps in our language abilities. But we made a conscious effort to write legislation which would preserve the essentially balanced and symmetrical character of American education.

Because I am a former college teacher myself, and because I have consciously made an effort to keep open the lines of communication between the community of scholars and the political leadership of the Nation, perhaps you will permit me to make one or two suggestions to you, my respected friends in the colleges and universities.

I would like to put before the House a few ideas for feeding some of the brainpower of the American educational system into the machinery of American foreign policy.

One suggestion which I respectfully advance is that more of our American colleges and universities should encourage searching and frankest discussion and debate of current political, economic, and social problems.

While there is a role for the colleges to play as "islands of contemplation," there is a concurrent responsibility to prepare the individual for the day-to-day participation that the democratic process requires.

Secondly, I would urge you to resist the demands that we cut down on our efforts to provide liberal education, in favor of more training of scientists and engineers. To be sure, we need more scientists and engineers. But I am of the opinion that we can afford an educational establishment great enough to train all the scientists and engineers we can conceivably use, without cutting back on the vital effort toward liberal education. They are not mutually exclusive at all.

I have only one suggestion to make insofar as the college curriculum is concerned. There is a need, I feel as a man in public life, for a much clearer understanding on the part of college graduates of the mainsprings of national power and the motivations of national conduct. Too often a student can emerge from a series of courses in economics and history and government without a real understanding of their interrelationship, without, making the kind of synthesis that will prepare him to face and help to solve the problems of his society and his nation.

These are modest suggestions, and humbly put. For I have profound respect for the character and the achievements of American higher education. Americans take great pride in the vigor, the stability, and the integrity of our colleges and universities.

My principal question tonight is not how we can improve our American educational system—but rather what we can do to more fully utilize the great example and the great strength of American education in a more constructive and affirmative foreign policy.

The work of peace—as well as the words of peace—are imperative in American foreign policy.

Yes, we must broaden and intensify the existing programs for the use and distribution of our vast food abundance. The generous and planned use of food and fiber has already made a historic contribution to the social and economic well-being of many nations. This is the national effort I call food for peace. It can be the foundation for a series of works of peace.

A second and parallel effort is in preparation—health for peace. I have joined with Senator LISTER HILL, of Alabama, in proposing an International Health and Medical Research Act. We are hoping to mobilize the medical and scientific resources of America behind a massive assault on disease, pestilence, malnutrition and pain.

I invite your consideration tonight of a third major work of peace—what I shall call an education-for-peace program.

If education has been one of our cherished American ideals, it is also one of the deepest hopes and needs of people everywhere.

In Sicily there are towns where the farmers after a long day in the fields will go to school for three hours a night, five nights a week, to try to learn to read and write. In India, young children, lacking even paper and pencils, squat for hours in a makeshift schoolroom and never take their eager eyes off the teachers. In Haiti parents have literally sold the fillings out of their teeth to get money for their children to go to school.

Education is a powerful personal ideal to people in the underdeveloped countries. It is also indispensable to their economic progress and national independence. At one time, it was the rather simple belief that the reason some countries were poor and laggard was simply that they lacked necessary capital and know-how. But we are coming to understand that money and techniques are not enough.

The one resource most of the needy countries have in ample quantity is manpower. But it is untrained, unskilled manpower. In fact, unless the have-not countries can develop the men needed to make effective use of the funds and knowledge provided by the more developed countries, much of the aid will inevitably be wasted.

The Communist leadership has recognized this interrelationship very quickly and has taken vigorous steps accordingly. The achievements of Soviet science have a prodigious educational effort behind them. Throughout the Communist nations new universities are cropping up, new buildings, new laboratories, and very large scholarship programs for talented students. In the student dormitories throughout the Sino-Soviet bloc, thousands, in fact tens of thousands, of university students are studying—from families and from remote towns from which until a few years ago no one had ever gone to a university.

It may be that the Communist leaders are creating a force of freedom which may some day tear apart the Communist system by educating masses of people. But for the present they are winning the loyalty and deeply felt gratitude of students and parents.

In too many of the countries of the free world educational systems are impoverished and stagnant. It was in the great countries of the West that the university idea was born and where a great university tradition has been built over the centuries. But some of these schools today are suffering from too much history. They are burdened with traditionalism. In some cases they are still living and thinking in the seventeenth or eighteenth century.

In the newly independent countries the problem is different. There, without a highly developed educational system and lacking in a scientific and academic tradition, they are often building from scratch. Where they do have universities, they are in too many cases poor imitations of the most antiquated models from Western Europe. Their graduates are frequently mistrained in terms of the needs of the country—the result, large numbers of unemployed and unemployable university graduates forming a core of disgruntled, resentful intellectuals.

In both old and new free world countries when it come time to divide up the budget, the Ministry of Education is too frequently put at the end of the line.

To cite just one case in point. In Greece, a country with some seven million people, the Government offers about 350 scholarships a year to excellent graduates of secondary schools to go on to the university. But across the border in Communist Yugoslavia with roughly double the Greek population, that Government offers more than 30,000 scholarships a year for students to go to the university.

It is only a question of time before that educational gap will begin to create an economic, military, and political power gap.

We are, of course, not completely ignoring this educational gap. As you know, on a limited scale the United States has been giving some help to education and educational exchanges internationally. The Fulbright program has been a great act of creative statesmanship. It has brought our academic community into closer contact with the world of foreign scholarship than ever before. Through our atomic energy program we are training foreign scientists in our research institutions. In our economic development programs we are bringing foreign technicians here every year for training. The State Department is bringing over leaders in many fields. And, of course, our great private foundations have been giving assistance to foreign educational institutions and have been assisting educational and scientific exchange for many years. All these efforts are to be applauded.

But all these efforts together fall far short of the need and the opportunity. Their first defect is that they are too small in scale.

Their second defect is that they are focused on only narrow details of the total problem of free world educational development—namely, exchange activity, technical and vocational training. They have not emphasized the general strengthening and expansion of the foreign educational systems themselves—the indigenous schools and universities.

The third defect is that what we have done has been undertaken in a spasmodic, left-handed, and half-hearted manner totally lacking in drama, and impact.

I propose that we launch a broad program of world educational development—a plan of education for peace.

The first step would be for the Congress of the United States to declare to the free world that we share their beliefs in the values of education and that we are ready to work with them in building up their own educational systems to train their own people. We should declare our readiness to support a 10-year, $3 billion effort for worldwide development of democratic education—on condition only that our friends bring to us sound plans for self-help and mutual help.

We do not propose to interfere in the control or direction of their educational systems; they should and must direct their own patterns of educational growth.

The second step should be for us to draw together the many loose ends and separate efforts we are now supporting into one agency in Washington. This body—perhaps in the form of a quasi-independent international educational development foundation—would be responsible for leadership and focus in our international educational efforts. It is important that such an agency stand on its own feet—not as a subordinate part of a propaganda program, nor of a military program, nor even of an economic development program. In its long-term potentiality for American prosperity and security, and for the strength and stability of free nations everywhere, such an education effort would not be second to any of the other assistance programs we are supporting. It should therefore be not only visible but prominent among our international agencies. But what about the money. Where are funds of this magnitude to be found? If it were necessary to propose the appropriation of dollars to this effort, I would still recommend this step, because I am convinced of the importance of education for peace and progress.

But this may not be necessary. As a result of the major programs of assistance in food and materials which the United States has given to friendly nations in the past, we now own considerable balances of foreign currencies abroad. The present total is in the neighborhood of $2 billion, and the total is increasing as our food shipments and other kinds of help continue. By agreement with the recipient countries, these funds can be used only for mutually agreed upon development projects. My recommendation is that we earmark a significant portion of these funds specifically for educational development.

In addition, we now have made several billion dollars worth of loans to allied countries which are repayable in foreign currencies. I recommend that we also earmark a portion of these loan repayments for educational purposes. Such funds may not alone be enough—for there are several countries, particularly in Africa, where such funds are not available. In those cases, consideration should be given to the appropriation of additional dollar funds.

Now it is obvious that all the educational problems in the world cannot be shouldered by the United States. We have huge educational needs of our own, and these should and must come first. The development of foreign educational systems must be a primary responsibility of each country.

But think of the great gain to the United States and to all mankind if we were to become clearly identified in the eyes of the world with physical symbols of friendship and progress like schools, universities, libraries, and laboratories.

The program I propose would involve grants for laboratories and facilities, for the endowment of professorships, institutes, and research projects. Scholarships and fellowships would be granted after annual competitions in every region, every locality of every recipient country. It is difficult to imagine a more penetrating and meaningful way to identify Americans with individual opportunity, social democracy, and international fraternity.

I ask you for your consideration of this proposal. If you will give it your thoughtful criticism and your intelligent support, we may be able to help our country take another long step toward a more balanced and vital foreign policy and eventually a stable, just, and serene peace.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Alabama [Mr. SPARKMAN] be permitted to proceed for such time as he may need, and that the time be not charged to either side.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

FOREIGN PURCHASE OF GENERATING EQUIPMENT FOR TENNESSEE VALLEY AUTHORITY

Mr. SPARKMAN. Mr. President, recently the Tennessee Valley Authority has been criticized for the purchase of some generating equipment outside the United States. Not long ago the Chelsea, Mich., Standard attacked the TVA because of this purchase. The attack was answered by Gen. Herbert D. Vogel, Chairman of the Board of the Tennessee Valley Authority. I ask unanimous consent that the article, published in the Chelsea, Mich., Standard of January 22, 1959, together with the answer by General Vogel, be printed in the RECORD.

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

BY CHAIRMAN HERBERT D. VOGEL: RINGING DEFENSE OF TVA IS ANSWER TO MICHIGAN CHARGE

An attack on the Tennessee Valley Authority by the editor of the Chelsea (Mich.) Standard recently met with a ringing defense of the Authority from the pen of Gen. Herbert D. Vogel, Chairman of the TVA Board, which deserves to be read by every American citizen.

Permission to reproduce the correspondence has been granted the Tri-Cities Daily and the Florence Times by General Vogel.

The anti-TVA editorial and General Vogel's answer follow in full:

The Chelsea Standard, Chelsea, Mich., January 22, 1959:

"TVA PURCHASING POLICY INVITES DISASTER IF ALLOWED TO CONTINUE

"TVA, our tax-fed, electric power octupus, has just bough three new 54,000 kilowatt hydroelectric generators at a cost of $2,637,-135 U.S. tax dollars—dollars which were bundled up and shipped to a foreign manufacturer in Baden, Switzerland.

"Three American firms who bid on the generator purchase were left out in the cold simply because they pay their workers too well to be able to compete with overseas producers for the business of their own Government.

"If, however, the TVA directors had elected to follow the spirit of the 'Buy American' set—rather than the destructive interpretations imposed by executive order and the council of foreign economic policy—the generator contract would have gone to Allis-Chalmers Manufacturing Co., of Milwaukee, Wis., the lowest U.S. bidder.

"That Allis-Chalmers and Milwaukee needed this business is apparent from the fact that the firm had laid off some 2,300 employees, who might have been restored to the payrolls in the final weeks before Christmas. That these workers felt entitled to consideration is understandable since, in the 25 years of TVA operation, they and their fellow citizens of Wisconsin had contributed nearly $26 million of their tax money to this Federal impediment to free enterprise.

"Both the company and the unions representing these unemployed workers spoke up promptly (even though unsuccessfully) in their behalf: 'We thought,' said Allis-Chalmers, 'that the people of Milwaukee and the citizens of the United States should be aware of what was happening. We felt they had a right to know how their tax money was being used abroad and by so doing, taking work away from our American wage earners * * *. It is quite evident that no American firm can compete in the heavy electrical equipment market with foreign bidders whose labor costs are one-third those in the United States.'

"Union leaders demanded that the TVA directors be fired for being 'calloused and indifferent to the plight of unemployed Milwaukee workers,' and protested TVA's failure to give Congress time to investigate before awarding the contract.

"But nobody heard—any more than they heard the ranting of John L. Lewis against TVA in 1954, when he charged that body with abusing its economic power in purchasing millions of tons of coal 'at starvation prices' and in utter disregard of 'safety standards and health conditions.'

"It is high time that the people, whose authority ranks even that of TVA, demand reversal of a Federal policy that can only destroy one American industry after another—and ultimately, the economic system that is the taproot of national strength and independence."

General Vogel's answer to charges, January 26, 1959:

"Mr. WALTER P. LEONARD,
"*Editor and Publisher,*
"*The Chelsea Standard,*
"*Chelsea, Mich.*

"DEAR MR. LEONARD: I have just received and read my copy of the Chelsea Standard dated January 22, 1959, containing an editorial entitled 'TVA Purchasing Policy Invites Disaster if Allowed To Continue.' Since I am both the Chairman of the Board of TVA and a native of Chelsea, I feel that you deserve a personal answer to that editorial.

"The best way to proceed, I think, is by discussing your editorial paragraph by paragraph, starting with your reference to 'TVA, our tax-fed electric-power octopus.' TVA was indeed built with dollars from the American Government, whether from taxes or borrowings—more than 2 billion of them. Some $1.4 billion have been invested in power, of which $250 million has been offset by payments to the Treasury and bond redemptions from power revenues. The difference between $1.4 and $2 billion has paid for developing the Tennessee River for navigation and flood control and for developing new and more efficient types of fertilizers, some of which are being used on Michigan farms. The improvements for navigation and flood control are similar to those which have been effected in every part of the country.

"In the Nation as a whole we have spent a total of about 17 billion dollars since 1820 in improving our rivers and harbors. These improvements, stretching from east coast to west and from Canada to Mexico, have formed the basis for the development of all our commerce and industry. For the 17 billion dollars I have mentioned, we, as a Nation, built the Panama Canal, many of the great hydro power installations of the West and Northwest, flood control projects for hundreds of cities, including not only small localities but also industrial areas such as Pittsburgh, Dallas, and Los Angeles, together with adjacent farm lands. The Mississippi, Ohio, Allegheny, Monongahela, and dozens of other rivers have not only been brought under control but have also been made navigable—in many cases by locks and dams—to serve the needs of a great and ever-growing national economy. I could go on and on about this, but I think a little reflection on your part will convince you that the 17 billions spent on river and harbor development (which, incidentally, includes all the harbors of the Great Lakes and the locks at the Soo) have yielded returns far in excess of costs. Compare them, if you will, the 17 billions spent since 1820—the bases of our commerce and industry—with the current national budget of 77 billions. Should any American begrudge this?

"But you were talking primarily about power, and I have told you that 1.4 billions of dollars from the Federal Treasury have been expended on the TVA power system for the building of hydro and steam plants and for transmission lines to distributors. TVA, I might add here, is only a producer and wholesaler of electric power. It sells directly to only a few large industries and Government installations, including the Atomic Energy Commission. Individuals in communities and on farms are supplied by 150 organized distributors. At this point I should add further that 50 percent of all power produced by TVA is sold to AEC and other defense installations at prices that result in many millions of dollars saved the taxpayers annually.

"But getting back to the 'tax-fed' idea—the money invested in TVA by appropriations is being repaid at the average rate of 2½ percent per year so that in 40 years from the date each element has gone into service the Government will be fully repaid. We are considerably ahead on those payments.

"Out of our earnings, which average about 4 percent annually of the basic investment, we pay all the costs of maintenance and operation and of depreciation. We pay to States and counties a sum in lieu of taxes which amounts to 5 percent of gross sales in those respective areas, except sales to the Federal Government.

"For the past 5 years we have received no appropriations from Congress, and our construction of new facilities has been from earnings. This is the kind of money we are using to buy the generators that Allis-Chalmers would like to sell—not tax dollars at all.

"You may not have heard, but we have been trying desperately ever since I have been with TVA, which is 4 years, to get authority from Congress to self-finance ourselves by the sale of revenue bonds. These bonds would be obligations against power revenues and would not be backed by credit of the United States, so would not be reflected in the national debt. We would pay interest at going rates on the U.S. investment and would continue to pay off that investment. When paid off, TVA would still remain the property of the United States. Not really a bad deal for the people of the country when you stop to think about it.

"Now as to the word 'octopus' which seems to imply a reaching out for new territory, all I can say on that is that for the past 14 years TVA has not expanded nor do we seek to expand now into new territory. We are growing vertically though at the rate of about 12 percent a year, a similar growth is taking place everywhere. We have to build new generating plants just to meet the growing needs of a region which is vital to the economy and defense of the Nation as a whole.

"There is a lot more I could tell you about TVA, but maybe I can do that by including a brochure on our 25th anniversary and copies of a couple of speeches I made recently.

"What you want to hear about is why we have bought generators from Switzerland instead of from Milwaukee. Through the years we have bought many millions of dollars worth of equipment from Allis-Chalmers, General Electric, Westinghouse, and others so that the case in point represents but a tiny percent of our total purchases. Incidentally, TVA has spent $64 million in Wisconsin, the home State of Allis-Chalmers, and more than $22 million in Michigan. Last year, interestingly, Allis-Chalmers reported huge sales to foreign countries.

"The Buy American Act, as implemented by Executive order, requires that purchases be made from domestic concerns when their bids are within 6 percent of foreign bids, including excise duties and transportation. A recent amendment to the order increased the differential to 12 percent in labor-distressed areas. The bids as received were $4.2 million from Allis-Chalmers (the American low bidder) as against $2.6 million from Brown Boveri. Furthermore, the Allis-Chalmers bid provided for escalation upward which the Brown Boveri bid did not. Also the Brown Boveri bid included all transportation charges and duties. The Federal Government collects the latter.

"Now, with a $1.6 million difference—and perhaps more—between the bids, do you think that the TVA Board could make a decision to award to Allis-Chalmers? I have always felt that I may throw away my own money as I please, but other people's money is a different thing. Whether that money comes from taxpayers or from electrical consumers makes no difference. It is still other people's money, and it is my job to buy as much with it as may be possible.

"I presume you got the information in your editorial from Allis-Chalmers, and no doubt they wanted the business. It would seem to me, however, that they are indulging in doubtful business practices in attacking a good customer, and certainly it is not one designed to produce the best customer relationship.

"Some part of the difference in bids between Allis-Chalmers and Brown Boveri is, no doubt, the result of differences paid to labor. Allis-Chalmers would have you think that it is all the result of the labor differential, but that is not true. Even if it were, however, American industry has a responsibility of resisting labor increases and of devising better engineering methods to offset the increased costs.

"We are moving more and more into the field of international competition, and there is an increasing challenge to American industry. The problem cannot be solved by subsidizing industry or by industry's simply passing on increased costs to the consumer. That is the inevitable pathway to inflation.

"It is true that union leaders—specifically the boilermakers' union—sent a long telegram to a number of Senators demanding that 'TVA directors be fired.' That telegram was based on representations made by Allis-Chalmers. Later we received a letter from the president of the union, copies of which were sent to all who had received the telegram, and in that letter it was stated that the telegram had been sent without knowledge of all the facts. In view of information later received, the union requested that its objections be withdrawn.

"Now let me comment on your reference to John L. Lewis and the coal people. TVA is the largest power utility in the United States and the largest single buyer of coal. We buy all our coal by competitive bidding, and we try to keep prices down. If we did not act conscionably on this, I think you can see what the results would be all over the country. As we let coal prices soar, prices everywhere would go up and the electric utility supplying you would pay more. Now the price of power is directly related to the price of coal because it takes about three-fourths pound of coal in a modern plant to produce a kilowatt-hour of electricity. If we acted carelessly with respect to coal purchases, the cost of your power, even in Michigan, could go up and you yourself would be forced to write a larger check every month.

"The coal producers and John L. Lewis have really been pressing in direction of getting TVA to relax its standards and even indulge in welfare buying to aid particular regions. I cannot subscribe to that, and I know the good people of Chelsea could not. I lived too long as a boy and young man in Chelsea to have any illusions about the way people think who live there.

"I can assure you that my principles with respect to all the things I have talked to you about are the same as I grew up with. I see nothing wrong about trying to operate a business as efficiently and economically as possible in order to pass on the savings and benefits to the consumer. Nor do I see anything wrong with seeking to accomplish that end by employing the principle of seeking competitive bids.

"In effect, that is the American way of doing things; and if we are to establish a reasonably stable economy in the future, all people responsible for the conduct of industry must begin to think of themselves as servants of the consumers, who are also taxpayers.

"As to whether or not the Government should have established TVA as a power utility, I see no point of argument. The fact is that TVA exists, and it exists by virtue of law. It could not be abolished any more than the clock can be turned back to regain time that has been lost.

"In the future this Nation will need electric power in ever-increasing amounts. Both private and public utilities will be required to do the job. Philosophically speaking, there is nothing new or unique in a public utility, nor does it represent a form of socialism. I can well imagine the indignation of my father if anyone had suggested that it was socialistic of him to motivate construction of the old Chelsea powerplant back in the early years of this century. It would be difficult to find a more rugged individualist than my dad, who promoted the plant along with Jabez Bacon, and others; or Pete Boehm, who ran and managed it. Their idea was to provide a service to the community in order that the community might grow. America, fortunately, has always had men who were more interested in service and progress than in the label that might be put on their efforts.

"If you find time to read all this and the other things I am sending you, there may still be questions in your mind. If so, please let me know, and I will give you as straightforward an answer as I can.

"Sincerely,

"HERBERT D. VOGEL,
"Chairman of the Board.

"HDV:PLE:WK

"Enclosures (5)—11-24-58 news release remeeting with Allis-Chalmers officials; 25th anniversary booklet; Tennessee Press Association speech, 1-16-59; Georgia Engineering Society speech, 9-15-58; American Power Conference speech, 3-22-56."

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senator from North Dakota [Mr. LANGER] be permitted, out of order, to present certain material for the RECORD, without the time being charged to either side.

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

EMPLOYMENT AT TURTLE MOUNTAIN, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "The Turtle Mountain Situation," published in the Minot, N. Dak., Daily News of March 14, 1959.

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

THE TURTLE MOUNTAIN SITUATION

As much as anyone we would like to see some brave new start made, with Federal backing, to estabilsh near-home industries which will employ all the Turtle Mountain people able and desiring work.

The jewel plant at Rolla, now operating, is an example. But the payroll there includes only about 100 persons. Estimates vary as to how many people there are on the Turtle Mountain Reservation, one figure being 4,000.

Some knuckle rapping is justified if it is true, and it ought not to be difficult to ascertain whether it is, that the Indian Bureau has failed to provide winter subsistence in realistic amount.

The Turtle Mountain people have been, in some respects, really neglected. A series of news articles and pictures in the News a few years ago pointed up this fact. They have lived, many of them, in such impoverished condition that health and self-respect have been undermined. Besides that, they have developed, quite understandably, a very unhealthy state of mind.

In our opinion about half their trouble stems from the fact that so many poor and unemployed people have been hanging tenaciously to a thin thread of false hope. It is the hope that one day the Federal Government would recognize their claim to millions of dollars for land allegedly taken from them.

If the U.S. Court of Claims eventually does allow some kind of payment to the Indians on the basis of these claims, we see little likelihood that the money is going to help them much. The legal basis for such claims is involved, and it should be recognized as such. It is a matter for the properly constituted courts. Should it happen that some day the claims are recognized as the basis for some kind of payoff by the Federal Government, the relief is likely to be temporary. It is likely to leave the Indians as far from salvation as ever. For these people ought to be working, instead of waiting for remittances.

Al LaFontaine of Minneapolis has whooped up, in an irresponsible way, a new wave of public attention to the plight of the reservation dwellers, though he has told us nothing which had not been brought to light before. Definitely, he does the Turtle Mountain people a disservice to fire their imaginations with claims of tangible title to 9 million acres of North Dakota land. If he supposes he or they can get anywhere by holding such claims over the head of the State of North Dakota as a threat, he is ill advised.

Let the peculiar needs of the Turtle Mountain people for sympathetic understanding and help, and for programs of extraordinary action, be considered on the merits of these needs. Why prejudice the case with imaginary claims to property? The appeal to the American conscience had better be made on humanitarian grounds than on implied accusations of theft.

How far would anyone get, do you think, with a movement to revamp the title to downtown real estate in New York City, with a view to granting an equal share to any and all lineal descendants of the original Dutch settlers?

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. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time for the quorum call not be charged to either side.

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

Mr. CAPEHART. Mr. President——

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Indiana may be allowed to proceed for 1 minute.

Mr. CAPEHART. Mr. President, I believe it will take me a little longer than 1 minute to make my statement. I wish to discuss the pending bill. Is an amendment pending?

The PRESIDING OFFICER. The Chair understands that the Senator from West Virginia [Mr. BYRD] has the floor. The Senate is operating under a time limitation, in connection with its consideration of the area redevelopment bill.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Indiana may proceed for as long as he wishes.

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

Mr. CAPEHART. Mr. President, I shall not need more than 5 minutes to make the statement I wish to submit.

Mr. BYRD of West Virginia. In addition, Mr. President, I ask unanimous consent that the time used by the Senator from Indiana not be charged to the time available to either side under the unanimous-consent agreement.

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

Mr. CAPEHART. Mr. President, I thank the Senator from West Virginia for yielding to me.

Mr. President, the provisions of this bill are completely unworkable and inequitable, and the intended benefits will never reach many of the communities which really need them.

In committee, I tried to incorporate in the bill provision for means by which such benefits would reach communities where no job opportunities exist, and never can unless new plants or facilities are built, and where economic conditions warrant possible consideration of outside assistance.

However, the proponents of the bill declined to accept such changes in the provisions of the bill, and preferred to continue with provisions directed toward an end that cannot possibly be attained by means of the provisions now included in the bill.

Mr. President, we have knowledge of small industrial areas with high unemployment due to discontinuance, because of various economic conditions, of industrial operation. These areas are left without any potential job opportunities, because of the lack of sufficient additional industrial activity.

Many of these areas are also left without sufficient investment capital to attract new business.

For example, Mr. President, what I am referring to is this: I want to help this bill, and I would vote for proposed legislation which would assist a town or community which needed aid, provided that such legislation simply applied to a town or community in which one or two, or even a few plants, or in which had a coal mine, or any other kind of mine, had been completely abandoned. I mean that the plant or mine had been closed, and it was obvious even to a 12-year-old child that never again could there be jobs provided in those communities unless new businesses, plants, or facilities were established; or, secondly, that the community was too far away from places of employment so that people living there could not commute back and forth.

If the criteria were so limited, I think the bill would be worthwhile. I would like to help needy communities; but to make an effort to help communities only on the basis of the criterion that there must be unemployment, would never work. An administrator would have imposed upon him a task which he could never perform. In cities where there are many factories, or processing plants, or in communities where there are mines which have not exhausted their minerals, there are periods when employment rises or falls. It might well be that in a 6-month period communities or towns might qualify under the criteria established by the pending bill, but communities could cure the situation themselves, if it were obvious that there were sufficient opportunity for employment or employment in nearby communities, or if there were a population which would support industry.

The Senator from West Virginia [Mr. BYRD], who is on his feet, has, I am sure, a number of towns in West Virginia which would qualify 100 percent under the criteria I have discussed. They are areas where mines have become completely exhausted and the people are going to have to move away because there is no possible source of jobs there.

I should like to help in such cases, but I think it would be unwise to attempt to help cities such as Detroit, New York, Chicago, Milwaukee, Indianapolis, South Bend—I am mentioning towns in my own State—for the reason that there is not enough money in the Federal Treasury to do that sort of thing.

So my position is that if we limit the provisions of the bill to the obvious needs of towns and communities in which it is apparent there are not going to be employment opportunities unless someone builds a new plant or facility, the bill would be workable and worthwhile. However, as it is written, I cannot support it.

There are many other factors about the bill which I think are not good, but which we might correct in time, if the criteria were limited to those I have mentioned.

Some may make the argument that since the criteria, under the provisions of the bill, are based upon unemployment, the towns or communities I have mentioned would be included, because there will have been unemployment in them over a period of years. That assumption might well be correct, but such communities would have continuing unemployment for many months before they might qualify for help. Under my idea, a community might qualify within 10 days, if the factory previously operating within it had closed or if the mine in that area had been abandoned. Such communities would receive immediate help, not help 2 or 3 years later, during which time they might well dry up and rot away, waiting for the terms of the legislation to take effect. Under the pending bill, help could not be obtained in those communities for a period of time. I think perhaps the quickest help might be available under the pending bill would be 2 years.

I think that is the most serious weakness of this proposed legislation. I tried to correct that defect in committee a couple of times. I tried last year, when the bill came before the Senate. I tried again this year.

Now, Mr. President, I wish to complete my statement, and then I shall yield the floor.

This bill will place the small, capital-needing area in competition with the large industrial center, which has great potential investment capital, for the Federal offer of investment capital.

What I mean by that statement is that a small community of the type I have described, which needs help, would be placed in competition with a large city, such as Cleveland, for example. If that were done, the money would be spread too thin. Great as the United States is, there is a limit to the amount of money which can be used for that purpose. Smaller communities would be placed in competition with large cities.

My purpose is to limit the aid provided to small towns and communities such as I have indicated, so that some real good may be accomplished. As the bill is written, in my opinion, the money would be spread so thin that no one would be helped, or possibly very few would be helped.

The onetime thriving coal mining areas and the onetime busy railroad centers where much of the labor force worked for a single industry are now the prime examples of communities in need of investment capital to restore their economies to a proper living level.

They are the people whose hopes are bound to be lost in the race for the investment capital provided in this bill.

The approach to this problem has been wrong in every respect—the legislative approach, the sentimental approach, the economic approach, and the political approach.

Anyone familiar with the manner in which industry determines relocation or expansion will scorn the thought of the bill's sponsors that investment capital is the lone factor in the success of a business enterprise.

It is not. It is possibly the least factor to be considered, if a new business is to be established, because the person going to the location needs other things besides money. He already has the money, or will soon get it.

The bill ignores such important business factors as business climate, proximity of raw materials, marketing areas, and so forth.

I know that every Senator is anxious to extend a helping hand to those communities needing some help in order that they may help themselves, but it should be done on a sound and business-like basis—not by entangling a set of unemployment figures with a mass of discretionary powers in the hands of an agency Administrator.

Let us determine first what the basic causes were that transformed these onetime prosperous communities into depressed areas.

Let us measure the potential of the community to support a new form of

industry and the kind of industry it might support.

Let us consider the raw materials and marketing factors so important to successful business.

The establishment of a business in a depressed area, through the use of Federal investment capital, should be assured of success; else we would be doing the area an injustice rather than a favor.

The fly-by-night approach which is being taken by this bill is raising false hopes of innocent people, who are being led to believe the pending legislation will cure their unemployment problems immediately. If it does at all, it will take many, many months, and possibly years.

I had a telephone call this morning from a man in a town interested in the proposed legislation. He said, "Vote for the bill so that we can immediately get some relief in our town."

First, the town would not qualify under the provisions of the bill.

Second, even if the town did qualify, it would take 5 or 6 months to pass the bill, to have it signed into law by the President—if the President should sign it at all—and to have the organization set up to start work. Then the town would have to qualify under the criteria or under the formula. Of course, it would be necessary to find someone who wanted to invest some capital in that town. The shortest time within which anyone could get any relief under the provisions of the bill would be a year, and in my best judgment it would be 2 years.

I suspect there are no more than 25 communities in the United States—there may be more and there may be less—in the obvious situation I mentioned a moment ago, such a situation that even a 12-year-old child knows that never again will jobs be available in the town or community unless someone establishes a new facility. We should afford help in those situations immediately. I am fearful we will build up in great many people hopes which we will be unable to fulfill.

A limited amount of money is to be provided. While the bill provides for $389 million, I believe only $100 million is provided for loans. That is a small amount when we consider furnishing work for those who are unemployed. I think the average investment today in a job is in the neighborhood of from $12,000 to $20,000 per man.

There is another $100,000 designed for farm relief, and some for other purposes.

Likewise, we would start another scheme for placing the Federal Government into the investment business, into private enterprise. We would set up another bureaucracy in Washington. We would establish more offices under the Government, but we would not accomplish what is desired.

A much better plan would be to study the problem existing in the 25—perhaps a few more or perhaps a few less—communities or towns in the United States I described a moment ago in which there will never be another job, so that we may discover what is the best thing to do with the people in these communities, and how best we may serve them.

Mr. President, I wish I could support the proposed legislation, but I cannot support it in the form in which it is written.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill so amended be considered as an original text for the purpose of other amendments.

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

Mr. DIRKSEN. Mr. President, what was the request?

Mr. DOUGLAS. I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as so amended be considered as an original text for the purpose of further amendment.

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

The committee amendments agreed to en bloc are as follows:

On page 1, line 3, after the word "Act", to insert "may"; on page 5, line 9, after the word "time", to strike out "There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 12 per centum of the labor force during the twelve-month period immediately preceding the date on which an application for assistance is made under this Act, (2) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or (3) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 per centum of the labor force during the six-month period immediately preceding the date on which application for assistance is made under this Act may be designated as an industrial redevelopment area if the Administrator determines that the principal causes of such unemployment are not temporary in nature." and insert "There shall be included among the areas so designated any industrial area—

"(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

"(2) where the annual average rate of unemployment shall be included among the areas so designated any industrial area—

"(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

"(2) where the annual average rate of unemployment has been at least—

"(A) 50 per centum above the national average for three of the preceding four calendar years, or

"(B) 75 per centum above the national average for two of the preceding three calendar years, or

"(C) 100 per centum above the national average for one of the preceding two years.

Any industrial area in which a substantial part of the employment is or most recently was in an industry adversely affected by the reduction of trade barriers under the Trade Agreements Extension Act of 1951, as amended, with respect to which the President has reported to the Administrator under subsection (f) of this section, and meeting the standards of unemployment set forth in this section shall be entitled on application to a priority of consideration by the Administrator for designation as an industrial redevelopment area."; on page 7, line 3, after the words "United States", to strike out "in which he determines that there exist the largest number and percentage of low income families, and" and insert "which he determines are among the highest in numbers and percentages of low-income families, and in which there exists"; in line 16, after the word "area", to strike out "and"; in line 18, after the word "employment", to insert a comma and "and the proportion of the population of each such area which has been receiving public assistance from the State or States in which such area is located or from any municipality therein"; on page 8, after line 19, to insert a new subsection, as follows:

"(f) In any case in which the President is required (1) under the provisions of subsection 4(a) of the Trade Agreements Extension Act of 1951 to transmit a message to the Congress identifying an article with respect to which a trade agreement has caused or threatened to cause serious injury to a domestic industry, or (2) under the provisions of subsection 7(c) of such Act to submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate stating why he has not made such adjustments in the rates of duties, imposed such quotas, or made such other modifications, as are found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to a domestic industry, he shall notify the Administrator and shall send him a copy of such message or report."

On page 16, after line 21, to insert a new subsection, as follows:

"(e) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake."

On page 17, at the beginning of line 10, to strike out "(e)" and insert "(f)"; on page 19, after line 18, to insert a new subsection, as follows:

"(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake."

On page 20, at the beginning of line 6, to strike out "(d)" and insert "(e)"; on page 31, line 25, after the word "Act", to strike out "Such payments shall be made for a period not exceeding thirteen weeks," and insert "Such payments shall be made only during the period the individual is receiving vocational training or retraining under section 16 of this Act, but not in any event to exceed sixteen weeks,"; on page 34, line 3, after the word "of", to strike out "Expenditures" and insert "Expediters"; at

the top of page 35, to insert a new section, as follows:

"RECORD OF APPLICATIONS

"SEC. 20. The Administrator shall maintain as a permanent part of the records of the Administration a list of applications approved, which shall be kept available for public inspection during the regular business hours of the Administration. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered."

At the beginning of line 14, to change the section number from "20" to "21"; on page 36, at the beginning of line 5, to change the section number from "21" to "22"; at the beginning of line 22, to change the section number from "22" to "23"; on page 37, at the beginning of line 2, to change the section number from "23" to "24"; and, after line 14, to insert a new section, as follows:

"RECORDS AND AUDIT

"SEC. 25. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act."

So as to make the bill read:

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 "Area Redevelopment Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States.

AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. In order to carry out the purposes of this Act, there is hereby established, within the executive branch of the Government, an Area Redevelopment Administration. Such Administration shall be under the direction and control of an Administrator (hereinafter referred to as the "Administrator") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate of $20,000 per annum.

ADVISORY BOARD

SEC. 4. (a) To advise the Administrator in the performance of functions authorized by this Act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: the Administrator as Chairman; the Secretaries of Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Treasury; the Administrators of the General Services Administration; Housing and Home Finance Agency; and Small Business Administration; and the Director of the Office of Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Administrator shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Administrator shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Administrator relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Administrator is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry, including agriculture, which has been a primary source of high levels of unemployment or underemployment in the several areas designated by the Administrator as redevelopment areas. The Administrator may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment or underemployment. The representatives at any such conference shall consider with and may recommend to the Administrator plans and programs to further the objectives of this Act with special reference to the industry with respect to which the conference was convened.

REDEVELOPMENT AREAS

SEC. 5. (a) The Administrator shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area—

(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

(2) where the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two years. Any industrial area in which a substantial part of the employment is or most recently was in an industry adversely affected by the reduction of trade barriers under the Trade Agreements Extension Act of 1951, as amended, with respect to which the President has reported to the Administrator under subsection (f) of this section, and meeting the standards of unemployment set forth in this section shall be entitled on application to a priority of consideration by the Administrator for designation as an industrial redevelopment area.

(b) The Administrator shall also designate as "rural redevelopment areas" those rural areas within the United States which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Administrator shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, and the proportion of the population of each such area which has been receiving public assistance from the State or States in which such area is located or from any municipality therein.

(c) In making the determinations provided for in this section, the Administrator shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Administrator, the Secretary of Labor, the Secretary of Agriculture, and the Secretary of Commerce are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Administrator such data as the Administrator may deem necessary or proper to enable him to make the determinations provided for in this section. The Administrator shall reimburse, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Administrator as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

(f) In any case in which the President is required (1) under the provisions of subsection 4(a) of the Trade Agreements Extension Act of 1951 to transmit a message to the Congress identifying an article with respect to which a trade agreement has caused or threatened to cause serious injury to a domestic industry, or (2) under the provisions of subsection 7(c) of such Act to submit a report to the Committee on Ways and Means

of the House of Representatives and the Committee on Finance of the Senate stating why he has not made such adjustments in the rates of duties, imposed such quotas, or made such other modifications, as are found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to a domestic industry, he shall notify the Administrator and shall send him a copy of such message or report.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Administrator is authorize to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in fiancing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating them one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Administrator determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100,000,000, and (B) with respect to projects in rural redevelopment areas shall not exceed $100,000,000;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) The project for which financial assistance is sought is reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the revelopment area wherein it is, or will be, located;

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(5) No loans shall be made unless it is determined that an immediate participation is not available;

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(7) Subject to section 12(5) of this Act, no loan, including renewals or extensions thereof, may be made hereunder for a period of exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided,* That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Administrator as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

(8) Such loans shall bear interest at a rate equal to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 9 of this Act, plus one-half of 1 per centum per annum: *Provided,* That an amount equal to one-fourth of 1 per centum per annum of the outstanding principal amount of any loan made under this section shall be allocated from the payments received by the Administrator in the form of interest on such loan to a sinking fund to cover losses on loans under this section;

(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan;

(C) That in extending financial assistance under this section with respect to an industrial or rural redevelopment area, the Administrator shall require that not less than 5 per centum of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources;

(D) That any Federal financial assistance extended under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any Federal financial assistance extended under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Administrator an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Administrator shall, upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Administrator may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) Of the funds authorized to be raised under section 9 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area or part thereof, the Administrator is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 65 per centum of the aggregate cost of the project for which such loan is made. Subject to section 12(5), the maturity date of any such loan shall be not later than forty years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 9 of this Act, plus one-quarter of 1 per centum per annum.

(c) In making any loan under this section, the Administrator shall require that not less than 10 per centum of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan. In determining the amount of participation required under this subsection with respect to any particular project, the Administrator shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Any loan made under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any loan made under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(e) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing

public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(f) Of the funds authorized to be raised under section 9 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Administrator may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Administrator, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Administrator, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof. Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this Act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Administrator shall by regulation provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(e) There is hereby authorized to be appropriated not to exceed $75,000,000 for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this Act, the Administrator may, with the approval of the President, issue and have outstanding at any one time notes and obligation for purchase by the Secretary of the Treasury in an amount not to exceed $300,000,000. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Administrator shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Administrator shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this Act, the Administrator is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this Act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Administrator through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF ADMINISTRATOR

SEC. 12. In performing his duties under this Act, the Administrator is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties, provide bonds for them in such amounts as the Administrator shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Administrator;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this Act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made under this Act, beyond the periods stated in such loan or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Administrator, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Administrator pursuant to the provisions of this Act may be exercised by the Administrator or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary

or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this Act;

(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classifications laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Administrator shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Administrator determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Administrator that such area no longer qualifies as a redevelopment area. The Administrator shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 112. (a) When the Area Redevelopment Administrator certifies to the Administrator (1) that any county, city, or other muncipality (in this section referred to as a 'municipality') is situated in an area designated under section 5(a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105(b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act."

(b) The next to the last paragraph of section 110(c) of such Act is amended by inserting after "such projects" the following: "(including projects assisted under section 112 of this title)".

URBAN PLANNING GRANTS

SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": "(i) are situated in areas designated by the Area Redevelopment Administrator under section 5(a) of the Area Redevelopment Act as industrial redevelopment areas, or (ii)".

VOCATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor, in consultation with the Administrator, shall determine the vocational training or retraining needs of unemployed individuals residing in, or who were last employed in, redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided,* That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the area: *Provided further,* That any vocational training or retraining provided under this section shall be designed to enable unemployed individuals to qualify for new employment in the redevelopment area in which they reside or were last employed.

RETAINING SUBSISTENCE PAYMENTS

SEC. 17. (a) The Secretary of Labor in consultation with the Administrator shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing vocational training or retraining under section 16 of this Act. Such payments shall be made only during the period the individual is receiving vocational training or retraining under section 16 of this Act, but not in any event to exceed sixteen weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

(b) The Secretary of Labor and the Administrator shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section and section 16 of this Act.

(c) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefore, or for the purpose of influencing in any way the action of the Administrator, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Administrator (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Administrator or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Administration, makes any false entry in any book, report, or statement of or to the Administrator, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Administrator, or (4) gives any unauthorized information concerning any future

action or plan of the Administrator which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administrator, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No loan shall be made by the Administrator under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Administrator the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administrator for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Administrator to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee of the Administration, occupying a position or engaging in activities which the Administrator shall have determined involve discretion with respect to the granting of assistance under this Act.

RECORD OF APPLICATIONS

SEC. 20. The Administrator shall maintain as a permanent part of the records of the Administration a list of applications approved, which shall be kept available for public inspection during the regular business hours of the Administration. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered.

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 21. The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this Act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

ANNUAL REPORT

SEC. 22. The Administrator shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1960. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Administrator, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Administrator such information as may be necessary for the purposes of this section.

APPROPRIATION

SEC. 23. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

USE OF OTHER FACILITIES

SEC. 24. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Administrator shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

RECORDS AND AUDIT

SEC. 25. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act.

Mr. DOUGLAS. Mr. President, I further ask unanimous consent that members of the committee staff in addition to the number permitted by the rule be privileged to be present in the Chamber to give help and advice to Members of the Senate.

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

Mr. BYRD of West Virginia. Mr. President, I yield 30 minutes to the Senator from Connecticut [Mr. DODD] on the bill.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Connecticut is recognized for 30 minutes.

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

Mr. DODD. I yield.

Mr. DIRKSEN. If it is agreeable to the Senator, I should like to offer my amendment in the nature of a substitute at this time, so that it will be before the Senate.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the amendment be printed in the RECORD without reading.

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

The amendment offered by Mr. DIRKSEN is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Area Assistance Act of 1959'.

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that, even during periods of prosperity for the Nation as a whole, some of our communities suffer substantial and persistent unemployment; that such unemployment causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and decrease economic vulnerability by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

"AUTHORITY OF SECRETARY OF COMMERCE

"SEC. 101. (a) The Secretary of Commerce, hereinafter referred to as the Secretary, may designate as an area of substantial and persistent unemployment any area certified as eligible for such designation by the Secretary of Labor.

"(b) To assist areas in the United States designated as areas of substantial and persistent unemployment, the Secretary is authorized—

"(1) to make grants for technical assistance for such areas in accordance with the provisions of section 106 (a) of this Act; and

"(2) to provide loans for such areas in accordance with the provisions of section 107 of this Act.

"(c) The Secretary is also authorized—

"(1) to extend the full cooperation of the Federal Government to all areas in the United States (including Puerto Rico) in promoting the more effetcive use of local resources, in the establishment of new industries based on local resources, and in the expansion of existing industries; such cooperation to be provided through technical advice and consultation and, when necessary, through the conduct of special studies;

"(2) to decrease, through grants made in accordance with the provisions of section 106(b) of this Act, the economic vulnerability of towns predominantly dependent on one industry, small towns which could serve as centers for economic diversification of rural areas of underemployment, and rural low-income areas by helping them develop manufacturing, processing, and other activities calculated to diversify and improve their economics; and

"(3) to coordinate his functions under this Act with those of the Secretary of Agriculture and other officials administering Federal programs affecting local economic conditions.

"(d) As used in this Act: (1) The term "United States" includes the several States, the Territory of Hawaii, and the District of Columbia; (2) the term "State" refers to an individual State, the Territory of Hawaii, or the District of Columbia; and (3) the term "loan" includes loans, immediate participation in loans, and purchase of evidences of indebtedness.

"AUTHORITY OF SECRETARY OF LABOR

"SEC. 102. (a) The Secretary of Labor shall from time to time, or upon the request of the Secretary, certify the existence of areas eligible for designation as areas of substantial and persistent unemployment whenever he finds on the basis of available labor force data, or studies which he initiates when he deems necessary, that—

"(1) the rate of unemployment in the area, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum and has averaged at least 6 per centum for the qualifying time periods specified in (2) below; and

"(2) the annual average rate of unemployment in the area has been at least—

"(A) 50 per centum above the national average for four of the preceding five calendar years, or

"(B) 75 per centum above the national average for three of the preceding four calendar years, or

"(C) 100 percentum above the national average for two of the preceding three calendar years; and

"(3) nonagricultural employment in the area has declined, or has shown a smaller increase than in the country as a whole, during the preceding five calendar years: *Provided,* That no area shall be excluded by the requirement of this subsection if the annual average rate of unemployment in that area for three of the last four years exceeds 8 per centum.

"(b) In the case of labor market areas for which appropriate historical labor force data have not been compiled, the Secretary of Labor shall certify as eligible for designation as areas of substantial and persistent unemployment those areas in which the unemployment rate and duration, based on a survey of available labor force data, generally equals or exceeds the rate and duration specified in section 102 (a).

"(c) The Secretary of Labor may also certify under subsection (a) or (b) of this section the existence of eligible areas upon request of any appropriate State government agency, instrumentality, or political subdivision.

"(d) The Secretary of Labor is authorized upon request and whenever he determines that such studies are needed, to undertake, or to provide assistance to others in studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of an area certified under section 102.

"(e) When skills of the labor force in an area designated under section 101 are not such as to facilitate full utilization of the human resources in such area, the Secretary of Labor is authorized to provide advice and technical assistance in developing and carrying out a program to improve the utilization of such labor force.

"(f) Whenever the Secretary of Labor finds a need for vocational education services in an area designated under section 101 and when such area has an economic development program as provided in section 107 (b) (9), he is authorized to assist interested agencies to determine the vocational training needs of unemployed individuals residing in the area, and he shall notify the Secretary of Health, Education, and Welfare of the vocational training or retraining requirements of the area. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, is authorized to provide assistance, including financial assistance when necessary or appropriate, to the State vocational education agency in the provision of such services in the area.

"AUTHORITY OF HOUSING AND HOME FINANCE ADMINISTRATOR

"SEC. 103. Title I of the Housing Act of 1949, as amended, is amended by adding the following new heading and section at the end of title I:

"'AREAS OF SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT

"'SEC. 112. (a) When the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (referred to as 'municipality' in this section) is situated in an area designated by the Secretary of Commerce pursuant to the Area Assistance Act of 1959 as an area of substantial and persistent unemployment, and (2) that there is a reasonable probability that with assistance provided under the Area Assistance Act of 1959 and other undertakings the area will be able to achieve lasting improvement in its economic development, the Administrator is authorized to extend financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) of this title that the project area be clearly predominantly residential in character or that it will be predominantly residential under the urban renewal plan.

"'(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"'(d) Notwithstanding any other provisions of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area, designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land to such public agency or corporation under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed in conformity with the requirements of section 105(b) hereof.

"'(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested under this section for the completion of such project notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an area of substantial and persistent unemployment.'

"SEC. 104. The first sentence of section 202(c) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(c) In the processing of applications for financial assistance under this section, the Administrator shall give priority first to applications of counties, cities, and other municipalities and political subdivisions for financing needed public facilities in areas determined to be areas of substantial and persistent unemployment under the Area Assistance Act of 1959: *Provided,* That the Secretary of Commerce certifies there is reasonable probability that with assistance made available under the Area Assistance Act of 1959 and other undertakings such areas will be able to achieve lasting improvement in their economic development; and, second, to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need.'

"SEC. 105. The second sentence of section 701 of the Housing Act of 1954, as amended, is amended by adding the following in clause (2) after the words 'decennial census which': '(i) are situated in areas designated by the Secretary of Commerce under the Area Assistance Act of 1959 as areas of substantial and persistent unemployment or (ii)'.

"GRANTS FOR TECHNICAL ASSISTANCE

"SEC. 106. (a) In carrying out section 101 (b) (1), the Secretary is authorized to make grants for technical assistance including studies evaluating the needs of, and developing potentialities for, economic growth of areas designated under section 101(a). These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529). Appropriations are hereby authorized for these grants in an amount not to exceed $1,500,000 annually.

"(b) In carrying out section 101(c)(2), the Secretary is authorized to make similar grants for the benefit of towns and areas described therein. Negotiations taking into account the financial ability of the grantee and other relevant considerations shall be made for contributions to costs of projects undertaken hereunder. These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and appropriations therefor are hereby authorized in an amount not to exceed $1,500,000 annually.

"LOANS

"SEC. 107. (a) In carrying out section 101(b)(2) of this Act, the Secretary is authorized to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such loans shall not be extended for working capital, for purchase of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(b) Loans made under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans outstanding at any one time shall not exceed $50,000,000;

"(2) Such loans shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

"(3) No such loan shall be extended hereunder unless the financial assistance applied for is not otherwise available from other lenders on reasonable terms;

"(4) No direct loan shall be made unless it is determined that an immediate participation is not available;

"(5) No loans shall be made unless it is determined that there is a reasonable assurance of repayment;

"(6) Each loan shall bear interest at a rate not less than the interest rate currently payable under section 108(e) on advances from the Treasury plus additional amounts deemed adequate to cover administrative expenses and a reasonable reserve for losses;

"(7) No loan, including renewals or extension thereof, may be made hereunder

for a period exceeding twenty-five years: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal or additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

"(8)(A) Not less than 15 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder;

"(B) Of the remaining 85 per centum of the aggregate cost, 35 per centum of the aggregate cost may be loaned by the Secretary under the terms of this Act and security for such a loan may be subordinate and inferior to the lien or liens which secure any loan or financing other than funds required by section 107(b)(8)(A).

"(C) Loans shall not be available hereunder unless other funds are available in an amount which, together with assistance provided hereunder and funds provided under section 107(b)(8)(A), shall be sufficient to pay such aggregate cost; and

"(9) No such loan shall be extended unless there shall be submitted and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which loans is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"AREA ASSISTANCE FUND

"SEC. 108. (a) There is hereby authorized to be established in the Treasury of the United States a revolving fund to be known as the area assistance fund (hereinafter referred to as the 'fund'), which shall be available to the Secretary for the payment of all obligations and expenses in connection with the loans authorized under section 101(b)(2).

"(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding $50,000,000.

"(c) Receipts arising from the loan program shall be credited to the fund.

"(d) Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

"(e) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest on advances to the fund at a rate which shall be determined by the Secretary of the Treasury after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary.

"(f) Contributions shall be made from the fund to the civil service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil service retirement system applicable to employees (and their beneficiaries) performing activities authorized under section 101(b)(2). Contributions shall also be made to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of employees performing activities authorized under section 101(b)(2). The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Secretary into the Treasury as miscellaneous receipts.

"BUDGET AND AUDIT

"SEC. 109. In the performance of and with respect to the functions, powers, and duties vested in him by section 107 of this Act, the Secretary shall—

"(a) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and

"(b) maintain a set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the Secretary, with respect to the program of financial assistance authorized by section 101(b)(2), shall determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

"AREA ASSISTANCE ADMINISTRATOR

"SEC. 110. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Assistance Administrator in the Department of Commerce, who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary may assign.

"POWERS

"SEC. 111. In the performance of, and with respect to, the functions, powers, and duties vested in him under this Act, the Secretary may—

"(a) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties;

"(b) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(c) under such regulations as he may prescribe, make such findings and determinations as may be required for the proper administration of this Act and such findings and determinations, together with those required to be made by the Secretary of Labor pursuant to section 102, hereof, shall be final and shall not be subject to review in any court by mandamus or otherwise: *Provided*, That with respect to the validity, effect, and enforcement of section 101(b)(2) hereof or security taken thereunder, statutes, rules, and regulations pertaining generally to suits by and against the United States shall be applicable;

"(d) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this title, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligation may be referred to the Attorney General for suit or collection;

"(e) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this title;

"(f) pursue to final collection, by way of compromise or other administrative action prior to reference to the Attorney General, all claims against third parties assigned to the Secretary in connection with loans made by him. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this title if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Secretary pursuant to the provisions of this title, may be exercised by the Secretary or by any officer or agent appointed by him for the purpose;

"(g) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 101(b)(2) of this Act; and

"(h) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or securities acquired under the provisions of this title: *Provided*, That no attorney's services shall be produced by contract in any office where an attorney or attorneys are or can be economically employed full time to render such service.

"ADVISORY BOARD

"SEC. 112. To advise the Secretary in the performance of functions authorized by this Act, there is authorized to be created an Area Assistance Advisory Board, hereinafter referred to as the 'Board', which shall consist of the following members, all ex officio: The Secretary, as Chairman, the Secretaries of Agriculture, Health, Education, and Welfare, Labor, and Treasury, the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the Executive Branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"DEPOSITARIES AND AGENTS

"SEC. 113. The Federal Reserve banks are authorized and directed to act as custodians and fiscal agents for the Secretary in the general performance of the powers conferred by this title. Each Federal Reserve bank

shall be entitled to be reimbursed for all expenses incurred as such fiscal agents. Any banks insured by the Federal Deposit Insurance Corporation, when designated by the Secretary of the Treasury, may act as custodians and depositaries for the Secretary.

"PENALTIES

"SEC. 114. With respect to financial assistance authorized by this Act:

"(a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(c) As used in this section, the term 'Secretary' shall mean, with respect to the lending activities of the Housing and Home Finance Administrator authorized under this Act, the Housing and Home Finance Administrator.

"USE OF OTHER FACILITIES

"SEC. 115. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Secretary shall to the extent practicable and with their consent use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"CONSULTANTS

"SEC. 116. The Secretary is authorized to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), at rates not to exceed $75 per diem for individuals.

"ANNUAL REPORT

"SEC. 117. The Secretary shall make a comprehensive annual report of his operations under this Act for the fiscal year ending on the preceding June 30, to the President, for transmission to the Congress as soon as practicable in each year, but in no case later than the third day of the following January.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 118. In addition to appropriations specifically authorized by sections 106 and 108, appropriations are further authorized for the carrying out of other provisions and purposes of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. CAPEHART. Mr. President, I should like to ask the Senator a question. The amendment is the same as the bill which was considered by the Senate Committee on Banking and Currency, introduced by the able minority leader, the Senator from Illinois [Mr. DIRKSEN], is it not?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. It is normally called the administration bill?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. The amendment is a complete substitute for the pending bill, is it not?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. And the amendment is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. LANGER. Mr. President, I was a cosponsor of S. 722, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. I now offer an amendment intended to be proposed by me which states as follows:

On page 6, line 13, after the period, add the following new sentence:

The Administrator shall also designate as rural redevelopment areas each State the civilian income from manufacturing of which is less than 50 per centum of the average income from manufacturing of the States of the United States.

The reason for my offering the amendment is that the amendment would definitely be beneficial to 13 States whose civilian income from manufacturing is less than 50 percent of the national average. Those States and their percentage of income from manufacturing are as follows: North Dakota, 3.1 percent; Nevada, 5.3 percent; South Dakota, 6.8 percent; Wyoming, 8.5 percent; Montana, 10.1 percent; New Mexico, 10.2 percent; Florida, 10.9 percent; Arizona, 11.4 percent; Nebraska, 14.1 percent; Colorado, 14.6 percent; Utah, 14.8 percent; Idaho, 14.8 percent; and Oklahoma, 15.4 percent.

Mr. President, I have received correspondence from the Honorable Lawrence A. Schneider, director of the Economic Development Commission, State of North Dakota, in which he urges the adoption of the proposed amendment. He states:

If the amendment and the bill are passed, it would make possible the borrowing of funds by our States and communities so that they, too, could interest and develop the expansion of manufacturing into the above 13 States.

Mr. President, this bill is a resubmission of the depressed areas bill of the recession. However, I should like to impress upon my colleagues that when this bill was introduced in the previous session, our Nation was on the road to one of the highest levels in the history of our economy. The gross national product and the earnings of our people generally were going up and did reach their highest level after the depressed areas bill was reintroduced in the 85th Congress on January 29, 1957. If there was—and beyond doubt there was—a great need for such a measure as a depressed areas bill in 1956–57, there certainly is a far greater need today when we are about to vote on this bill, since we all know that our Nation has been in the throes of a recession, which became evident in March 1958, when unemployment reached a peak of over 6.5 million people—a tremendous increase in unemployment over the time when the bill was introduced in the 84th Congress and reintroduced in the 1st session of the 85th Congress.

More than a decade ago, Congress recognized its responsibility to utilize the country's resources and shape its policies to establish conditions which would assure that maximum employment, production, and purchasing power would prevail throughout the United States. The Employment Act of 1946 was passed with this thought in mind. However, in view of this legislation and in view of the tremendous surge of our national economy through 1956 and into 1957, there still remain a large number of communities that fail to share in the prosperity which has prevailed generally throughout the country. Chronic unemployment and underemployment of the type weighing upon so many American cities, communities, and rural sections tend to stifle the economic life of entire areas. This, of course, has an impact on community institutions and living standards of many persons. It affects their education, health, and welfare problems. This, of course, increases the taxpayer's burden for welfare and assistance costs.

I strongly believe that Senate bill 722, with my amendment will provide for redevelopment of these areas by providing a flexible and adaptable program to meet the needs of the many communities, both industrial and rural, which have suffered from chronic unemployment and underemployment. My great State of North Dakota and other States of similar size and population will receive great benefits from my proposed amendment which provides that—

The administrator shall also designate as rural development areas each State the civilian income from manufacturing of which is less than 50 percent of the average income from manufacturing of the States of the United States.

Mr. President, I am certain that after all the facts in the matter are seriously considered, the Members of the Senate will vote favorably on S. 722 and my proposed amendment.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated March 17, 1959, which I have received from Martin N. Gronvold, director of the North Dakota Unemployment Compensation Division.

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

NORTH DAKOTA WORKMEN'S COMPENSATION BUREAU,
Bismarck, N.Dak., March 17, 1959.

The Honorable WILLIAM LANGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR LANGER: In response to your letter of March 12, please be advised that insured unemployment averaged 10.4 percent in North Dakota for the week ending February 21, 1959.

The areas having the highest percent of unemployment were:

1. Mandan area—21.9 percent. (Includes the counties of Grant, Mercer, Morton, Oliver, and Sioux.)
2. Jamestown area—14.7 percent. (Includes the counties of Dickey, Foster, LaMoure, Logan, McIntosh, Stutsman, and Wells.)
3. Bismarck area—11.8 percent. (Includes the counties of Burleigh, Emmons, Kidder, McLean, and Sheridan.)
4. Minot area—11.5 percent. (Includes the counties of Bottineau, McHenry, Pierce, Renville, Rolette, and Ward.)
5. Grand Forks area—10.3 percent. (Includes the counties of Grand Forks, Steele, and Traill.)

By way of comparison, the Fargo area, which includes only Cass County, had an insured unemployment rate of 4.2 percent.

I should stress that the above rates of unemployment relate only to those workers which are covered by unemployment insurance, which in North Dakota includes only those nonagricultural establishments which have four or more employees. While we have no information available regarding agricultural employees, it is assumed that the rate of unemployment among this group of workers would be much higher than that of nonagricultural employees at this time of the year.

As you know, the large part of our unemployment problem stems from the seasonality of our economy. Each year our rate of insured unemployment will range from one of the lowest in the United States in the summer months to one of the highest during the winter months.

If we can be of any further service to you in this connection, please do not hesitate to call upon us.

Sincerely yours,
NORTH DAKOTA UNEMPLOYMENT COMPENSATION DIVISION,
MARTIN N. GRONVOLD, *Director.*

Mr. DOUGLAS. Mr. President, I assume the time consumed by my friends and colleagues from Illinois, North Dakota, and Wisconsin will not be taken from the time of the Senator from Connecticut.

The PRESIDING OFFICER. That is the understanding of the Chair.

The Senator from Connecticut is now recognized for 30 minutes.

Mr. DODD. Mr. President, for the past 20 years our country on the whole has enjoyed a prosperity previously unknown anywhere in the world.

To be sure, there have been three serious recessions during this period. Fortunately, their effect was limited, and we have succeeded in avoiding a major depression. But millions of our fellow Americans, living in many areas of the country, have not shared in this growing prosperity. For them there has been nothing but hard times, which have lingered on year after year.

As the general level of economic well-being has improved, conditions in these areas have continued to deteriorate.

The blight of chronic unemployment has spread its withering tentacles across whole regions of this country.

In West Virginia 300,000 families have been reduced to such a point that hunger is a day-to-day reality and in many cases only the distribution of Federal surplus foods is preventing actual starvation.

In Pennsylvania alone, almost a million people are dependent on these surplus food distributions, inadequate and deficient as they are.

In Kentucky, large areas are slipping into a swamp of poverty and despair that is as bad and in some cases worse than the darkest days of the 1930's.

In New England, economic disaster has spread from one textile center to another, leaving mass unemployment, ruined towns, and depressed conditions in its wake.

And so the story goes in other pockets of permanent depression spread throughout the country.

Each of these depressed areas is an economic cancer eating away at the fabric of our national prosperity. These regions could be contributing richly to the wealth of our country, furnishing markets for goods, providing sources of national strength, and adding greatly to our productive power. But instead, they constitute a source of national weakness and of economic loss; and they lay a heavy toll on our whole economy.

Of far greater importance, however, is the price paid in terms of human misery, of ruined lives, of broken families, of lost opportunities, of ignorance and of degradation which inevitably accompany grinding and prolonged poverty. The extent of this impoverishment in depressed areas has been documented again and again in this Chamber by other Senators. In a series of memorable speeches, the distinguished Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], day in and day out have brought before the Members of the Senate the tragic situation in West Virginia and other areas. Other Senators have done the same. The facts are all in the record. We can no longer plead ignorance.

We know these conditions exist. And we know that in this great land of plenty there is no justification for allowing such conditions to continue. There is no excuse for it, economically, politically, or morally.

The Douglas area redevelopment bill proposes a many-pronged attack on the problem of depressed areas. It calls for the establishment of a Federal agency, which working in close cooperation with local authorities and private industry, would provide a wide variety of assistance to these regions.

Under the provisions of the Douglas bill, S. 772, Federal loans would be available for the establishment of industry in depressed areas. The bill calls for additional loans for building public facilities necessary to the establishment of industry, such as sewers, roads and drainage systems. And direct assistance grant for the construction of other public facilities are included; in order that conditions in depressed communities may be made more livable for their people, and more attractive for outside industry.

Technical advice would be furnished to local communities by competent authorities; programs to teach the unemployed new skills would be set up. Subsistence would be provided for workers learning these skills. Thus, these communities would be given the tools to work out their own problems.

What of the cost? The cost is $300 million in loans that would be paid back with interest. The cost is $89 million for Federal grants.

This is a small price to pay for helping to bring about prosperity when compared to the cost of continuing poverty. In 1958, the cost in unemployment compensation payments from all sources was $4½ billion. Representative PATMAN has pointed out that if unemployment in depressed areas could be reduced to the national level of unemployment, a saving of $450 million annually in unemployment compensation payments would be effected. The cost of supplying Federal surplus food distribution to areas of high unemployment has amounted to $1.2 billion during the past 6 years. These are only small indexes of the total cost which we shall be actually levying upon ourselves if we refuse to take action to overcome chronic unemployment.

The Douglas bill proposes the same kind of assistance to our own people that we have been providing at a cost of billions of dollars to peoples all over the globe. We have before us what I call a point 4 program for aid to depressed and underdeveloped areas of our own country. Many of those who oppose this bill, support foreign aid, as I do; and I say that what is right for the peoples of other countries is right for the people of our own country.

A number of objections have been raised against this depressed area legislation. It is argued that this is not a task for the Federal Government; that Federal funds should not be used to aid in the establishment of private enterprises; that new jobs created in depressed areas are jobs taken away from prosperous areas; that for geographical or economic reasons, large areas of the country will inevitably suffer permanent depressed conditions; and that the answer to this problem is not Federal aid but mass migration of the populations involved to more prosperous regions. And it is said that, although the present program may be a modest one, it is bound to expand in years ahead, and therefore, it should be strangled in its infancy.

In the face of the gravity of the problem of depressed areas, the enormity of the suffering involved, and the tragedy of the loss in human and economic terms, these arguments seem to me nar-

row and flimsy, even if they were in some respects valid. But I do not think they are valid.

Why is this not a proper and legitimate area for Federal endeavor?

The problem involves millions of people in a score or more of States. It is a problem too vast to be solved by individuals or by local or State governments. And the continuation of these conditions involves an injustice which can no longer be tolerated by the American people.

The need for Federal help is clear. The means for Federal help are at hand. The responsibility can no longer be avoided.

We cannot accept the reasoning that a new job in a depressed area is a job taken away from some other area. Such reasoning assumes that we have a static economy, that there is a fixed number of jobs, a number far below the available manpower.

The advocates of depressed-area legislation believe in the concept of a growing economy, sometimes called an expanding economy. We believe that new jobs create other jobs; that grinding poverty in one place endangers prosperity in all places; and that in the long run, progress and economic growth anywhere helps us everywhere.

The idea of mass migration for the unemployed may seem appealing to someone sitting in a comfortable office surrounded by charts and graphs, someone to whom unemployment and poverty are mere statistics. But when one goes out into the depressed areas in Connecticut, Pennsylvania, West Virginia, and other States, he immediately sees the absurdity and cruelty of this suggestion. Vast areas of the country are involved. Millions of people are involved—people who, in most cases, are relatively unskilled, or people whose skills are no longer in demand. Where will they go? Can whole counties and regions be abandoned? To ask these questions is to answer them.

All of the areas covered by the bill were at one time growing and prosperous. All of them have been in the past a source of national strength and of economic strength. We believe that they can be again and that they will be, if only we give them a chance.

Some agree that the program being discussed today is modest and acceptable, but they say it is bound to expand and become extravagant and that, therefore, it should be choked off before it gets started.

If we were to apply this philosophy to every grave problem before us, our country would soon become paralyzed. We cannot refuse to attempt to solve the problems of our time because we fear the incompetence and extravagance of future administrations or future Congresses. We can only try to meet effectively the demands of our time and our hope that our successors will do the same in their time.

There are other objections which I cannot deal with properly in the limited time available but I can say this: To those who oppose this bill on the grounds that it is too small to do what its advocates hope it will do, we say, "Come forward with your amendments and proposals to make this bill more effective and greater in scope and we will support them."

To those who say that the bill is unfair because it deals with only a certain portion of the unemployed, to the exclusion of others, we say, "Join with us on this bill; and then bring forward your own suggestions for helping the unemployed you refer to, and we will join with you."

To those who say that the bill is administratively unworkable, we say, "Come forward with proposals that will make it more workable and we will support them."

Opponents of this type of legislation in my own State have raised doubts as to the effectiveness of the Douglas bill as far as Connecticut is concerned. Some go further, and say that the bill could have an adverse effect on Connecticut through encouraging a shift of industry to other States that would otherwise have remained in, or located in, Connecticut.

I dispute this contention.

Connecticut has a real and a continuing need for this proposed legislation. We have almost 100,000 unemployed workers. All our industrial cities will soon become eligible for aid if depressed conditions continue. This is one of the strange features of the situation. The cities of Bristol, Danielson, and Norwich already qualify. In a few months, based on present unemployment figures, Ansonia, Bridgeport, Meriden, New Britain, and Torrington will become eligible for some form of aid. And 4 months later, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic will qualify.

These cities form the industrial heart of Connecticut; and I cannot understand opposition to this bill on the grounds that it would provide only insignificant aid to our State. Nor do I believe that this bill will result in a loss of industry to other States.

I share the belief of Governor Ribicoff of Connecticut that because of the proximity of our State to the great markets of the Northeast, Connecticut stands to gain greatly from the establishment of branch plants, if only some extra inducements can be provided, inducements which are provided in the Douglas bill.

I have been urged to oppose this bill on the grounds that some States will obtain greater assistance than will Connecticut. This argument, which is not a new one, but which has often been used, is advanced often in a State such as mine, which has high standards of per capita income, health, education, and public facilities. It does not seem to matter whether the question is highways, education, urban renewal, unemployment compensation, or something else; someone is sure to point out that Connecticut is better off than many other States, and that therefore we should oppose any Federal help anywhere in the United States until other States have drawn even with Connecticut. I reject this view: It runs against the grain of my political philosophy, and as a practical matter it gets Connecticut nowhere.

Certainly we are more fortunate than many other States in many fields. I do not say this boastfully, but rather because I have a point to make. However, we also have problems which we cannot solve without the help of other States. We will not get such help, and we will not deserve it, if we adopt a selfish, narrow attitude toward the needs of our sister States.

I believe I have documented the fact that Connecticut has great need for depressed area legislation and stands to benefit greatly from its provisions. I have pointed out that Connecticut has almost 100,000 unemployed and that factories are closed in every one of our industrial cities. But even if there were not a single unemployment worker in Connecticut, even if there were not a single factory or shop shut down, I would still support this bill because it is good for the country. If there are representatives in this Chamber from States that have no economic problems, surely they cannot be indifferent to the plight of millions of their fellow Americans.

The depressed areas of today were once thriving. The thriving areas of today and this is something to remember—may someday be depressed. We cannot go wrong by doing what is good for the whole country.

Long ago we, as a Nation, decided that Federal funds should be used to combat economic problems which were national in scope. I do not believe anyone questions that decision now. There is no longer any fundamental division between our two political parties on this question. Both the administration and Democratic congressional leaders have submitted programs for aid to depressed areas. Therefore, we need not argue the appropriateness and feasibility of Federal aid in this case. That question has been decided and is now, for all practical purposes, a closed issue.

The question before us is which proposal for Federal aid to depressed areas shall we adopt? I support the Douglas bill, S. 722. I support it because it is broader in scope, because it provides more assistance, and because it provides better organization and better tools to accomplish an enormous responsibility.

For many years the great senior Senator from Illinois [Mr. DOUGLAS] has acted as the conscience of the Nation in keeping before us the plight of the forgotten men of our time, the victims of depressed areas.

I have watched for many years with growing admiration the way in which month by month and year by year the Senator from Illinois [Mr. DOUGLAS] has kept the plight of the people of the depressed areas before the Nation and has, bit by bit, won approval for his enlightened program. The Senator from Illinois has walked a long and, I think, a lonely road that has been filled with disappointments. He has seen his bill passed by the Senate and fail in the House. He has seen it passed by both Houses, only to be vetoed by the President.

I hope and believe that we are now on the threshold of final victory for depressed area legislation.

I am glad that the Senator from Illinois is on the floor. Let me say to him and to my other colleagues on the floor that as each depressed area of our country is converted to a prosperous and *thriving* community, it will be only another monument to the foresight, the courage, and the perseverance of the great man who is the father of the legislation before us today. I congratulate the Senator from Illinois and I wish to say of him publicly what I often feel privately. The whole country is the better and the stronger for having this remarkable scholar, this dedicated humanitarian, and this true statesman in the United States Senate.

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

Mr. DODD. I yield.

Mr. DOUGLAS. First, I wish to thank the Senator from Connecticut for his very generous statements about me, which are undeserved but which I appreciate very much. I congratulate the Senator from Connecticut for the very broad and statesmanlike attitude he is taking. Is it not also true, as the Senator from from Connecticut has stated, that the pending bill would be of present benefit to a number of Connecticut areas which would be eligible for assistance, notably the Bristol, Danielson, and Norwich areas?

Mr. DODD. Yes.

Mr. DOUGLAS. Is it not also true that the current rate of unemployment in such large industrial centers of Connecticut as Bridgeport, New Britain, New Haven, and Waterbury is above 6 percent?

Mr. DODD. Yes.

Mr. DOUGLAS. Unless conditions are improved very greatly in the near future, these same areas will be in need of assistance. Is that not true?

Mr. DODD. Yes. That is correct. I brought that point out in my statement a few moments ago. It appears from the best evidence available that these areas will be eligible very soon.

What is significant, I believe, is the fact that the areas where unemployment is occurring are not areas which have been affected or are now affected primarily by cycles of unemployment or seasonal unemployment. There is something far more at fault. It has been a paralyzing fault. I wish I could take my colleagues to the northeastern section of Connecticut to which I am referring. I am not speaking rhetorically or overstating the case when I say that we have experienced hard times in these areas. These people are not able to help themselves. Many of them are people with skills which are no longer usable. Unless something of this kind is done for them they will be cast on the trash heap of life, so to speak.

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

Mr. DODD. I shall be glad to yield as soon as I have finished my comment in further answer to the question of the Senator from Illinois. We have this condition in parts of Connecticut. However, I hope the Senator from Illinois heard me say also that if not even one man or woman was out of work in Connectiuct in one factory or shop, I would still be in favor of the bill, because it is in the best interest of the whole Nation. We are one Nation, we are one Union and we must think and act as one united people. The times, the conditions, and the welfare of all require, yes demand, that we cast off our narrow, ancient attitudes and pull together at home, even as we are urging our friends to do with us abroad.

I heard the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH] describe to the Senate day after day the plight in their State. I have heard the same situations described by others. My State has been prosperous. Generally speaking, it has made great advances. However, I do not believe we should view the general situation in that light. All of us should be deeply distressed by the plight of the people in our sister States. What I have said about the situation is right. What is good and what is salutary for the country—and this is a great, dynamic program—will prove in some considerable measure the solution of many of our serious economic troubles.

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

Mr. DODD. I yield.

Mr. DOUGLAS. While it is true that the exurban county of Fairfield is a prosperous county, where prosperous New Yorkers live, and while it is true that the great insurance city of Hartford is prosperous, nevertheless, as the Senator from Connecticut has brought out, even within the generally prosperous State of Connecticut there are areas of great need. Is that not correct?

Mr. DODD. Yes; mine is a small State but it is a great and strong State. Geographically, it is a very small State. Nevertheless, it has pockets of unemployment, even though much of our State is prosperous. I shall be glad to yield to the Senator from Indiana [Mr. CAPEHART] now if he wishes me to yield. If not, I am ready to yield the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. BYRD of West Virginia. I compliment the junior Senator from Connecticut on having made a very clear and cogent analysis of the purposes of the bill. I am very grateful to him for his reference to the situation which exists in my State of West Virginia. I am very much pleased that he and other Senators have continued to recognize the situation which confronts my suffering State every day.

I appreciate the fact that the junior Senator from Connecticut has rendered a very great service today not only to the people of his State, but also to all the people of the country. I especially commend him for taking the exemplary position that were there not a single unemployed person in his State of Connecticut, he would favor the bill. Someone has said:

> There is a destiny that makes us brothers;
> None walks his way alone.
> All that we send into the lives of others
> Comes back into our own.

I think the Senator from Connecticut has taken the position which today all Americans should take. I feel certain that every Member of the Senate will take that position. Some of us may not see eye to eye on the bill. Perhaps there is a considerable area of disagreement about the purposes of the bill or about the results which will accrue from it. Nevertheless, I believe every Senator feels as does the Senator from Connecticut about his country.

I again congratulate the Senator from Connecticut.

Mr. DODD. I thank the Senator from West Virginia.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the junior Senator from Alaska on the bill.

Mr. GRUENING. Mr. President, the bill, S. 722, now before the Senate, tends, as do so many economic measures, to become beclouded in a welter of economic statistics, charts, and tables.

I concede, of course, that these are necessary in order that we may be in a position to judge the economic impact of such measures.

But we should never overlook the fact that what is involved also is the ability, or lack of ability, of men, women, and children to feed, clothe, and house themselves. We are talking about our fellow American citizens who, although trying desperately to find work, cannot do so and who then face the heartrendering problem of wives and children at home who are cold and hungry.

When the acting Governor of Alaska telegraphs me, as he has, that unemployment in Alaska is 20 percent of the working force, that cold statistic has great and sobering economic significance. But it has even greater impact when translated into specific examples of the human want and misery which it represents.

It would be well, Mr. President, as we debate the merits of S. 722 and of the proposals which are made to cut back drastically on the size of this economic shot in the arm, to keep clearly in mind that what we do here will be directly translated into food, clothing, and shelter.

This, then, is what our discussions about area redevelopment, about unemployment compensation, or about the myriad of economic measures which will come before us during this session amount to in real terms.

We are discussing measures which will prevent men, women, and children from going hungry, from being inadequately clothed—and all this in an America about whose might and wealth we justly boast.

The needs which S. 722 seeks to meet are acute and compelling.

This is self-help on a new and enlightened scale. The appeal to statesmanship in S. 722 is not in the relief it offers, however vital that is. Neither does its appeal lie in its potential as a cure for a lingering economic evil which has struck some areas of the United States even during a period of relative prosperity.

For me, the appeal of S. 722 is that it seizes upon an economic ill, traces it to its source, and, while eliminating the cause of the ailment, replaces it with new

and effective materials for growth and success.

This has, of course, a very special meaning for Alaska which still retains many of the qualities of strength combined with underdevelopment that we commonly associate with the American frontier. Alaska is now an integral part of the American Union. Its possibilities for growth and the promise of contribution to the Nation's total wealth are beyond anything known to American history since the Louisiana Purchase.

Those who are indulging in the present budget balancing obsession regardless of consequences make their biggest mistake when they seek to strike down any proposal for Federal financial commitment greater than that contained in the President's budget without regard to the purpose of the proposed expenditure.

There is a vast difference in how we view, or should view, capital investments as opposed to expenditures for day-to-day operating expenses.

Senate bill 722 should, as a matter of fact, have great appeal to the budget balancers, because it seeks, through capital investments, to increase America's productivity.

This is a wealth producing, not a wealth exhausting, proposal.

It is no secret that there is incomparable potential treasure in fisheries, in minerals, and in industry in Alaska. But for years the treasures in my State have been permitted to rest neglected and remain fallow for lack of use and development. Had they been aided in development, the results would now be showing up in increased tax revenues and in increased gross natural product. As it is, our fishing communities are in a disastrous plight, a result in large part ascribable to the mismanagement of the Federal agency which has had our once great fishery under its exclusive control. Our fishing communities badly need the help which this depressed areas bill will afford.

It is similarly a case of bad statesmanship to permit decay and bankruptcy to strangle whole regions inside the borders of our own States which have already been developed. To permit an economic ghost to seize upon what had once been a prosperous and productive area and reduce it to economic decay is unconscionable indecision.

Yet all that is proposed in S. 722 is economic help which, for the most part, will be repaid with interest. It is a businesslike plan, not a plan derived from motivations of sentiment without regard for the economic facts of life.

The regions to be helped are already equipped with the materials for rehabilitation: physical plan, industrial and commercial resources, and human beings whose dislocation could be immensely more expensive than having restored to economic health on location.

I urge us not to be men of little vision.

We should, I firmly believe, bear constantly in mind the words of the distinguished senior Senator from Kentucky [Mr. COOPER] who said in the Chamber on a recent evening that his reason for supporting S. 722 as reported was that it will take a bill of at least the sweep of this measure to make any impact upon those areas which today find themselves economically depressed, with Americans being forced to seek their daily bread from garbage cans.

Such a case was illustrated the other day by Walter Reuther, who told a moving story about a veteran in Detroit, a man who had served in Korea for 13 years. The man was out of work. He had vainly sought employment. He had exhausted all his unemployment compensation and other resources. He was taking garbage out of a can. He was arrested for vagrancy.

When he went before the judge, he said, "I am not a vagrant. I have a home here."

He was asked what his home was. He said his home was a pup tent. He was asked how he could live in a pup tent in temperatures which had dropped, as they had in Detroit, to about 20 below zero.

He said, "I have a big shaggy dog I cuddle up with when it is that cold."

Mr. President, that did not happen in a foreign country; it happened in the United States of America. When there are examples like that, I do not see how we can hesitate to take very seriously the kind of action which will relieve such conditions and relieve them permanently.

I commend the junior Senator from Connecticut [Mr. DODD] for his very eloquent presentation on behalf of the bill, and for the very generous characterization he made of the senior Senator from Illinois [Mr. DOUGLAS] who is leading our battle for the bill.

Mr. President, I join with many of my colleagues in urging the Senate not to follow a policy of too little, too late. The times call for an all-out effort. If we provide less, we shall be shirking our responsibilities. We shall not be bringing to bear upon the problem the remedies called for, and which it is within our power to provide.

I hope most earnestly that the bill will pass without crippling amendments.

Mr. BUSH. Mr. President, I yield 5 minutes to the senior Senator from Vermont on the bill.

Mr. AIKEN. Mr. President, no one is more unhappy than I am to see unemployment, whether it be among individuals or in whole communities. No one would like to help cure this situation more than I would. However, I do not believe the bill before the Senate would have the salutary and beneficial effects which its promoters feel it would have.

The purpose of the bill should be to create new employment opportunities, rather than to transfer industries and jobs from one community to another.

This measure promotes industry seduction with Government assistance, which could create new depressed areas as old ones are eliminated.

There are, at present, no detailed area studies of the forces underlying chronic unemployment, so the administrator of the act would have to make discretionary judgments in favor of some areas and to the detriment of other areas.

Mr. President, the proposed legislation ignores the fact that American industry, like agriculture, is going through a technological revolution. The only real and lasting corrections will be found by industry itself, through research. Research produces new ideas for new things; and the resulting new demands must be filled by means of the creation of new industries and new jobs. The emphasis should, therefore, be placed on industrial research, rather than simply on shifting plants from one locale to another. It would not be wise to move existing plants to new areas simply because the people of one area happen to be unemployed, and desire to have established in the area in which they live plants which presently are operating in other areas.

Mr. President, there are alternatives to this proposed legislation. I shall briefly review a few of them.

First. Instead of setting up a new bureaucratic agency to create more Federal jobs and, consequently, more Federal waste, any program of this kind should more properly be placed in the Area Development Division of the Department of Commerce. If that Division is not being conducted properly at the present time—although I believe this Division has done much good—Congress should see to that it does work properly. That Division already has had considerable experience in helping communities solve their economic problems, and I believe the work of the Area Development Division could efficiently be expanded to include large population areas.

Second. The basic Morrill Act legislation should be implemented by establishing an extension service for industrial development, along the lines of the present agricultural extension service.

Third. The rural assistance program under Senate bill 722 should be replaced by enlargement of the present rural development program of the Department of Agriculture. The latter would be far more adaptable to the depressed rural areas. Again I say that if the present rural development program of the Department of Agriculture is not working properly at the present time, Congress should take steps to see that it does work properly and adequately.

Fourth. Vocational training should be expanded, so that more skilled labor may be developed. That would enable individuals to sell their services more effectively, either in their own communities or elsewhere. At the same time, a skilled labor force is a specific asset in attracting new industry to a community or in generating new industry.

Fifth. The Small Business Investment Act is a good step toward filling the gap in our investment structure, which heretofore made it difficult for small businesses to obtain long-term credit and equity capital. The principles embodied in the pending legislation could be expanded in order to provide similar funds for the development of new industrial effort in areas of chronic unemployment.

Mr. President, if the Small Business Investment Act is presently not adequate to meet the need, Congress should see to it that that act is made adequate.

The PRESIDING OFFICER. The time yielded to the Senator from Vermont has expired.

Mr. AIKEN. Mr. President, will the Senator from Indiana yield an additional minute to me?

Mr. CAPEHART. Mr. President, I yield 1 additional minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 additional minute.

Mr. AIKEN. I thank the Senator from Indiana.

Mr. President, a sixth alternative is that unemployment compensation benefits can be made more adequate either by the States or, in the event the States refuse to do so, by the Federal Government.

Personally, Mr. President, I think the formula for qualification, as set forth in the old Douglas bill, was vastly preferable to the one contained in the pending bill.

Mr. DOUGLAS. Mr. President, will the Senator from Vermont yield 1 minute to me?

Mr. AIKEN. Yes; if the Senator from Illinois will yield me an additional minute.

Mr. DOUGLAS. Mr. President, I yield an additional minute to the Senator from Vermont.

Let me say to him that what we did was adopt the criteria of the administration; but now the Senator from Vermont is reproaching us because we have adopted the Republican criteria. Evidently we cannot please him, no matter what we do.

Mr. AIKEN. Oh, yes; the Senator from Illinois can please me. He can please me by going back to the old Douglas formula, because I am just as much dissatisfied with the administration's formula as I am with the formula set forth in the pending bill. Neither of them is good. Under no foreseeable circumstances could any community in Vermont or New Hampshire qualify under the formula now advanced by the administration or under the formula contained in the new Douglas bill—which, unfortunately, is not as good as the formula contained in the old Douglas bill. All communities in Vermont would be subject to seduction by communities in other areas which now have unemployment, and thus could qualify under the formula of the pending bill.

The PRESIDING OFFICER. The additional time yielded to the Senator from Vermont has expired.

Mr. CAPEHART. Mr. President, I yield 1 additional minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 additional minute.

Mr. AIKEN. Mr. President, it is possible that some communities in Massachusetts and Connecticut could qualify under the provisions of the pending bill. But, on the whole, I believe even they would lose more than they would gain if the bill were enacted, and if it were to go into effect.

Mr. President, I may vote for the administration bill as an amendment in the nature of a substitute for the Douglas bill. But if I do, I will not thereafter vote for the administration bill, on the question of final passage. I hope that this statement will make the Senator from Illinois feel better, because, from my standpoint, the administration bill has the same faults that the present Douglas bill contains, with its unfortunate change in the formula.

The PRESIDING OFFICER. The additional time yielded to the Senator from Vermont has expired.

Mr. THURMOND. Mr. President——

Mr. CAPEHART. Mr. President, I yield 12 minutes to the able Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 12 minutes.

Mr. THURMOND. Mr. President, in May of 1958, the Senate considered Senate bill 3683, which contained provisions almost identical to those of Senate bill 722. At that time I spoke in opposition to those proposals; and my remarks at that time are equally applicable to the provisions of Senate bill 722. Therefore, I ask unanimous consent that my statement of May 13, 1958, be printed at this point in the RECORD as a part of my remarks.

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

STATEMENT IN OPPOSITION TO SENATE BILL 3683, DELIVERED BY SENATOR THURMOND ON THE FLOOR OF THE SENATE ON MAY 13, 1958

Mr. President, the bill before this body today represents one of the longest strides toward state socialism that the Senate has considered in recent years. It is a step toward a system of Government-controlled industrial production in which efficiency is the least of the objectives. It is an attempt to defy the laws of economics. These are strong statements, and I shall elaborate on them in a few moments.

I congratulate the members of the committee who prepared the minority report. In a few short pages, they have pointed up more defects in the bill than I had thought conceivably could exist in one piece of legislation; yet, if they erred in their remarks, it was on the side of leniency.

As the minority report points out, the bill is plainly discriminatory. It would benefit only those living in certain arbitrarily designated geographic areas. Of the 4,494,000 unemployed in January 1958, according to the Bureau of Employment Security, only about 1 in 8 lived in the areas which would have been covered by the provisions of this bill had it then been in effect. The bill commits the Federal Government to a program of improving the economic welfare of the residents of these areas at the expense of the residents of other areas.

The bill also poses insurmountable administrative difficulties. The program overlaps existing programs in the Department of Commerce and the Department of Agriculture. It provides retraining subsistence payments to unemployed persons that are, for all practical purposes, supplements to the existing unemployment compensation programs; a supplement which lacks, however, the sound financial approach of existing programs. Efforts of State and local organizations in this field are brushed aside, apparently in the belief that in the spending of the Federal taxpayers' dollar lies the solutions to the problems with which these groups have been struggling.

One of the most unnecessary and abominable features of the bill is the part that undertakes to supplement the Community Facilities Act so recently passed by this body. To the billion dollars there authorized, the proponents would have us add authorization for additional funds to be administered by a different agency within the same agency.

This is administrative duplication turned back inside of itself, like a snake swallowing its own tail.

We should understand clearly that this is not a temporary program. The committee report sets that fact on the record plainly. It is a bill for the aid of chronically depressed areas, or, as the committee has said, those that "have suffered from a high level of unemployment and underemployment, year after year, in good times and bad."

There is a corollary to be drawn from this fact. The authorization for the outlay of $380 million asked in this bill is only the beginning. It is highly unlikely that the sum will meet the immediate demand, and a dead certainty that it will not begin to meet the demand that will continue year after year.

The problem of chronically distressed economic areas is not a new one. We have always had areas which have been less prosperous, year in and year out, than other areas. It is a problem which has had the careful attention of many groups, in State and local government and in the business and financial community. Yet, significantly, the location of private industry is an area in which the Federal Government has no backlog of experience on which it can rely.

As for the portion of the program that deals with the revitalization of rural areas, I can only conclude that this portion of the bill was written in the hope that it would attract some support for this legislation in rural areas. It selects for rural redevelopment the 300 counties that appear to be, by the arbitrary criteria written into the bill, those most in need of developing. As it happens, these are primarily agricultural areas, and mainly in the southern part of the country.

In view of the setbacks which agriculture has suffered in recent years, it is important that more industries be located in our rural areas. The task of locating industries in our rural areas, however, should be the job of local communities, their development boards, their chambers of commerce, and private industry. The Federal Government should not be permitted to spend and lend the money of all the people for the purpose of favoring any one area over another with industrial development. This is another case of the right idea with the wrong approach.

All of these objections, and many others, the minority report clearly indicated. There are others which are not enumerated by the minority report.

An outstanding example is the inclusion of the Davis-Bacon wagefixing provisions in the bill. Surely we are not still unaware that this very provision has upset and damaged more local economies than this bill could possibly remedy, even were it feasible otherwise.

I am of the opinion, then, that the bill is discriminatory, administratively unworkable, and extremely expensive. These alone would be reasons enough for me to oppose it.

However, the main reason for my opposition, as I stated at the outset of these remarks, is that the program envisioned by this bill would encourage a system of State socialism, and the most inefficient form of socialism at that.

Mr. President, I was impressed particularly by two sentences in the committee report, in which the framers of the bill stated the manner in which money would be allocated for the construction of public facilities:

"The organization requesting the grant must contribute to the cost of the project in

proportion to its ability to contribute. The grant would be limited to the amount necessary to assure completion of the project."

The same thought was put more succinctly by Karl Marx in 1875 in his famous maxim of communism, "from each according to his abilities, to each according to his needs."

What are the roots of the problem? If an area is economically depressed, if the people there fail to make a decent living, year after year, there must be some reason for it. Chronic hard times do not happen by chance.

One of the principal reasons for chronic economic distress is the loss of industry because of technological changes. For example, at the present time, we find distress in some areas where the economy is dependent on the mining of coal. Some communities that have depended solely on the textile industry for their economic base have suffered by the impact of the long-term depression which that industry has suffered—with very little sympathy from the Federal Government—since the end of World War II. Several resort cities are on the list of the chronically afflicted; they do not have the industrial base which makes for a sound economy.

The stories are different in every case, but they all have one thread in common. The communities that are suffering the most are the ones that have lacked diversification in industry.

The problem suggests its own answer, and it is an answer which the sponsors of this bill have apparently seized without fully weighing the consequences. If a community lacks diversification of its economy, they have reasoned, let the Federal Government help it to diversify.

But why the Federal Government? There is no shortage of investment capital in the United States. Why do not American industrialists, with all of their supposed ingenuity and foresight, build plants in the areas where labor is in surplus? Why will they require the guidance and urging of the Federal Government?

I think we must face the harsh fact that there are areas which are, for one reason or another, unsuitable for further industrial development at this time. They may be too far removed from their natural markets, they may be lacking in raw material, the local tax structure may be unsound, or the local labor market may be priced too high to meet competitive conditions in a particular industry.

There are many reasons why an industrialist may not be anxious to move into a given community. Fortunately, local citizens can do much, by imaginative and concerted effort, to remove some of their handicaps. Industrial development boards are in operation in many communities. Local and State chambers of commerce play an important part. Local government, too, can encourage the advent of new industry by careful tax planning.

I will not deny that some communities are handicapped by natural factors that cannot be brought under control by human intervention.

Mr. President, the effect of S. 3683 is to give those economically ailing communities a transfusion of Federal money with the hope that it will bring about a cure.

The principal fallacy of the bill is that this kind of treatment does not strike at the roots of the malady. It merely eases the symptoms, and encourages the patient to return for further treatment over an indefinitely extended period of time.

The bill encourages industry to move into areas where it is not inclined to go, because, under normal circumstances, industry could not make a profit in those areas. I doubt that the bill, if passed, will be very successful in this endeavor. The inducements offered are not enough to bring a hard-headed businessman into an area in which he will operate under a serious handicap in competition with his competitors.

Indeed, the bill may have an effect of a kind opposite to that which is intended. One of the general problems of industry in the United States is that we are at a point where Federal taxation threatens to dry up the reservoir of capital with which industry expands. The proposal to embark on this new program carries with it the clear implication that it will be supported and expanded through taxation. To the extent that the cost of the program falls on industry, it will inhibit the ability of industry to expand through its own efforts.

Assuming that the bill does achieve its purpose, to some limited degree, it will bring about new problems far worse than the ones it is supposed to solve. It will provide the stricken community with a hand-to-mouth existence, encourage it to borrow beyond its means for public construction, and, in the long run, encourage the development of an economy based on a Federal dole.

The end result of such a Federal policy can only be the senseless one of locating industry in the areas least suitable for its growth. This is no way to foster the economic development of the United States. We will all be better off—those in the chronically depressed areas as well as those in other areas—if we follow, in this country, a policy of locating industries in the places best adapted for industry.

The most effective way to aid areas where the economy is depressed is through measures that will stimulate the whole of our American economy. We need some revisions in our foreign trade and foreign aid programs, which have operated to the serious detriment of vital segments of American business. We need to practice strict economy in every department of Government, with the aim of removing some of the heavy burden of taxation with which our economy is saddled. We need to remove some of the heavy burden of Government regulation which requires the businessman to make a multitude of complex and expensive reports to a whole host of Federal agencies.

I am in sympathy with the residents of areas with chronic economic problems, but I am convinced that this legislation does not contain any solution to their dilemma. It could only frustrate the efforts being made to solve the problem on a sensible basis.

I do not favor socialism. Even if I did, I would not favor this bill. It is a socialistic bill with so many defects in it that even the dubious advantages of socialism would not be attained.

Mr. THURMOND. Mr. President, there can be no argument over the premise that the Federal Government has a definite responsibility in promoting the fullest possible employment. But there is as great a difference between a sensible implementation of this principle and the proposals of Senate bill 722 as there is between free enterprise and socialism.

Our Government is uniquely designed to foster the operation of private enterprise, as distinguished from government enterprise. Our Constitution fairly shouts the word "opportunity," by enunciating the framework of a government with a minimum of the fetters of regulation. Our standard of living and our productivity are undeniable proof of the superiority of free enterprise as a means of providing material goods within the economic reach of the maximum number of people.

Involved economic theories are not necessary to explain the success of free enterprise under a system of government which permits it to exist. On the contrary, its success is obviously due to the fact that it provides an incentive for efficiency in the form of profits, while insuring the elimination of inefficiency.

Efficiency, in this instance, can be said to be the ability to produce goods at a cost which the maximum number of people can afford to pay and are willing to pay. In the case of any industry which is a component of our economy, its efficiency is controlled by a great variety of variable factors. Three primary and initial prerequisites are capital, business judgment, and a market for the product produced. If we assume these to exist in sufficient quantities, the efficiency of the particular industry will depend on such factors, among others, as proximity to market and raw materials, cost of power, cost of labor, cost of raw materials, adequacy and cost of transportation, climate, and local and State fiscal policies and practices, not only as they apply to the particular industrial effort, but also as they apply to its competitors. These are some of the factors which will determine whether any particular industrial effort will succeed or fail; and, just as surely, they will influence the determination of the question of whether there will be substantial unemployment in the area of the industry's location.

To be efficient, and therefore competitive, industry must be responsive to changes in all these factors, and others, which affect its efficiency. A slow response can be fatal. In some instances, response is impossible—as, for example, where the market ceases to exist, or where available capital is insufficient to enable the industry to keep abreast of technological developments. Thus occur industrial failures and the resulting unemployment. Such unemployment can be permanently relieved only by the expansion or inauguration of other industry, often at a different location, in order to avoid the adverse factors which created the unemployment in the first place.

Business success is the answer to full employment; it can only lie through bold, confident, and rapid decisions by those who undertake the business venture, and then only when they have the capital to implement their decisions.

Our Government can best contribute to full employment by creating an attitude of confidence on the part of businessmen, and by adopting policies which will permit the existence of capital to implement that attitude.

Senate bill 722, is a step in the opposite direction. Our Government is ill equipped to substitute its judgment for that of the entrepreneurs who have built our free enterprise system. A representative, deliberative type of government intentionally sacrifices efficiency and speed in the interest of stability and cautious protection of individual rights. Although ours is an ideal system for government, it is not at all capable of efficient operation of a business.

Nothing could prove the point more conclusively than Senate bill 722. Thousands of development boards have been

created by States, cities, and communities; and most, if not all of them, have diligently set about creating the conditions conducive to industrial efficiency, so that industry, recognizing these assets, would locate and thrive in the community. Senate bill 722, on the other hand, would substitute Government funds for the lack of conditions which would insure the ability of industry to be efficient and competitive. Not only would the subsidy of taxpayers' funds seek to promote the establishment of industry where it could not be competitive without subsidy, but it would discourage industries which finance themselves, and also those commendable efforts of development boards all over the country.

This Federal area redevelopment program would encourage communities to borrow funds unwisely, which they hope to repay from increased tax sources. True, employment may be temporarily boosted, but as soon as the competitive advantages created by the subsidy have been exhausted, the initial factors which left the community without employment in the first place will reassert themselves. The alternative will then have to be faced of either continuing the subsidy or leaving the community where it was, but for the additional burden of a staggering addition to the public debt.

We have an excellent opportunity to assist in securing full employment, although the course of fulfillment certainly does not lie through programs such as those proposed by Senate bill 722. On the contrary, it lies through the adoption of a policy of fiscal responsibility, and a reduction of Federal regulations, which bind our industrial sinews.

Our present program of fiscal unbalance neither encourages an attitude of business confidence, nor leaves much hope for the continued existence of the capital necessary for industrial expansion. Only by reducing Government spending to a figure within its income, can we encourage an attitude of confidence that the whims of legislators will not consume the very capital essential to industrial expansion. Only through the reduction of spending can we make possible a reduction in taxes—and if there be any doubt that this is the true course to industrial expansion, one need but look at the 8 percent increase in gross national product which followed the $7.5 billion tax reduction of 1954.

If our industrial expansion is to continuously keep pace with our growing population, we must cease our unnecessary regulation of business, which now approaches a state of regimentation. We should continue, of course, to prevent abuses of the free enterprise system, but this does not necessitate the creation of burdensome reports and regulations which encumber every business effort and discourage new business ventures.

Mr. President, let us realize at this late hour, before it is too late, that the Government is contributing to unemployment, with its irresponsible deficit spending and its creation of unnecessary regulations, which apparently reflect a sort of hostility to business. Such socialistic schemes as S. 722 will only further compound the problem.

Mr. CAPEHART. Mr. President, I wish to correct the RECORD, and I am sure the able Senator from Illinois would like to have me do it. The committee did not accept the administration's criterion. The committee accepted the administration's formula. The administration's criterion was 50 percent above the national average for 4 out of the 5 preceding years, or 75 percent above the national average for 3 out of the preceding 4 calendar years, or 100 percent above the national average for 2 of the preceding 3 years.

The bill, as the Senate is now considering it, provides a criterion of 50 percent above the national average for 3 of the preceding 4 calendar years, or 75 percent above the national average for 2 of the preceding 3 calendar years or 100 percent above the national average for 1 of the preceding 2 years.

The committee accepted the formula, but not the criterion.

Mr. DOUGLAS. We accepted the formula, but cut the period of time provided by 1 year in each case.

Mr. CAPEHART. I wanted to correct the RECORD because I was sure the Senator from Illinois would not want to leave the impression that the committee adopted word for word the so-called administration criteria. The committee adopted the formula. While I am against even the administration's criteria, I congratulate the Senator from Illinois for adopting the administration's formula. But the committee did not adopt the number of years proposed by the administration.

Mr. AIKEN. Mr. President, in discussing the proposed administration formula a few moments ago, I was referring to the formula applying to the benefits. When I read the criteria, I realized I was against the bill, anyway, as long as it contained those criteria.

Mr. CAPEHART. I was sure the Senator from Illinois did not want the RECORD to show that the committee had copied word for word the administration's criteria. The committee still took the formula.

Mr. DOUGLAS. Whenever the administration comes up with a good idea—which is not very often—we Democrats are very glad to accept it.

Mr. CAPEHART. It is too bad the Democrats did not accept more good ideas during the past 20 years. Perhaps the country and the people would be in a better position today.

Mr. DOUGLAS. But the Republicans have good ideas so seldom.

Mr. CAPEHART. We have had many ideas which have not had an opportunity to be put into practice during the last 20 or 25 years.

Mr. DIRKSEN. Mr. President, I make a point of no quorum, but I ask unanimous consent that the time taken in calling for a quorum be not taken from the time of either side. I think we should alert our colleagues, because, so far as I am aware, the first action taken will be on the substitute I have proposed. I shall not take much time on it.

The PRESIDING OFFICER. The clerk will call the roll and, without objection, the time taken for calling the roll will not be charged to either side.

The legislative clerk proceeded to call the roll.

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

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

Mr. DIRKSEN. Mr. President, what is the pending question?

The PRESIDING OFFICER. Has the Senator yielded back his time on his amendment?

Mr. DIRKSEN. Mr. President, I think the pending question is the substitute amendment I offered, which is presently at the desk. Has the amendment been stated?

The PRESIDING OFFICER. It has been ordered printed in the RECORD.

Mr. DIRKSEN. Mr. President, for the benefit of the membership of the Senate, I do not propose to labor the question involved very long. The whole matter has been before the Senate and before the House of Representatives at other times. I wish to review only a little of the background, and a few highlights of the substitute.

In January of 1956—to be exact, the 9th of January 1956—the first administration bill on this subject was introduced by former Senator Smith of New Jersey. At that time 25 Senators joined in sponsorship of the bill.

There were two bills presented at that time. One was introduced by my distinguished colleague [Mr. DOUGLAS], which was referred to the Committee on Labor and Public Welfare, and I believe the Smith bill was referred to the Committee on Banking and Currency.

I testified with respect to the bill in January of 1956. At the time I pointed out that insofar as I knew, on the basis of data made available by the Committee on Labor and Public Welfare, there were eligible 10 major and 74 minor areas, embracing about 190 counties in the United States. Interestingly enough, 123 of the 190 counties are in 7 States. The reason for that was quite simple. The State of Illinois was one of the States. I think in the main our problems spring from the fact that in the coal areas mines have been abandoned because the cost of production is too high, or for other reasons, and so there has developed a chronic or semichronic unemployment condition. That is true in Kentucky, Illinois, and West Virginia.

The administration has certainly been mindful of the so-called distressed area problem, and prior administrations also have been mindful of it. I believe interest in the problem extends back to 1946, 13 years ago. There was area redevelopment activity in the Department of Commerce at that time under a subagency known as the Business and Defence Advisory Service. The program may have had another name at that time, but it does not make too much difference. The fact is that for the past 13 years, certainly, a variety of activities have taken place in that field. They took the form of surveys, the form of technical assistance to those areas, and the form of defense contracts.

I believe I pointed out in my remarks to the Committee on Labor and Public Welfare that some 25 defense facilities

were located in those areas, at a total cost of nearly $210 million.

I think it is very clear that over a long period of time there has been a manifestation of interest in the problem of chronic unemployment and the distress which besets some of the areas in which that condition has developed, because their resources and facilities at no time admitted of any high degree of industrial prosperity.

There were other aids and other activities as well. The Small Business Administration has been helpful. There was a program for rapid tax amortization to help facilities which would locate in such areas. There was the distribution of surplus food. There was also special advice and technical assistance given to the State development corporations, which were also mindful of the problem.

In another field, of course, the administration was mindful of the need for a rural development program. In fact, that was formalized after a number of individual conferences with officials of the Department of Agriculture.

Insofar as I can tell, the program which began in 1955 is now operative in 102 counties. In addition to that, the States on their own initiative have set up a corresponding program in another 80 counties. The program, therefore, is rather dynamic in character. It is moving along. It has almost doubled as the result of State initiative. Those areas have been receiving assistance and advice from the Agricultural Extension Service and the Soil Conservation Service, and also have been benefited by Farmers Home Administration loans.

Since the bill which was passed by both the House of Representatives and the Senate was vetoed by the President, I have introduced, and I support, the substitute amendment on which the vote will first occur, because it is an expression of the administration's viewpoint.

The criteria are rather simple. An area must have had an unemployment situation 50 percent above the national average for 4 of the last 5 calendar years; or 75 percent above the national average for 3 of the last 4 calendar years; or 100 percent above the national average for 2 of the last 3 calendar years; and there must have been unemployment in excess of 6 percent for that period of time. That is a reasonably simple criterion on which the administration proposal is based.

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

Mr. DIRKSEN. I yield.

Mr. SCOTT. Am I correct in my understanding that the present status of S. 722, the Douglas bill, is that it includes the criteria from the substitute offered by the distinguished Senator from Illinois?

Mr. DIRKSEN. I am not sure the provisions are quite identical. I think some change has been made.

Mr. SCOTT. May I ask for clarification?

Mr. DIRKSEN. Yes. I think the senior Senator from Illinois can probably answer the question.

Mr. DOUGLAS. We have adopted the administration criteria, but we have cut the number of qualifying years back by one in each case.

Mr. DIRKSEN. That would mean the unemployment would have to be 50 percent above the national average for 3 out of the past 4 calendar years instead of 4 out of the last 5 calendar years.

Mr. SCOTT. That is the 50-percent provision.

Mr. DIRKSEN. Or 75 percent for 2 out of the last 3 calendar years.

Mr. DOUGLAS. Two out of the last 3 calendar years.

Mr. DIRKSEN. Or 100 percent for 1 out of the last 2 calendar years.

Mr. DOUGLAS. For 1 out of the last 2 calendar years.

Mr. DIRKSEN. The Senator is correct.

Mr. SCOTT. Let me say to the junior Senator from Illinois that I am very much concerned. These criteria still would not cover the area of Philadelphia and the degree of unemployment there. I am not certain, but they do not appear to cover the large unemployment area around Pittsburgh. For that reason I desire to indicate that, after the vote on the amendment in the nature of a substitute offered by the junior Senator from Illinois, I shall seek recognition and offer Senate bill 268 as a substitute, because in my judgment it goes much further toward establishing the criteria necessary to solve some of the problems in my State beset as it is by unemployment and chronically distressed areas.

I thank the Senator for yielding.

Mr. DIRKSEN. Trying to develop static criteria for a problem of this kind is difficult; and it is doubtful whether we can lay down in words, criteria which will cover every situation. The distinguished Senator from Indiana [Mr. CAPEHART] raised that question at a conference session several weeks ago, and I think the distinguished Senator from Connecticut [Mr. BUSH] did likewise. For aught I know, they may deal with it. I merely cite the criteria in the administion proposal.

With respect to relief, assuming, of course, that under these criteria certain areas would become eligible for whatever relief and whatever remedies are provided in the bill, let me skeletonize the provisions. There would be 25-year loans at the market rate, provided the money was not available elsewhere at reasonable rates.

There would be a limit of 35 percent on Federal participation. That means, of course, that States and localities would carry the larger share of the burden.

There must be some expectation of repayment. This, I think, is one of the important features of the proposal.

The loan must result in more than a temporary alleviation of unemployment. I think that is the crux of the situation. We may go into a given area and build a city hall, a hospital, or a gymnasium for a high school; and when we are through, we are back where we started. So the question is, in every case, Is there an assurance that the relief will be more than mere temporary relief?

I had that in mind in January 1956 when I appeared before the Committee on Labor and Public Welfare. At that time I said:

> Any solution worthy of the name must be durable. Merely to scratch the surface and provide temporary employment in these depressed areas will not meet the problem.

Coming back to the relief which is provided, there will be no aid where relocation of an industry moving from one area to another might hurt the area from whence it comes, even though it might benefit the area to which it might go.

The substitute provides for no rural loans and no loans or grants for public facilities. There is a total of $50 million involved in loans, and about $3 million for administrative and technical assistance. So the criterion, of course, is what is believed to be something more than a temporary alleviation of the problem. I think that is the basic thesis—to encourage self-help and to follow a proven basis.

It might be said that I appeared before the committee and suggested certain amounts higher than those in the pending bill. That is true. I did. But open confession is good for the soul; and I never mind making it, whether it be on the floor of the Senate or elsewhere. The figures were estimates. I had no concrete experience on which to base them, and it was not until sometime later that the Pennsylvania experience, under a board created by the Pennsylvania Legislature, became available. I laid that information before the Senate Committee on Banking and Currency when I testified in connection with the pending bill.

There is no use going into detail, but there was an experience at the State level, with some 64 projects, which shows what can be done under given circumstances.

The administration bill, drafted by the Department of Commerce, is geared to what happened in Pennsylvania and elsewhere at the State level. It undertakes to cure the degree of employment which represents the percentage over and above the national level. If it could be done with a rather modest investment at the State level, obviously a well-managed program at the Federal level could do the same thing.

It is not proposed in the substitute to establish an independent agency. This activity has been carried on at higher or lower levels for a number of years, under the present administration and prior administrations. They have done a good job. Unfortunately, 2 years ago when the agency asked for about $390,000 to carry on in this field, Congress saw fit to cut back the appropriation to $120,000, and crippled the activity to that extent. But it has been going on; and I see no reason why, under the circumstances, an independent agency should be created.

The amendment contains, in substance, the administration's proposal. It is within the terms of the 1960 budget, and is geared to the budget. I hope, therefore, that it will commend itself to the good thinking of the Senate, and will be favorably received.

With that I rest the case, and yield the floor so that other Senators who desire to discuss the question may do so.

Mr. JOHNSON of Texas. Mr. President, I wonder if it would be possible to obtain an agreement as to a time for voting on the Dirksen substitute. I understand that the Senator from Pennsylvania [Mr. CLARK] desires 5 minutes. The Senator from Illinois [Mr. DOUGLAS] wishes 7 minutes.

I ask unanimous consent that the vote be taken in 20 minutes, 12 minutes to be controlled by the senior Senator from Illinois [Mr. DOUGLAS] and 8 minutes by the junior Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the senior Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I have listened with great interest to the comments just made by the distinguished minority leader with respect to his reasons for advocating the administration bill. In the course of his comments he undertook to testify with respect to the situation in my home Commonwealth of Pennsylvania.

I have the highest regard for the distinguished minority leader, but I am afraid that in this instance someone has led him down the garden path so far as the situation in my native State is concerned.

As I sat and listened to him, I understood him to say that the principal reason for our problems in Pennsylvania was that the coal business was not so good as it used to be. I turn to page 6 of the minority views, where are to be found listed the areas of labor surplus as of January 1959, and read for the record the following Pennsylvania labor surplus areas, in which not 1 ton of coal has ever been mined: Allentown, Bethlehem, Easton, Altoona, Erie, Philadelphia, Pittsburgh, Reading, York, Oil City, Franklin, Titusville, Sayre, Athens, Towanda, and Williamsport.

It is true, of course, that the hard coal areas have been badly hit by the depression, but to say that our problems are due to the failure of the coal industry, and that adequate steps are being taken in other areas to remedy that distressing situation, I state, with all due deference to my friend the junior Senator from Illinois, is not entirely in accord with the facts.

The distinguished junior Senator from Illinois also had occasion to talk about our fine State efforts to remedy this condition in Pennsylvania. Those efforts have been fine, and they have resulted in a measurable amount of good; but it is as clear as the nose on anyone's face that the Pennsylvania effort, by itself, is entirely to meet the need in my Commonwealth.

The Governor of Pennsylvania so testified. The secretary of labor and industry so testified. The secretary of commerce so testified; and a number of witnesses coming from different parts of the Commonwealth told us that Pennsylvania had bled itself white with its State effort to remedy unemployment; and that the effort had been helpful but was entirely inadequate. The secretary of commerce for the Commonwealth of Pennsylvania testified as follows before the Senate Commitee on Banking and Currency:

> Senator CLARK in a release the other day made an estimate that in order to bring our unemployment down to the 6-percent level in 17 areas of Pennsylvania, which is high enough, we would need to create 72,800 jobs. And the assumption was that half of those would have to be in manufacturing and the balance generated in the services, and so forth.
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> If we say that in Pennsylvania in utilizing these loan funds we were to average out at not the full 65 percent on all of them but say 35 percent, we would need in Pennsylvania on the basis of that calculation alone, according to my figures, $47,756,800.

In other words, Mr. President, my own Commonwealth of Pennsylvania, using the 35 percent rate which is contained in the administration bill, would use up practically all the money in one State. That is a pretty good measure of the utter inadequacy of the administration bill, calling, as it does, for $53 million, as opposed to $389 million in the Douglas-Cooper-Clark bill.

I am sure, Mr. President, Senators will note that to adopt the substitute, excluding the availability of funds for loan purposes for public utilities, would destroy the purpose of the bill, because hard-pressed areas cannot raise money in the open market or by taxes to take care of such situations as the construction of streets, water works, sewage systems, and industrial parks, which are necessary to bring industry into the unfortunate areas.

So, Mr. President, with the provision for $100 million of rural loans taken out of the bill, by the administration's substitute, we have in the pending amendment a proposal which is not only too little and too late but also is close to being a fraud on the American people because of the inadequacy of its provisions.

I yield back the remainder of my time.

Mr. CAPEHART. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. Eight minutes remain on the substitute.

Mr. CAPEHART. How much time remains on the bill?

The PRESIDING OFFICER. Forty-one minutes remain on the bill.

Mr. CAPEHART. I yield myself 3 minutes on the bill.

Mr. President, in order to keep the record straight, although the bill is intended to be a $389 million bill to help unemployment, I am afraid it does not so state.

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

Mr. CAPEHART. I yield.

Mr. CLARK. I have just finished stating it.

Mr. CAPEHART. Yes; but I am afraid that the statement is not quite in accordance with the record. One hundred million dollars is provided for industrial loans, which would create, we hope, permanent jobs. Another $100 million is provided for public facilities, which would create temporary jobs while the public facilities were being built. However, that would not create any permanent employment.

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

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Many loans for public facilities could most certainly help to create jobs. An industrial water project, for example, could be created, and industrial parks constructed which would make it possible for industries to locate in those areas and thus create permanent jobs.

Mr. CAPEHART. Yes; but I want the RECORD to be clear that there is only $100 million in the bill for creating permanent jobs.

Mr. DOUGLAS. There would also be $100 million for industrial loans in rural areas where incomes are low, and there is underemployment as well. These loans could help create jobs.

Mr. CAPEHART. I have not as yet reached that point. There is another $100 million provided, of course, for rural areas where people are supposedly underpaid. However, that creates no new jobs.

Mr. DOUGLAS. I beg the Senator's pardon. This amount is for loans to start new industries in rural areas where the income is low and where there is a great deal of underemployment and unemployment.

Mr. CAPEHART. The purpose is primarily—and it is so stated—it help areas where there is low income.

Mr. DOUGLAS. And where there is underemployment.

Mr. CAPEHART. Perhaps so, but primarily—and the bill so states—it is for the benefit of areas where the workers are paid very little. The point I wish to make is—and I make this point so the RECORD may be kept clear and so that people throughout the Nation will not be misinformed—so far as industrial jobs in the cities are concerned, there is only $100 million involved, not $389 million, for permanent jobs. One hundred million is to be divided among all the industrial centers in the United States. Another $100 million is to be used to create jobs in so-called rural areas where there is underemployment. Then there is another $100 million, of course, for public utilities, which, of course, would create jobs to build the public utilities, but not permanent jobs.

Mr. President, I yield myself 3 additional minutes on the bill.

That portion of the bill probably does not belong in the bill at all, because it has nothing to do, particularly, with depressed areas. The $100 million which has to do with the rural areas ought to be handled by another department, and should not be included in a new bill.

Therefore, so far as jobs in the cities are concerned, and so far as the really depressed areas in towns are concerned, there is $100 million in the so-called Douglas bill; and we are now talking about $50 million in the so-called Dirksen-administration bill, which is the substitute under consideration.

The substitute on which we are about to vote contains no money at all for rural areas. It has no money in it, of course, for public facilities, primarily for

the reason that under the Housing Act funds are provided and an organization is set up to handle public utilities.

Therefore, about the only difference between the two bills, so far as creating jobs in industrial centers is concerned—I mean permanent jobs—is $50 million. That is about the only difference between the two bills so far as the city folk, so-called, are concerned, and so far as permanent jobs are concerned.

There is another $100 million in the Douglas bill to build public utilities, such as waterworks, and so forth. I doubt if that provision should be in a depressed areas bill.

I can understand the need for providing water in a small town, for example, so that a plant can be built there, but we must remember that there is already a law in existence to take care of such a situation. It is contained in a section of the Housing Act, which grants that kind of relief. In connection with that part of the pending bill, we would merely be adding another piece of legislation to do what the Housing Act has been doing for many years. The authors of the section of the Housing Act designed to grant loans to towns for public utilities, was introduced by the late Senator from South Carolina, Mr. Maybank, and myself. That has been a part of the Housing Act for many years.

COMPARISON OF DIRKSEN SUBSTITUTE FOR S. 722 AS REPORTED

Mr. DOUGLAS. Mr. President, the administration is proposing to kill the rural redevelopment bill with a poisoned kiss. On the one hand, it says it is in favor of the idea, but on the other hand, it would appropriate so little money and attach so many crippling conditions to the small appropriation it does propose, that the program would be of no real value.

The Dirksen amendment in the nature of a substitute would replace the provisions of S. 722 with those of the Dirksen bill, S. 1064, which embodies the proposals of the administration. The committee very carefully considered this proposal, and the bill which we have reported has made a number of concessions designed to meet the objections of the administration. But there are several features of the administration's bill which would so severely restrict its application that it would be completely ineffective.

AMOUNTS OF MONEY

The administration bill provides for only $50 million for loans to industrial areas. The committee bill provides for $100 million for loans to industrial areas, and also $100 million for loans to rural areas, and $100 million in loans for public facilities. During the committee hearings, it was testified that the State of Pennsylvania alone would be eligible to use $47 million in loans in order to bring unemployment in that State down to the national average. Although other factors such as the economic potential of an area and the prospective repayment must be taken into account, it is still obvious that $50 million would be completely inadequate for the Nation as a whole.

With respect to the $100 million loan fund for community facilities, the committee felt that these were often necessary before industrial development could possibly get underway in many situations. For it is often true that before an industry can locate in an area, it must have adequate water supplies, sewage systems, access roads, and other public facilities before it will be possible to locate in such an area. It should be remembered that these are repayable loans.

In addition to public facility loans, the committee also provided for a $75 million fund to make grants to areas for public facilities where industrial development needs such facilities but the community concerned does not have the wherewithal to repay such loans. The administration bill provides nothing in this regard. Yet it is true that such grants will in some cases be necessary before industrial development can take place.

Moreover, the problem of unemployment and underemployment in rural areas is perhaps just as real as that of industrial areas, and it is only fair that we provide equal treatment for that segment of our population.

It is perfectly clear that all the administration is proposing to do is to make a nominal authorization for $50 million for some of the hard-pressed industrial areas. The administration does this reluctantly in order to head off the $100 million which we advocate. It proposes nothing for rural areas which suffer from poverty and underemployment. Nothing is provided, except the promise that it can be taken care of under the rural development program of the Department of Agriculture.

That program has been surveyed, as I pointed out the other day, by a distinguished nonpartisan committee. The vital criticism which that committee makes of the so-called rural development program of the Department of Agriculture is that no outside financial aid is given to the hard-pressed rural communities. We believe in a program which will strike at persistent unemployment and persistent underemployment, both in the industrial and the rural areas of the country.

We also know that in order to attract industry to such areas, it will be necessary to provide industrial water, access roads, water and sewage systems, and, in some cases, industrial parks. That is the purpose of the third revolving loan fund of $100 million and the one-shot grant of $75 million.

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

Mr. DOUGLAS. I yield.

Mr. RANDOLPH. We who believe in the proposals contained in Senate bill 722 are cognizant that the spirits of the men and women who till the soil, as they do that job, are either high or low in relationship to the substance which is built in between. The provision of the bill, as the Senator has said, is for aid to rural folk in West Virginia in the amount of $1,000 or less, per farmer, of farm income a year. Those people need such assistance.

Mr. DOUGLAS. I thank the Senator from West Virginia. The map which is displayed in the rear of the Chamber shows the farm counties throughout the Nation which could be benefited by the program we are suggesting.

ADMINISTRATION OF THE PROGRAM

There is another crucial weakness in the administration's proposal. It would give the administration of the measure to the Department of Commerce, whereas our bill calls for its administration by a separate agency. It might look better on an organization chart to have the administration of the program in the Department of Commerce; but we know that that would be fatal to the program itself. The Department of Commerce has been a persistent, unrelenting foe of all such programs as this. It is well-known that it was the Department of Commerce which advised the President to veto the bill which Congress passed last year. While the Secretary has changed, the attitude of the Department remains the same.

We would not give to a nurse having homicidal tendencies the care of infant children; nor would be put wolves in charge of the care of sheep.

The only way to have such a program as this properly administered is to place it under a new agency, one which may have some enthusiasm in its work and will not use the measure to strangle and to kill it.

GRANTS FOR TECHNICAL ASSISTANCE

The committee bill provides for an authorization of $4½ million a year for grants to provide technical assistance in redevelopment areas. The administration bill provides for $1½ million a year for the designated areas, and another $1½ million a year for towns predominantly dependent on one industry.

Many people feel that the technical assistance aspects of this program are extremely valuable, and it would seem that $4½ million will be a very modest amount in this regard. It would be a shame to cut this figure by a third as the administration bill would do.

GRANTS FOR VOCATIONAL RETRAINING SUBSISTENCE PAYMENTS

The committee bill provides a $10 million grant for subsistence payments to those being retrained and who are not entitled to unemployment compensation. The administration bill provides nothing. In this respect, the question is how are many of the unemployed persons who have exhausted their unemployment compensation payments going to exist while undergoing retraining which will be necessary for them to qualify for the jobs which might be available with industrial redevelopment. This is a humane feature of our bill which we feel to be absolutely necessary.

RESTRICTIONS ON LOANS

The committee bill would permit Federal participation in industrial loans up to a maximum of 65 percent, while the administration bill would not permit such participation to exceed 35 percent. There would probably be many cases where the 35 percent figure would be adequate, but such a restriction would knock out many projects which could otherwise go forward under the terms of the committee bill.

The administration bill would also require minimum State or local participation of 15 percent, rather than the 10 percent provided in S. 722.

In short, the administration's proposals with respect to Federal and State or local participation are much more restrictive than those of S. 722, and hence would act as a depressing factor in carrying out the program.

MACHINERY AND EQUIPMENT

The administration bill would not permit loans on machinery and equipment whereas S. 722 would permit such loans. The cost of land is relatively small in depressed areas, simply because they are depressed. The cost of buildings will not be much either, because in many cases it would be possible to take over an existing building and rehabilitate it with a relatively small amount of capital. Thus, the thing that can really make redevelopment possible would be the financing of equipment and machinery which lies at the heart of the whole enterprise.

Now, there are two main arguments which might be raised against the inclusion of machinery and equipment. First, it may be said that, because of obsolescence, we should not finance machinery for such a long period of time as 30 years. I would agree with this, but the 30-year period is a maximum, and I would expect the Administrator to provide for a realistic period in the case of loans for machinery and equipment. Depending on the nature of the machinery or equipment, this might run from 5 to 15 years. Second, it may be said that making loans on machines is dangerous, because if the loans cannot be repaid, the Government would lose its investment. However, there are many general-purpose machines such as lathes and punch presses which can be applied to a great variety of uses. Thus, it is not necessarily true that the Government would lose its investment were the loan to go into default.

MAXIMUM PERIOD OF LOANS

In the bill passed last year, the maximum period for industrial loans was 40 years. In a further effort to meet some of the objections of the administration, the bill reported by the committee provides for a maximum of 30 years with a provision for an extension of 10 additional years only in certain cases where the Administrator determines its advisability. The administration bill provides for a maximum period of 25 years, with a 10-year extension possible which may not be enough in some cases.

APPROPRIATIONS VERSUS BORROWING AUTHORITY

S. 722 provides that the three loan funds be borrowed from the Treasury, whereas the administration bill would require that such funds be appropriated.

Where a program involves new authorization for funds from year to year, I would agree that appropriations would normally be preferable. I believe this to be true because times change over the years, and where new funds are being made available, these should be subject to periodic review by Congress.

However, the loan funds in S. 722 are a one-shot authorization and are in amounts which the committee feels necessary to get the program underway. The bill does not provide for additional authorizations from year to year. Were additional authorizations to be made, therefore, they would automatically be subject to the scrutiny of Congress.

Providing that the funds be appropriated rather than borrowed from the Treasury simply means that they would have to run the gauntlet of authorization twice, rather than once; to go through two committees rather than one. The Senate Banking Committee authorized and the Congress enacted a Federal flood insurance program. The Senate twice voted an appropriation to put the program into effect. The House Appropriations Committee, however, refused to authorize any appropriation for this program, and now it has fallen by the wayside. We certainly do not want that to happen in the case of area redevelopment legislation.

S. 722 does provide for appropriation of technical assistance, public facility grants, and retraining grants.

SUMMARY

There are other minor differences between the administration bill and S. 722, but I think I have covered the major differences. In general, the administration bill would be completely inadequate to deal with the real needs for area redevelopment, and it will be a grave mistake for the Senate to substitute it for the bill as reported by the committee.

The committee voted to report S. 722 by a vote of 9 to 6. It should be recognized, however, that this is not representative of the differences between S. 722 and the administration bill. I believe that I am correct in saying that most of the six votes against in reporting would be opposed to the administration bill as well as to S. 722.

I have seen very little support for the administration's bill. It was introduced by Senator DIRKSEN, who as minority leader, is the logical person to introduce administration measures. However, when he introduced it, it lay on the table for 2 days to permit anyone who desired to cosponsor it to do so. There were no takers. S. 722, on the other hand, has a total of 39 sponsors.

There may be a legitimate issue as to whether or not we should have an area redevelopment program, but the enactment of the administration proposal would result in a program so inadequate that there might as well be no program at all as to pass such a measure.

I hope the administration's proposal will be defeated by a resounding vote, a tremendous vote, one which will serve notice on the Department of Commerce and the White House that this country wants an effective bill, not a sham bill.

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

Mr. DOUGLAS. I yield.

Mr. GORE. Last week I addressed the Senate on the general subject of the economic challenge which the United States faces. A part of that economic challenge is the lack of adequate growth of our economy and the lack of employment opportunities.

In the course of the address, I inquired about the policy of the Democratic Congress to meet this challenge. I take it that the bill before the Senate is not intended as an answer to the entire challenge; but does not the able Senator from Illinois think that the restoration of productivity to the depressed areas constitutes an important part of the answer to that challenge and that question?

Mr. DOUGLAS. I certainly do. It would deal with what is termed "structural unemployment" by furnishing seed capital to start new private enterprise in areas of high and persistent unemployment. By putting unemployed persons to work producing commodities which otherwise would not be produced, the inflationary effect would be reduced to very little, and might possibly be completely removed.

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

Mr. DOUGLAS. I yield.

Mr. GORE. The Senator is aware, I am sure, that there has been but a very slow and, I contend, a very inadequate growth in our national economy since the end of the Korean war.

Mr. DOUGLAS. That is correct.

Mr. GORE. A serious part of that lack of growth has been in cities or communities which it is hoped will be helped by the pending bill.

Mr. DOUGLAS. That is correct. We aim to utilize the greatest unused resource of the American people—namely, the idle time of workers.

Mr. GORE. If we succeed in restoring to productivity the resources, human and material, of the depressed areas alone, will not that make a significant contribution to the growth of the economy?

Mr. DOUGLAS. Yes; and it will reduce the tax burden for unemployment compensation, relief, surplus foods, and the rest.

Mr. GORE. I congratulate the Senator from Illinois upon his leadership in this field. I express the wish that other legislative committees will bring forth, in rapid-fire order, programs of action to meet the economic challenge, which in the long run is as serious as either the political or the military challenge we face.

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

Mr. DOUGLAS. I yield.

Mr. MONRONEY. Is it not true that the administration substitute virtually destroys the very carefully worked out and carefully studied broad gage program which the committee has reported?

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. As I understand, the administration program not only drastically reduces the amounts which will be available for the rehabilitation of depressed areas, but ignores completely the erosion of human resources which has taken place in the small towns and agricultural areas.

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. And the areas where large numbers of people have been on relief for many years.

Mr. DOUGLAS. That is true.

Mr. MONRONEY. In other words, to qualify under the sole test of the administration substitute, the number of unem-

ployed must have accumulated, it might be said, in the past 12 months, in order to constitute an effective statistic; but those areas which were given knockout blows by the shifting of industry, the closing of mines, or the collapse of agriculture over a period of 10 years have not necessarily had an increase in unemployment, but have been depressed for some 10 or 12 years. So without the committee bill, we would be voting only a feeble straw to move against what has become almost a nationwide plague of pockets of continuing, hopeless unemployment areas, both rural and urban.

Mr. DOUGLAS. The Senator has stated the situation correctly.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CAPEHART. Mr. President, I yield myself 1 minute.

I think we should keep the record straight. The answer to the able Senator from Oklahoma ought to be that the Senator having the bill in charge, the Senator from Illinois [Mr. DOUGLAS], accepted the administration's criteria. He said so a number of times on the floor of the Senate, in stating how he arrived at the number of areas to be helped. So if anything is wrong, it is not the administration's fault; it is the fault of the able Senator from Illinois for having accepted the administration's criteria. One cannot have his cake and eat it, too. Does the Douglas bill embody the administration's criteria or does it not? If it does not, the Senator from Illinois must change his answer to the Senator from Oklahoma.

Mr. DOUGLAS. First, the administration bill makes no provision for rural areas.

Mr. CAPEHART. The Senator from Oklahoma was not talking about that.

Mr. DOUGLAS. Oh, yes, he was. As I have said many times, every standard for industrial areas is related to the average for the rest of the country, but we have cut the period back 1 year.

Mr. CAPEHART. I know how zealous the able Senator from Illinois [Mr. DOUGLAS] and the able Senator from Oklahoma [Mr. MONRONEY] are to have the record straight. I know that from having served with them for many years. I know they are very grateful to me or to anyone else who may try to correct misinformation which they may give.

Mr. DOUGLAS. We are grateful to the Senator from Indiana when he brings out accuracies, which is not always the case.

The PRESIDING OFFICER. The time of the senior Senator from Illinois [Mr. DOUGLAS] on the amendment has expired.

There remain 8 minutes under the control of the junior Senator from Illinois [Mr. DIRKSEN].

The question is on agreeing to the amendment of the junior Senator from Illinois [Mr. DIRKSEN], in the nature of a substitute for the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that immediately following the quorum call, the vote on the pending amendment be taken.

Mr. LONG. Mr. President, reserving the right to object, is it possible to have a quorum call and then to vote immediately thereafter?

The PRESIDING OFFICER. The Chair is advised that the Senator from Indiana has 5 minutes remaining under his control. Obviously, that is a sufficient length of time in which to have a quorum call.

Mr. LONG. Mr. President, if all the remaining time is not to be yielded back, I would feel compelled to object.

Mr. DOUGLAS. Mr. President, I yield back all time remaining under my control.

Mr. DIRKSEN. Mr. President, I yield back all the time remaining under my control.

Mr. CAPEHART. Mr. President, I withdraw my suggestion of the absence of a quorum, and I also withdraw my request.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the junior Senator from Illinois [Mr. DIRKSEN], in the nature of a substitute for the pending bill.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll; and Mr. AIKEN voted in the affirmative, when his name was called.

Mr. DIRKSEN. Mr. President, has a vote been cast?

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. Then I assume that it is now too late to propound a parliamentary inquiry.

The PRESIDING OFFICER. Silence suggests that it is now too late.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

The result was announced—yeas 43, nays 52, as follows:

YEAS—43

Aiken	Dworshak	Morton
Allott	Eastland	Mundt
Beall	Ellender	Prouty
Bennett	Ervin	Robertson
Bridges	Frear	Saltonstall
Bush	Goldwater	Schoeppel
Butler	Hickenlooper	Smathers
Byrd, Va.	Holland	Stennis
Capehart	Hruska	Talmadge
Carlson	Jordan	Thurmond
Case, N.J.	Keating	Wiley
Case, S. Dak.	Kuchel	Williams, Del.
Cotton	Lausche	Young, N. Dak.
Curtis	Martin	
Dirksen	McClellan	

NAYS—52

Anderson	Cannon	Clark
Bartlett	Carroll	Cooper
Bible	Chavez	Dodd
Byrd, W. Va.	Church	Douglas
Engle	Kefauver	Neuberger
Gore	Kennedy	O'Mahoney
Green	Kerr	Pastore
Gruening	Langer	Proxmire
Hart	Long	Randolph
Hartke	Mansfield	Scott
Hayden	McCarthy	Smith
Hennings	McGee	Sparkman
Hill	McNamara	Symington
Humphrey	Monroney	Williams, N.J.
Jackson	Morse	Yarborough
Javits	Moss	Young, Ohio
Johnson, Tex.	Murray	
Johnston, S.C.	Muskie	

NOT VOTING—3

Fulbright	Magnuson	Russell

So Mr. DIRKSEN's amendment, in the nature of a substitute, was rejected.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Illinois to reconsider.

The motion to lay on the table was agreed to.

Mr. SCOTT. Mr. President, I call up for consideration, and offer as an amendment in the nature of a substitute for the pending bill, my bill, S. 268; and on the amendment I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. SCOTT. Mr. President, I ask unanimous consent that the reading of the amendment may be dispensed with and that the amendment may be printed in the RECORD.

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

The amendment in the nature of a substitute offered by Mr. SCOTT is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act be cited as the 'Area Redevelopment Act.'

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment which causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

"AREA ECONOMIC REDEVELOPMENT ADMINISTRATION

"SEC. 3. To assist areas in the United States designated hereinafter as redevelopment areas, the Secretary of Commerce is authorized to take such action as may be necessary to carry out the provisions of this

Act. To assist the Secretary of Commerce (hereinafter referred to as the 'Secretary'), there is hereby established within the Department of Commerce an Area Economic Redevelopment Administration which shall be headed by an Administrator who shall be appointed by the Secretary and who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary may assign.

"ADVISORY BOARD

"SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is authorized to be created an Area Economic Redevelopment Advisory Board (hereinafter referred to as the 'Board', which shall consist of the following members, all ex officio: The Secretary, as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Labor; and Treasury; the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee therof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

"(c) The Secretary is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Secretary as redevelopment areas. Conferences convened under authority of this subsection shall consider with and recommend to the Secretary plans and programs with special reference to any such industry to carry out the purposes of this Act.

"REDEVELOPMENT AREAS

"SEC. 5. (a) The Secretary shall designate as 'industrial redevelopment areas' those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 15 per centum of the labor force during the six-month period immediately preceding the date on which application for assistance is made under this Act, (2) 12 per centum of the labor force during the twelve-month period immediately preceding such date. (3) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or (4) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date.

"(b) The Secretary shall also designate as "rural redevelopment areas" those rural areas within the United States in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such areas to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

"(c) In making the determinations provided for in this section, the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

"(d) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

"(e) As used in this Act, the term 'redevelopment area,' refers to any area within the United States which has been designated by the Secretary as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

"LOANS AND PARTICIPATIONS

"SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, for purchases of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100,000,000, and (B) with respect to projects in rural redevelopment areas shall not exceed $50,000,000;

"(2) Such assistance shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

"(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

"(4) No loan shall be made unless it is determined that an immediate participation is not available;

"(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

"(6) No loan, including renewals or extension thereof may be made hereunder for a period exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided,* That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

"(7) Such assistance shall not exceed 50 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

"(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

"(B) That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder; and

"(C) That in making any loan under this section with respect to an industrial redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

"(8) No such assistance shall be extended unless there shall be submited and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"(c) Of the funds authorized to be appropriated under section 8 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $50,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

"LOANS FOR PUBLIC FACILITIES

"SEC. 7(a) Upon the application of any State, or political subdivison thereof, or private or public organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the pur-

chase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

"(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

"(2) the funds requested for such project are not otherwise available on reasonable terms;

"(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

"(4) there is a reasonable expectation of repayment.

"(b) No loan under this section shall be for an amount in excess of 50 per centum of the aggregate cost of the project for which such loan is made. Subject to section 11(5), the maturity date of any such loan shall be not later than thirty years after the date such loan is made.

"(c) In making any loan under this section, the Secretary shall require that not less than 10 per centum of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan repayable only after the financial assistance provided under this section has been repaid in full, and, if such loan is secured, its security shall be subordinate to the lien or liens securing the financial assistance provided under this section. In determining the amount of participation required under this subsection with respect to any particular project, the Secretary shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

"(d) Of the funds authorized to be appropriated under section 8 of this Act, not more than $50,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

"APPROPRIATION FOR LOANS

"SEC. 8. There is hereby authorized to be appropriated not to exceed $200,000,000 to provide funds for loans under this Act.

"INFORMATION

"SEC. 9. The Secretary shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

"TECHNICAL ASSISTANCE

"SEC. 10. In carrying out his duties under this Act, the Secretary is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this Act. Such assistance shall include studies evaluating the needs of, and development potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $3,500,000 annually.

"POWERS OF SECRETARY

"SEC. 11. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties, provide bonds for them in such amounts as the Secretary shall determine, and pay the costs of qualification of certain of them as notaries public;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this Act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

"(5) further extend the maturity of or renew any loan made under this Act, beyond the periods stated in such loan or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan;

"(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this Act;

"(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this Act. This shall include authority to obtain deficiency judgments or otherwise as in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deed of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

"(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this Act;

"(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classifications law, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

"(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

"SEC. 12. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

"PROCUREMENT BY GOVERNMENTAL AGENCIES

"SEC. 13. Each department, agency, or other instrumentality of the Federal Government engaged in the procurement of any supplies or services for use by or on behalf of the United States shall—

"(1) use its best efforts to award negotiated procurement contracts to contractors located within redevelopment areas to the extent procurement objectives will permit;

"(2) where deemed appropriate, set aside portions of procurements for negotiation exclusively with firms located in redevelopment areas, if a substantial proportion of production on such negotiated contracts will be performed within redevelopment areas and if such firms will contract for such portions of the procurement at prices no higher than those paid on the balance of such procurements;

"(3) where deemed appropriate and consistent with procurement objectives, after the expiration of the period during which bids for any procurement are permitted to be submitted and if the lowest of such bids was submitted by a firm in an area other than a redevelopment area, negotiate with firms in redevelopment areas with a view to ascertaining whether any such firm will furnish the services or supplies with respect to which bids were theretofore submitted for an amount equal to, or less than, the amount of the lowest bid theretofore submitted for the furnishing of such services or supplies, and if such firm can be found, award the contract for the furnishing of such services or supplies to such firm;

"(4) assure that firms in redevelopment areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified and on which small business joint determinations have not been made, but whenever the number of firms on a bidders' list is exclusive, there shall be included a representative number of firms from redevelopment areas;

"(5) in the event of tie bids on offers on any procurement, award the contract to the firm located in a redevelopment area, other things being equal;

"(6) encourage prime contractors to award subcontracts to firms in redevelopment areas; and

"(7) cooperate with other departments, agencies, and instrumentalities of the Federal Government in achieving the objectives set out in this subsection.

"URBAN RENEWAL

"SEC. 14. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"'INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA ECONOMIC REDEVELOPMENT ACT

"'SEC. 112. (a) When the Secretary of Commerce certifies to the Housing and Home Finance Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5(a) of the Area Economic Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Housing and Home Finance Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) The Housing and Home Finance Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"'(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structure suitable for rehabilitation under the urban renewal plan for the area.

"'(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105(b).

"'(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Housing and Home Finance Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Economic Redevelopment Act.

"'(f) Not more than 10 per centum of the funds authorized for loans under section 102 or for capital grants under section 103 shall be available to provide financial assistance under this section.'

"URBAN PLANNING GRANTS

"SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words 'decennial census which': '(i) are situated in areas designated by the Secretary of Commerce under the Area Economic Redevelopment Act as industrial redevelopment areas, or (ii)'.

"VOCATIONAL TRAINING

"SEC. 16 (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

"(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided*, That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the locality.

"PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

"SEC. 17. The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this Act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

"PENALTIES

"SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security thereof, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this title, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized, draws any order or issues, put forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

"SEC. 19. No loan shall be made by the Secretary under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, and the fees paid or to be paid to any such persons; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent or employee of the Secretary occupying a position or engaging in activities with which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

"ANNUAL REPORT

"SEC. 20. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1960. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services

placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

"APPROPRIATION

"SEC. 21. In addition to appropriations hereinbefore specifically authorized, there are further authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

"USE OF OTHER FACILITIES

"SEC. 22. (a) To avoid duplication of activies and minimize expense in carrying out the provisions of this Act, the Secretary shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"RECORDS AND AUDIT

"SEC. 23. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania [Mr. SCOTT]. On this question the yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed by the minority leader that the Senator from Pennsylvania and those who support him would be agreeable to a limitation of 10 minutes for them and 10 minutes for the opponents. Is that agreeable?

Mr. SCOTT. That is agreeable. I have had no request for time.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be a time limitation with respect to this particular substitute amendment, 10 minutes to each side, the time to be controlled by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

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

Mr. JAVITS. Mr. President, I have asked the Senator from Pennsylvania for a little time. Could I be given 5 minutes?

Mr. BUSH. Mr. President, I should like to ask the minority leader if he will ask now for a yea and nay vote on one more amendment to be offered jointly by me and by the distinguished Senator from New York [Mr. JAVITS]. In the interest of saving time, which the majority leader has requested, we have agreed to merge out two amendments into one and present them as one amendment. We should like to have a yea and nay vote on the amendment.

Mr. JOHNSON of Texas. I will say to the Senator that at the time his amendment is pending I will support him in his request for the yeas and nays.

The PRESIDING OFFICER. The Senator from Texas has asked unanimous consent for an agreement as to a time limitation with respect to the pending amendment.

Mr. JOHNSON of Texas. It is 10 minutes to each side, to be controlled, respectively, by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

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

The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania.

Mr. ALLOTT. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENNETT. What was the final determination as to the amount of time assigned to each side?

The PRESIDING OFFICER. Ten minutes to each side, the time to be controlled, respectively, by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

The Senator from Pennsylvania is recognized.

Mr. SCOTT. Mr. President, there is no basic difference of opinion as to the continuing need for economic assistance to depressed areas throughout the Nation. We have only to look at the mounting unemployment figures to realize that serious economic illness persists—in the face of accelerating recovery and a new high level of prosperity.

We have the highest level of employment in our history, yet unemployment mounts. We have income at its highest peak and production booming, yet the family breadwinner in industrial and mining communities in Pennsylvania is walking the streets unemployed—a drain upon the unemployment compensation and public assistance rolls.

Technological changes, migration of industry, shifts in demand, depletion of resources—all have contributed to the complexity of this problem, and leave irreplaceable human resources in the backwash of the rising tide.

We cannot be healthy as a nation with sagging pockets of unemployment and underemployment, as unpleasant reminders of our lack of action, or inability to set our economic house in order.

Depressed areas are an expensive burden, which our country cannot afford to carry.

Mr. President, the urgency of the situation makes it a matter of prime importance that an area redevelopment bill be enacted; that it contain sufficient means for stimulating local and community efforts; and that it not face the ultimate hazard of a veto.

I do not mean to imply that our efforts to legislate should be overshadowed by such a possibility, but I am very aware of the time which has been lost in suffering that action last year.

No, I have no crystal ball whereby I can foresee what the President will do either with regard to the pending bill, or the substitute which I offer.

However, I am mindful of the message of disapproval, and my own conviction that we should not lose further time.

I am also mindful, Mr. President, of the possibility of a veto. I fear the Douglas bill may prove to be unrealistic by being in an amount greater than may gain approval, exactly as I fear the administration bill may be unrealistic by being in an amount less by far than necessary to meet the need.

My amendment calls for an appropriation of $200 million for revolving fund loans. The emphasis is on loans from appropriated funds, as opposed to loans financed by borrowing from the Treasury.

My amendment calls for $100 million for industrial redevelopment; $50 million for rural redevelopment; and $50 million for public facilities, all on a loan basis. The pending bill would establish three $100 million loan funds for the same purpose, plus $75 million in outright grants for public facilities.

My amendment provides for a maximum Federal loan participation of 50 percent, with local, State or outside sources taking over the remaining 50 percent responsibility. The Douglas bill maintains 65 percent Federal participation.

My amendment calls for a maximum loan period of 30 years—the Douglas bill could go as far as 40.

My amendment would place the administration of the program in a separate administration established within the Department of Commerce. I am glad to note that the Douglas bill has departed from the idea of setting up an Area Redevelopment Administration as a constituent agency of Housing and Home Finance. A new separate administration will take time for organization and staffing. I believe that Commerce is the logical Department to have the major responsibility for coordination of this program. Its organization is geared to deal with problems of business and industry.

Mr. President—my amendment provides a practical and reasonable approach to this problem—hitting, as my able friend the senior Senator from Illinois stated on one occasion—a middle-of-the-road position.

I admit that it is middle-of-the-road, between the extremes of S. 722 on the one hand, and the inadequacy of the funds provided in the administration proposal.

I trust that the vote on my amendment in the nature of a substitute for Senate bill 722 may be favorable, for the reason that I believe it would have a far better chance of approval by the administration than the Douglas bill, and because I believe that it would be more effective than the administration bill in meeting the needs of the times in my State and other States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief analysis of my amendment to the area redevelopment bill.

There being no objection, the analysis 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, industrial areas; $50 million, rural areas; $50 million, 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.

3. 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. SCOTT. Mr. President, I desire to yield at this time to my good friend the distinguished senior Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I desire to express my support for the substitute offered by the Senator from Pennsylvania [Mr. SCOTT], on the grounds, as he has stated, that it is a fair middle-of-the-road proposal.

The PRESIDING OFFICER. Did the Senator from Pennsylvania indicate how much time he wished to yield to the Senator from New York?

Mr. SCOTT. I yield 2 minutes. How much time have I left?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. SCOTT. I yield 2 minutes to the Senator from New York.

Mr. BUSH. Mr. President, may I have 1 minute?

Mr. SCOTT. I will yield 1 minute to the Senator from Connecticut.

Mr. JAVITS. Mr. President, I point out that what is sought here is to do something in connection with the very vexing problem of the domestic areas with chronic unemployment.

As one who constantly supports a foreign aid program, which I consider indispensable to the American scene, I feel it my duty to support a meaningful program for our own distressed areas. I think this is the minimum meaningful program. Therefore, consistent with the idea of budget balance, as nearly as it can be attained considering our national needs, I support the amendment offered by the Senator from Pennsylvania.

I point out further that this is a hard-headed proposal. I believe that the 50-percent participation is all that it should be, and that it is not necessary to go to the 65-percent limitation in the Douglas bill.

Finally, I point out that the amendment excludes machinery and equipment. I think that is a very desirable change. I shall have another opportunity to argue that question, because the Senator from Connecticut and I will offer an amendment which would incorporate that idea, and would save up to $100 million in connection with this bill alone.

I believe that the amendment in the nature of a substitute offered by the Senator from Pennsylvania is a fair approach for those who are trying for some kind of balance between income and outgo in Government funds, and who, at the same time, wish to help strike a blow in areas of chronic unemployment, of which there are a considerable number in my own State of New York.

Mr. SCOTT. I now yield 1 minute to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I subscribe to what the distinguished Senator from New York has said about the merits of the amendment of the Senator from Pennsylvania [Mr. SCOTT], as distinguished from Senate bill 722. I shall vote for the amendment of the Senator from Pennsylvania, not because I would vote for it on final passage, which, indeed, I would not. I would oppose it; but because I think it is an improvement upon Senate bill 722, the pending business of the Senate, I shall vote for the amendment.

Mr. SCOTT. Mr. President, I believe I have 1 minute left. I should like to reemphasize what I pointed out in an earlier colloquy, namely, that the formula under the administration bill does not cover several of the most populous areas of my State. I suspect that is true of other States. The Douglas measure has accepted a formula somewhat similar to that in the administration bill. Therefore, certainly for my State, and perhaps for many other States, I believe the amendment which I offer more nearly meets the problem and the needs which the problem presents.

Mr. President, I yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, it is with considerable regret that I find myself opposed to the position taken by my distinguished colleague from Pennsylvania. We see eye to eye on many matters, despite the fact that the aisle separates us. However, on this occasion I must urge the Senate to reject his amendment. I do so for the following reasons:

Not only in my State of Pennsylvania, but elsewhere, my junior colleague's amendment would not do the job. He would reduce the grants in rural areas from $100 million to $50 million. That would be unfair, because as a result of the cutback twice as much money would go to industrial areas as to rural areas.

The amendment of my colleague would reduce the loans for community facilities by half. That is not fair, because the most hard-pressed communities are those which need community facilities and are unable to obtain credit on the open market to build them. Without community facilities, such as sewers, industrial water supply, roads, and parks, it would be impossible to induce industry to locate in a depressed area.

The amendment of my colleague would eliminate $75 million in grants for communities which are in such dire financial straits that they are quite unable to make loans which could be repaid. That would be unfair because it would prevent the most depressed areas from qualifying for this relief.

The amendment of my colleague would place the administration of the bill under the Department of Commerce. That would mean that we would never get the program under way, because the former Department of Commerce chief and the present Secretary of Commerce are both opposed to the provisions of the bill.

My colleague calls upon the Secretary of Commerce to determine realistic rates of interest. Note those words—"realistic rates of interest." That means high interest and tight money. For that reason the amendment of my good friend from my home State would come pretty close to reducing the efficacy of the bill more than half, just as he would cut in half the amount of money to be appropriated for hard-pressed areas.

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

Mr. CLARK. I am happy to yield if I have the time.

Mr. SCOTT. First of all, it is regrettable that we differ on this question. My provision for interest is intended to meet the market rate for interest, in order to be realistic. My purpose in proposing a lesser amount than the senior Senator from Pennsylvania supports is that, among other things, I think my proposal would have a far better chance of approval.

My objection to an independent agency is that it would require more than a year to put such an agency into operation. We are operating under an emergency situation; and long before the Senator's independent agency could

ever become effective, unemployment would have become very much worse.

I believe the Department of Commerce would faithfully execute any instructions given to it by the legislature.

Mr. CLARK. Mr. President, like Voltaire, I thoroughly disagree with what my distinguished colleague says, but I would defend to the death his right to say it.

Mr. SCOTT. Then, as Voltaire counsels, let us both cultivate our garden and hope that some action will be taken.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the able Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I shall require more time than that.

Mr. CAPEHART. Mr. President, I yield 12 minutes to the able Senator from Virginia on the bill.

Mr. CLARK. Mr. President, I understood that the time for debate had expired.

Mr. ROBERTSON. I shall need 2 minutes on the amendment and 12 minutes on the bill; 14 minutes altogether.

The PRESIDING OFFICER. On the bill itself, that is.

Mr. ROBERTSON. Yes.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Is there not a unanimous consent agreement in effect that the vote on the pending amendment would come after the expiration of 10 minutes of debate on each side?

The PRESIDING OFFICER (Mr. Moss in the chair). The Chair is advised that the agreement simply stated that 10 minutes would be allotted on each side on the amendment. However, there was no stipulation as to a vote.

Mr. CLARK. The second part of my inquiry is this. Is my understanding correct—and I see the majority leader on the floor—that as much time can be used on the amendment, allowed from the time on the bill, as Senators may request?

Mr. JOHNSON of Texas. Oh, yes. Some Senators must leave the Chamber to attend a meeting with the Prime Minister of Great Britain at 6 o'clock. I hope we will not talk the bill to death in the meantime.

Mr. CAPEHART. Mr. President, I yield 12 minutes on the bill and 2 minutes on the amendment to the Senator from Virginia [Mr. ROBERTSON].

Mr. DOUGLAS. I, too, yield the time to the Senator from Virginia. He now appears under double auspices. [Laughter.]

Mr. ROBERTSON. Mr. President, so far as the disagreement between the two distinguished Senators from Pennsylvania is concerned, I must side with the senior Senator from Pennsylvania. I do not understand how any Member of the Senate who believes in the philosophy of the bill—and the junior Senator from Virginia does not believe in it—can fail to recognize that one of the weaknesses of the bill is that not enough money is provided by the bill to do what is sought to be done. The amendment would make it only half as effective as it would otherwise be. Anything less than $389½ million would be worthless, in my opinion, from the standpoint of those who favor the enactment of the proposed legislation.

Mr. President, the Committee on Banking and Currency reported S. 722 by a vote of 9 to 6. The minority, of which I was a member, consisted of three Democrats and three Republicans. I wish to call the Senate's attention to the minority views, which consist of pages 39 through 46 of the committee report. I ask unanimous consent that the minority views be inserted in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. ROBERTSON. Mr. President, on Friday, March 20, the Washington Daily News published an editorial entitled "Distress Compounded," in which the editors refer to the minority report. I ask unanimous consent that this editorial be inserted in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. ROBERTSON. Mr. President, I also wish to call attention to the fact that on September 6, 1958, the President issued a memorandum of disapproval of S. 3683, the area redevelopment bill which had been enacted by the last Congress just prior to its adjournment.

I digress here to say that those of us who voted against that bill just before Congress adjourned at the last session were very much encouraged by the fact that the vote on the substitution of $53 million in place of nearly $400 million was substantially large and the bill last year was about $100 million less than the bill we have before us and on which we expect to complete action before adjournment tonight.

This bill called for the expenditure of $279.5 million, or $110 million less than the $389.5 million proposed in the bill now before the Senate. I ask unanimous consent that a copy of this memorandum of disapproval be inserted in the RECORD following the insertions which I have previously requested.

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

(See exhibit 3.)

Mr. ROBERTSON. Mr. President, I do not intend to speak at length on the measure. All Senators are familiar with it, I am sure, and we wish to finish consideration of it before 6 o'clock this evening.

I am willing to stand on the record made by the minority views. I do wish to call attention, by way of emphasis, to a few defects of the bill.

The bill, S. 722, is an arbitrary and discriminatory one, contrary to the basic principles of a free economy in which flexibility rather than rigidity is a necessary attribute. By injecting the power and resources of the Federal Government into the so-called distressed areas, the bill would offer incentives to industrial plant location in those areas. The inducements which are proposed to be offered are extremely attractive. A new factory building, complete with all necessary machinery and equipment, on a choice location, supplied with all necessary public facilities, would be available. Moreover, the workers for the factory would be trained for their new jobs at Government expense for 4 months.

It is ironic that, through the Federal income-tax system, the more prosperous communities would be forced to subsidize competitive industries in less prosperous communities. There can be no justification for the use of Federal funds to help certain communities attract new industries at the expense of other communities that receive no Federal aid.

Instead of attempting to find a real solution to the complex problems of chronic unemployment and underemployment, the proponents of this proposed legislation have taken the easy course of attempting to find a new channel into which to pour Federal funds. Federal loans and grants may provide temporary relief in a few localities, but a lasting solution of the problem can come only through local leadership and local initiative.

The bill creates a new permanent Federal agency, in addition to existing agencies already engaged in related programs, with no limitation on the new Agency's number of employees.

The bill provides for the financing of $300 million of the $389.5 million through the well known back-door approach to the Treasury. These funds would not be subject to the appropriation procedures, but borrowed from the Treasury, with no provision for the repayment or termination. The funds would revolve and, no doubt, would be vastly increased by the pressures of later demands.

The proponents of this bill have themselves admitted that even the vast amount of money provided in the bill is inadequate. The Senator from West Virginia [Mr. RANDOLPH] has described the bill as "offering promise of a constructive beginning"—CONGRESSIONAL RECORD, March 20, 1959, page 4748. I call special attention to those portions of the minority report which indicate that the cost of providing jobs for only 8 percent of the Nation's unemployed under this program, at $10,000 to $15,000 per job, would amount to from $3.9 billion to $5 billion. If it is true, as the Senator from West Virginia says, that the program is a beginning, the total amount necessary to do the total job staggers the imagination.

In taking a position in opposition to this bill, I do not wish to appear unaware of the unemployment problem or to suggest that I lack interest in its solution. However, any attempt at a solution which does violence to our system of free competitive enterprise is a disservice, not only to those whom it is designed to assist, but to all our people, and to those who will follow after them in generations to come.

Certainly those of us who attribute to our system of private enterprise the credit for per capita wealth, income, and standards of living, excelling those of all other nations, would be unwilling to admit that in this country private enterprise is beginning to fail. We deny that the remedy for what ails it is to make

the Government a partner in the production of goods and services. Throughout the remarkable technological developments of the 20th century there have been recurring dislocations inevitable, as a matter of course, when a nation moves in a relatively brief period from what is called the "horse and buggy days" to the motor age. Implicit in any system of economic freedom is the freedom to fail as well as the freedom to succeed. It is through these freedoms that private enterprise makes its adjustments to technological advance. And if, as I have said, we believe that our present overall economic strength is due more to our American system of free competitive enterprise than to any other factor, we should prefer that any program to sustain prosperity include the careful judgment of private enterprise concerning future prospects of production in a climate favorable to its success. The present bill makes unemployment the test, ignoring the reasons for unemployment in a given area, and, in fact, selecting areas for development by reason of the very fact that their economies have deteriorated.

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

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. In the course of the hearings were the causes for the blighted areas or depressed areas developed? Was specific inquiry made as to why the present depressed areas have developed in some States?

Mr. ROBERTSON. Of course, it is quite evident that when the production of coal went down from 600 million tons of coal to 400 million tons, in the southwestern area of Virginia and in West Virginia and in parts of Pennsylvania, work was lost to the extent of one-third, and that has been the condition ever since.

Mr. LAUSCHE. Was there developed the thought that some States, because of their governments, have created an unfavorable business climate and have driven enterprises out of their States?

Mr. ROBERTSON. That was not stressed in the hearings, but I have just referred to it when I said that I wanted the advice of private enterprise on locations which would be favorable to such enterprise and to successful operations. That was simply the other side of the picture. No one who favored the bill would admit that one reason why there was unemployment was that the local climate was not favorable to private enterprise.

Mr. President, the bill is a radical departure from my concept of the proper role of the Federal Government. It is costly, inflationary, arbitrary, and unworkable. I hope it will be defeated.

I yield back the remainder of my time.

EXHIBIT 1

MINORITY VIEWS OF MR. ROBERTSON, MR. FULBRIGHT, MR. FREAR, MR. CAPEHART, MR. BENNETT, AND MR. BUSH

INTRODUCTION

The committee has voted, 9 to 6, to launch a new Federal program in a new Federal agency, with an initial authorization of $389,500,000, plus administrative costs, aimed at alleviating conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

We do not deny the existence of serious problems in certain areas, but we believe the bill, S. 722, is fundamentally wrong in its approach and unworkable in its terms and its administration.

The sponsors of this bill have proposed a complex program which is basically discriminatory and unworkable. The tragedy in this bill is not only the fact that the Federal Government would be involved in wasteful and discriminatory expenditures, but more significantly, by initially labeling certain areas as depressed areas, the Government would raise false hopes for economic redevelopment in a program that is impossible to administer equitably.

ADMINISTRATION INEQUITIES AND OBSTACLES

Discrimination in favor of few

Careful scrutiny of the table in the appendix and the bill's provisions shows that only a very small proportion of the Nation's unemployed would be singled out as eligible for the alleged benefits of the program, and it should be noted that the selection process is based on purely arbitrary criteria.

As of November 1958, the number of unemployed in 23 major labor areas and 89 minor areas that would qualify for assistance under S. 722 was 768,800 or only 16 percent of the total volume of the Nation's unemployed. Furthermore, since the proposed program is presumably geared only to the goal of eliminating unemployment in excess of 6 percent in these areas, it would focus essentially on eliminating only 390,800 from the ranks of the unemployed, or 8 percent of total national unemployment.

The bill proposes that the Federal Government loan $100 million in depressed industrial areas and $100 million in low-income rural areas. These funds would be available for construction or renovation of factory buildings and equipping them with machinery The committee has received evidence indicating that an investment of from $10,000 to $15,000 is required to support an industrial job. Thus, to provide jobs for the 390,800 unemployed who are the prospective beneficiaries of the bill would cost from $3.9 billion to $5 billion, of which the Federal share could be 65 percent. The proponents themselves agree the amounts provided in the bill are inadequate. But, we believe, once this program is started, these additional amounts will be demanded.

Criteria: Arbitrary and unworkable

The criteria used for selecting such a small proportion of unemployed are clearly arbitrary in nature. They provide little basis for distinguishing between cyclical unemployment, the elimination of which is not the purpose of the proposed legislation, and chronic unemployment, presumably the primary target. The weakness of the criteria is clearly evident in the apparent selection of two major areas and six smaller areas made eligible for assistance solely on the basis of unemployment 100 percent above the national average for one of the preceding 2 years. The major areas are Lorain-Elyria, Ohio, and Huntington-Ashland, W. Va. The smaller areas are Newcastle, Ind.; Ionia-Belding-Clarksburg, W. Va.; Greenville, Mich., and Owosso, Mich.; Auburn, N.Y.; and New Castle, Pa. How is the Administrator to determine that these areas are suffering no more than a slow recovery from a cyclical recession?

Under the provisions of the proposed bill, an area may automatically be stamped a "redevelopment area" despite a pronounced improvement in its percentage of employment. South Bend, Ind., for instance, would be eligible for assistance under the bill despite the fact that its percentage of unemployment has declined from more than 16 percent in May of 1958 to around 7 percent in January 1959. Conversely, other areas, now ineligible may be moving toward distress. Fixed unemployment percentages and time periods do not provide an adequate basis for appraising the direction of change in the unemployment picture.

What is the rational basis for arbitrarily selecting a 6 percent volume of unemployment as the basic cutoff point in eligibility considerations? Are we to assume that all unemployment above 6 percent for a specified period reflects chronic conditions, while a lower unemployment percentage for the same time span reflects only frictional or short-run phenomena? Clearly, the evidence available does not support such a distinction. Differentials in unemployment percentages may suggest differentials in severity of unemployment but certainly furnish no insights as to the basic factors underlying unemployment in a given area nor any basis for placing the official "redevelopment area" stamp on particular areas and not on others with slightly lower percentages of unemployment.

The criteria for eligibility, by their nature, impose an impossible burden on the administration of the program. In the absence of detailed area studies of the forces underlying high unemployment, the Administrator is placed in an unenviable position of making discriminatory judgments, in favor of some unemployed, and against others, without having a clear-cut basis for his decision.

Furthermore, once having made his determination of eligibility, how does the Administrator ration admittedly inadequate funds as noted heretofore to solve all the needs of each eligible area?

It will be impossible to meet the demands of all the areas, industrial and rural, eligible for assistance. Pressure will be applied to the Administrator of the program and to Members of the Congress by local communities seeking aid. Since the criteria for eligibility give little or no consideration to economic or business standards, the Administrator may well be forced to choose among the applicants on the basis of favoritism and political expediency. The procedure for processing applications by State or local government departments and by private local committees, if there is no appropriate governmental unit, offers no protection in this regard and, in fact, would intensify the competition among applicants. The situation is further aggravated by the fact that there is no limitation on the amount of funds that may be loaned or granted in any one State.

The bill also provides authorization for $75 million in PWA-type grants for up to 100 percent of the cost of public facilities, with the amount of the community's contribution left solely to the Administrator's discretion. This provision opens up even greater possibilities for politics and favoritism in the distribution of this huge amount of money. However, municipalities who think they see in this grant program a new source of funds for enlargement or improvement of needed public facilities, may also be disappointed to learn that such enlargements in improvements must be related to a private industrial or commercial development which will provide additional permanent employment.

Discrimination within industries

Moreover, not only would the bill promote discrimination by the Federal Government in favor of some areas at the expense of others, it would also promote such discrimination to benefit some companies within a given industry at the expense of competitors.

Assume a situation in which several companies have plants in various parts of the country, none of which are in a so-called "depressed area."

Company A, employing 250 persons, is at a competitive disadvantage because it has not kept pace with the industry as a whole

in modernizing its factory and improving machinery.

A community eligible for redevelopment under the bill builds and equips a factory with Federal assistance, and induces company A to relocate.

A double discrimination, promoted with Federal funds has thus taken place: Discrimination against the area of original location of company A and discrimination against company A's industrial competitors.

Administrative difficulties compounded in rural program

Most of what we have said about the defects of this bill, and the fundamental approach which it takes, has been directed at the "industrial redevelopment areas" classification. These are those areas which have had industrial development in the past and, because of the flexibility and mobility of industry, depletion of natural resources and technological change, have deteriorated. The bill also attempts a program of rural development. At least superficially, the bill attempts to equate the benefits between the two types of areas. In the predecessor bill, S. 3683, 85th Congress, this precept, was also included, but the number of rural counties eligible for development was limited to 300, or 10 percent of the 3,000 counties in the country. This bill eliminates that restriction. However, the criteria for selection are virtually the same, and open up endless possibilities for pressures to be exerted on the Administrator to be political or capricious in his decisions. The very vagueness of the criteria, based upon data which is neither adequate nor current, has led many representatives of rural areas to assume mistakenly that their areas will be selected for development.

The map, entitled "Labor Market Areas Which May Qualify for Assistance Under S. 722, February 1959, and Low Income and Level of Living Areas in Agriculture, 1955" which appears opposite page 110 in part 1 of the hearings and facing page 58 of this report, shows a total of 1,209 counties—more than we believe even the proponents would contend could possibly meet all the criteria of this section of the bill. The map is based on 1955 data, so far as the rural areas are concerned.

We are interested in rural development and in the balancing of the farm economies in many rural areas with industrial development. We favor this because of the high costs and other deficiencies of farm programs, particularly as they affect low-income farmers.

However, the political impetus behind this bill is clearly derived from the deteriorated industrial areas which seek to return to the status quo ante. Believing, as we do, that the administration of the program is bound to be affected by this political bias, we also believe that the development of rural areas promised by this bill will not be fulfilled. On the contrary, we think that their progress toward development will be deterred. Their location with respect to expanding markets, their proximity to natural resources, and other advantages which they would have under private market decisions would be subordinated. Overriding these considerations would be political pressures or arbitrary decisions taking their impetus from industrial areas which seek to return to their former status.

How long is aid to be continued in a particular area? The bill provides no benchmarks for terminating Federal assistance. Since revival cannot be guaranteed, it would always appear that Federal aid was not enough. The proposed bill provides no protection or safeguards against the inevitable pressures from those seeking aid and those fighting against the termination of such aid.

The dilemma of antipirating restrictions

The complete unworkability of the proposed legislation is clearly illustrated by the atempt of its proponents to meet the so-called runaway shop or industry-pirating problem.

The bill includes a so-called antipirating provision stating that Federal loans shall not be made 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."

While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:

If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a depressed areas program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.

On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.

In short, the Administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting substantial detriment upon a community. Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional detriment to a community with 217,000 already unemployed to be reckoned as substantial? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

IMPROPER INTERFERENCE WITH PRIVATE MARKETS

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.

Resource allocation in a private economy

In such an eonomy, the decisions of what to produce, how to produce, how much to produce, and where to produce are guided by relationships between prices and costs and what such relationships suggest as to existing and anticipated profits.

If buggy whips are no longer desired, the effective demand falls, the profits disappear and resources tend to shift to other commodities and regions where demands relative to supply are much stronger. If automobile manufacturers expand too rapidly, and overshoot the mark because they have miscalculated the absorptive capacity of the automobile market, some companies will retrench or disappear under the pressure of falling returns. Surplus resources in such a situation tend to move to other economic fields and possibly, and properly, to other regions. It is to be expected that in the course of change and growth, some commodities, particular occupations, and certain regions will decline in economic significance, while others will increase in significance. This is the normal process of adjustment which takes place in a free dynamic economy. There is nothing in the free enterprise system to suggest that a geographical region should continue to have the same economic significance it has always had. There is nothing in a private market economy to suggest that a heavily industrialized area such as Detroit can maintain the rapid rate of growth it enjoyed in the past.

The effective operation of a private market economy does suggest the importance of flexibility in the allocation of resources. Adjustment to changes introduced by technology, demand shifts, etc., require a high degree of mobility of resources, including labor and entrepreneurial ability. The strength of the United States to a great degree is attributable to the fluidity of its resources among such areas as could use them most efficiently. Unlike the economies of other continents, the economy of the United States has been able to distribute its resources into their most efficient uses without regard to State boundaries or regional areas. This has always been an essential strength of our political system—that it permitted these adjustments.

The high cost of Government interference

The proposed bill contradicts the basic prerequisites of our economy by placing the Federal Government in the dangerous position of attempting to induce resources into a region already labeled by market forces as economically unattractive.

The determination of eligible areas is based primarily upon arbitrary criteria—the percentage and duration of unemployment. These criteria entirely ignore the reasons for the unemployment and underemployment in a given area, and the potentialities for redevelopment of the area. The areas are selected for redevelopment by reason of the very fact that their economies have deteriorated. They are selected for redevelopment notwithstanding the fact that private investors do not consider them as attractive as other areas. Whether or not the private judgment is correct, it is artificial and paradoxical to use the very fact of deterioration as the basis for a Federal decision that these areas are the ones to be selected for redevelopment. If any conclusion is to be reached because of their deterioration and inability to attract private investment, it would seem to be that—for any number of reasons—their redevelopment is not economically feasible when compared to other areas. These areas have attracted private investment in the past; they do not attract it now.

The bill's efforts to restore a given area by means of low-cost loans and grants only contributes to a weak and uncertain foundation for that area and to substantial detriment to other areas not eligible for Federal assistance.

What the sponsors of the bill fail to recognize is that redevelopment of certain distressed areas may be obtained only at a high real cost—namely, the goods and services lost to the economy by forcing an allocation of resources which does not permit their most efficient utilization. If Detroit is now suffering from the excesses of industrial overexpansion relative to existing markets, we solve no fundamental problem by inducing resources to such an area, when such resources might be used more appropriately elsewhere.

The Employment Act is cited by the proponents of this bill as an argument for this type of Federal intervention. We do not deny the responsibility of the Federal Government to assist in maintaining maximum employment and purchasing power. We do dispute the contention that the Federal Government, in disregard of economic facts, can

and should restore, in selected areas, employment and purchasing power to levels experienced in the past. The Federal Government's responsibility under the Employment Act is general in nature and should never be construed as an effort to preserve the status quo in every segment, industry and area of the economy.

If we are to have overall economic growth with a minimum of inflationary cost increases, we must strive to maintain flexibility, not rigidity, in the allocation of our resources. We believe the policy objective enunciated in the Employment Act is not merely the full utilization of resources, but, rather, the full and most efficient use of resources so as to provide the maximum volume of goods and services at a minimum of cost. The decision of where to locate a particular industry should be a private one—without any intervention by the Federal Government, so long as we depend upon the private market mechanism as the one which makes the most efficient decisions in this respect.

FAILURE TO RECOGNIZE EXISTING PROGRAMS

The devices established in the bill to carry out its objectives are defective in the failure to recognize existing programs, thus causing a duplication of efforts. The bill proposes to create a new agency. The creation of this new agency completely ignores the existence of the Area Development Office in the Department of Commerce and the rural development program in the Department of Agriculture.

During the last Congress the Small Business Investment Act was initiated. Although the sponsors of this bill, S. 722, have deprecated the progress made in implementing the Small Business Investment Act, the solution to that problem is not to ignore it, nor to pass legislation which would duplicate its functions in the apparent hope that the duplicating of functions will, somehow, cure the lack of progress complained of. The duplicating functions provided in S. 722 undoubtedly will involve longer delays in implementation, if only because they involve the creation of a new agency.

The thesis behind the Small Business Investment Act (Public Law 85-699) was that there was an institutional gap in our economic structure which made it difficult, or unduly expensive for small businesses to obtain long-term credit and equity capital. This conclusion was founded upon a study conducted by the Federal Reserve Board. Neither this study, nor the legislative hearings and reports, indicated in any way that this credit gap was limited to particular areas of the country. On the contrary, as an institutional defect, the inadequacy of long-term and equity facilities, was found to be nationwide.

It was found that this defect was being met, in part, by the mushrooming of State and local development corporations—now some 3,000 in number—which needed additional funds to lend to small business concerns. They were made eligible for long-term loans. The act also provided for assistance in financing (and another act provided tax incentives) for privately organized small-business investment companies, with a large part of their funds coming from private sources. These companies, in turn, will make long-term loans and equity-type investments in small business concerns. The loans and investments would be based upon private judgment of the entrepreneurs, with some risk and some possibility of profit, with minimum interference from the Small Business Administration. Two hundred and fifty million dollars was authorized for loans to and investments in State and local development corporations and small-business investment companies, wherever located.

The program provided in S. 722 is an unwarranted duplication of the provisions of the Small Business Investment Act, and because of its dependence upon artificial criteria for area eligibility, is the least desirable of these duplicating programs, as it puts the Federal Government in the position of influencing the location of industry.

CONCLUSION

We oppose S. 722 because it is arbitrary, discriminatory and antithetical to the basic tenets of a free economy in which flexibility, not rigidity, is essential in the allocation of resources. The bill, if successful, would tend to freeze our economy in a fixed pattern on the basis of criteria which do not take into account reasons for economic deterioration and potentialities for development.

The cost of the program is excessive, particularly in terms of the projected benefits. The initial authorization of $38.5 million at $10,000 to $15,000 per job would not begin to provide jobs for even the 390,800 unemployed who are the prospective primary beneficiaries of the bill. (This is the number of unemployed in the eligible areas whose joblessness makes these areas eligible.) To provide jobs for this number, at $10,000 to $15,000 per job, would cost from $3.9 billion to $5 billion. Thus, the undertaking of this program creates precedent and pressures for immense additional expenditures of Federal money. Yet the projected benefit is to provide jobs for only 8 percent of the Nation's unemployed.

The bill provides for $75 million in grants for public facilities, for up to 100 percent of cost, the communities' contributions to be fixed at the Administrator's discretion, opening up great opportunity for abuse.

The bill creates a new permanent Federal agency in addition to existing agencies already engaged in related programs, with no limitation on the new agency's number of employees.

The bill provides for the financing of $300 million in loans, such money not to be appropriated, but borrowed from the Treasury, with no provision for repayment or termination. The funds will revolve, and in view of their acknowledged inadequacy, there will be great pressure for expansion.

By approaching the problem of unemployment on a local or area basis, the bill puts the Federal Government in the position of influencing the location of industry without adequate safeguards to existing developed areas and to the detriment of previously underdeveloped areas which are progressing toward industrial development.

While we are aware of the problems confronting the people of depressed areas, we are equally aware of the necessity for opposing all programs which strike at the general efficiency of our private economy. We also believe that the program is unworkable in its terms and administration and, therefore, that it will be a disservice to these people to falsely raise their hopes of relief by this means.

A. WILLIS ROBERTSON.
J. W. FULBRIGHT.
J. ALLEN FREAR, JR.
HOMER E. CAPEHART.
WALLACE F. BENNETT.
PRESCOTT BUSH.

APPENDIX

Labor force and unemployment in areas of substantial labor surplus [1]—Major and smaller areas

State and area	Areas probably eligible for assistance under [2]—		Estimated labor force	Unemployment		Date of information on labor force and unemployment
	S. 722	S. 1064		Number	Percent of labor force	
Alabama:						
Major areas:						
Birmingham	------	------	265,750	17,550	6.8	January 1959.
Mobile	------	------	118,170	7,300	6.3	Do.
Smaller areas:						
Alexander City	------	------	19,770	2,275	11.5	August 1958.
Anniston	------	------	34,245	3,480	10.2	Do.
Florence-Sheffield	X	X	45,535	4,775	10.5	December 1958.
Gadsden	------	------	33,666	2,960	8.8	July 1958.
Jasper	X	X	17,150	2,450	14.3	October 1958.
Talladega	X [3]	------	20,440	2,280	10.9	November 1958.
Alaska, smaller area: Anchorage.	X	------	23,860	1,720	7.2	August 1958.
Arkansas, smaller area: Fort Smith.	------	------	31,400	1,850	5.9	December 1958.
California:						
Smaller areas:						
Eureka	------	------	39,800	1,200	3.0	September 1958.
Ukiah	------	------	23,400	800	3.4	Do.
Colorado, smaller area: Pueblo.	------	------	38,904	2,750	7.0	November 1958.
Connecticut:						
Major areas:						
Bridgeport	------	------	142,300	16,000	11.1	January 1959.
New Britain	------	------	47,300	4,900	10.3	Do.
New Haven	------	------	145,200	11,500	7.8	Do.
Waterbury	------	------	78,000	8,100	10.0	Do.
Smaller areas:						
Ansonia	------	------	20,630	2,200	10.7	December 1958.
Bristol	X	X [3]	19,900	2,600	13.1	Do.
Danbury	------	------	27,800	1,700	6.1	Do.
Danielson	X	X	15,200	1,500	9.9	October 1958.
Meriden	------	------	39,820	3,600	9.0	December 1958.
Middletown	------	------	30,000	2,600	8.7	Do.
Norwich	X [3]	------	22,180	2,200	9.9	Do.
Thompsonville	------	------	27,680	2,800	10.1	Do.
Torrington	------	------	26,070	2,600	10.0	Do.
Willimantic	------	------	15,400	1,100	7.1	Do.
Georgia, smaller area: Toccoa.	------	------	17,870	1,240	6.9	September 1958.
Illinois:						
Major areas:						
Chicago	------	------	2,787,800	210,000	7.5	January 1959.
Joliet	------	------	60,600	4,300	7.2	Do.

[1] Areas classified as areas of "substantial labor surplus" in January 1959.

[2] 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.

[3] Borderline.

APPENDIX—Continued

Labor force and unemployment in areas of substantial labor surplus [1]*—Major and smaller areas*—Continued

State and area	Areas probably eligible for assistance under [2]— S. 722	S.1064	Estimated labor force	Unemployment Number	Percent of labor force	Date of information on labor force and unemployment
Illinois—Continued						
Smaller areas:						
Canton			14,650	950	6.5	August 1958.
Centralia	X	X	22,500	2,700	12.0	November 1958.
Decatur			47,600	3,600	7.5	October 1958.
Harrisburg	X	X	25,475	4,650	18.3	September 1958.
Herrin-Murphysboro-West Frankfort.	X	X	70,575	11,800	16.7	August 1958.
Litchfield	X	X	24,750	2,300	9.3	Do.
Mount Carmel-Olney	X [2]		20,650	2,050	9.9	December 1958.
Mount Vernon	X	X	24,050	3,500	10.4	October 1958.
Indiana:						
Major areas:						
Evansville	X	X	84,200	7,900	9.7	January 1959.
Fort Wayne			91,600	6,900	7.4	Do.
South Bend	X	X	94,900	6,900	7.4	Do.
Terre Haute	X	X	44,400	4,600	10.5	Do.
Smaller areas:						
Henderson			48,280	4,280	8.9	October 1958.
Columbus			21,580	1,520	7.0	September 1958.
Connersville			23,600	2,090	8.9	September 1950.
Michigan City-LaPorte	X	X	35,000	3,900	11.1	July 1958.
Muncie	X	X	39,230	5,400	13.8	Do.
New Castle	X		15,230	2,030	13.3	October 1958.
Richmond			28,880	2,200	7.6	September 1958.
Vincennes	X	X	14,753	1,420	9.6	August 1958.
Iowa, smaller area: Ottumwa.			18,110	1,230	6.8	Do.
Kansas:						
Smaller area:						
Coffeyville-Independence-Parsons.	X [3]		28,030	2,250	8.0	November 1958.
Pittsburg	X	X	22,675	2,200	9.7	September 1958.
Kentucky:						
Major area:						
Louisville			300,800	24,400	8.1	January 1959.
Smaller areas:						
Corbin	X	X	27,050	3,450	12.8	September 1958.
Hazard	X	X	21,850	3,900	17.9	Do.
Hopkinsville	X		28,100	2,700	9.6	October 1958.
Madisonville	X	X	27,700	3,350	12.1	September 1958.
Middlesboro-Harlan	X	X	27,500	4,450	16.2	Do.
Morehead-Grayson	X	X	21,700	4,300	20.2	Do.
Owensboro	X	X	27,750	2,850	10.3	October 1958.
Paducah	X	X	43,150	5,850	13.6	November 1958.
Paintsville-Prestonsburg.	X	X	24,050	3,650	15.2	September 1958.
Pikeville-Williamson	X	X	24,150	5,500	22.8	October 1958.
Louisiana, smaller area: Opelousas.			24,430	2,250	9.2	December 1958.
Maine:						
Major area:						
Portland			63,300	6,200	9.8	January 1959.
Smaller areas:						
Biddeford-Stanford	X	X	29,200	3,600	12.3	August 1958.
Lewiston	X		35,200	3,200	9.1	Do.
Maryland:						
Major area:						
Baltimore			717,400	56,700	8.1	January 1959.
Smaller areas:						
Cumberland	X	X	40,600	5,350	13.2	August 1958.
Frederick			24,125	1,550	6.4	October 1958.
Westminster			16,850	1,375	8.2	December 1958.
Massachusetts:						
Major areas:						
Brockton			57,080	4,700	8.6	January 1959.
Fall River	X	X	57,220	6,620	11.3	Do.
Lawrence	X	X	57,350	5,350	9.5	Do.
Lowell	X	X [3]	54,350	6,100	11.5	Do.
New Bedford	X	X	67,150	8,550	12.9	Do.
Springfield-Holyoke			198,840	17,000	8.6	Do.
Worcester			121,350	11,800	9.7	Do.
Smaller areas:						
Fitchburg			42,290	3,350	7.9	July 1958.
Greenfield			17,570	1,500	8.5	Do.
Haverhill			21,620	2,250	10.4	August 1958.
Marlboro			19,410	1,280	6.6	December 1958.
Milford	X [3]		20,240	1,970	9.7	Do.
Newburyport			14,220	1,550	10.9	Do.
North Adams	X		17,670	2,860	16.2	August 1958.
Pittsfield			32,300	2,520	7.8	December 1958.
Southbridge-Webster	X	X [3]	22,700	2,450	10.8	Do.
Taunton	X [3]		26,490	3,320	12.5	July 1958.
Ware			14,340	1,450	10.1	Do.
Michigan:						
Major areas:						
Battle Creek			53,800		7.0	January 1959.
Detroit	X	X	1,521,000		14.6	Do.
Flint	X		141,300		7.0	Do.
Grand Rapids	X		140,000		9.8	Do.
Lansing			84,800		5.9	Do.
Muskegon	X	X	57,600		11.8	Do.
Saginaw			69,400		6.4	Do.
Smaller areas:						
Adrian	X		29,500	3,900	13.2	August 1958.
Allegan			15,500	1,225	7.9	September 1958.
Ann Arbor-Ypsilanti			67,700	7,000	10.3	Do.
Michigan—Continued						
Smaller areas—Continued						
Bay City	X	X [3]	36,500	4,700	12.9	December 1958.
Benton Harbor			51,800	3,200	6.2	Do.
Escanaba	X	X [3]	14,900	2,000	13.4	Do.
Holland-Grand Haven			42,500	2,800	6.6	September 1958.
Ionia-Belding-Greenville.	X		30,900	5,700	18.4	August 1958.
Iron Mountain	X	X	15,600	2,400	15.4	December 1958.
Jackson			47,400	3,200	6.8	Do.
Marquette	X		16,900	2,600	15.4	Do.
Monroe	X	X	23,100	2,100	9.1	November 1958.
Owosso	X		18,200	2,300	12.6	September 1958.
Port Huron	X	X	34,600	3,900	11.3	December 1958.
Sturgis			16,900	1,400	8.3	July 1958.
Minnesota, major area: Duluth-Superior.			69,800	9,400	14.1	January 1959.
Mississippi, smaller area: Greenville.			23,934	1,934	8.1	August 1958.
Missouri:						
Major areas:						
Kansas City			428,200	28,200	6.5	January 1959.
St. Louis			842,100	63,500	7.6	Do.
Smaller areas:						
Cape Girardeau			18,550	1,300	7.0	November 1958.
Flat River-De Soto-Festus.			46,425	6,200	13.3	August 1958.
Joplin	X		36,050	2,950	8.2	November 1958.
Montana:						
Smaller areas:						
Butte	X	X	19,200	2,400	12.5	December 1958.
Great Falls			27,600	2,500	9.1	Do.
Kalispell	X [3]		15,960	1,875	11.7	Do.
New Jersey:						
Major areas:						
Atlantic City	X	X	63,100	11,600	18.3	January 1959.
Newark			921,800	80,500	8.9	Do.
Paterson			506,100	45,900	9.1	Do.
Perth Amboy			140,000	11,100	8.0	Do.
Trenton			166,500	14,900	8.9	Do.
Smaller areas:						
Bridgeton	X	X	50,700	4,100	8.1	October 1958.
Long Branch	X	X	119,000	11,100	9.3	November 1958.
Morristown-Dover			91,850	6,000	6.5	Do.
Plainfield-Somerville			82,200	5,200	6.3	Do.
New York:						
Major areas:						
Albany-Schenectady-Troy.			244,800		8.9	January 1959.
Binghamton			93,200		7.7	Do.
Buffalo			583,100		12.3	Do.
New York			5,463,700		8.3	Do.
Syracuse			177,300		8.1	Do.
Utica-Rome			138,200		11.8	Do.
Smaller areas:						
Amsterdam	X	X	25,050	4,500	18.0	July 1958.
Auburn	X		28,000	4,200	15.0	September 1958.
Batavia			23,100	1,700	7.4	Do.
Corning-Hornell			39,000	4,100	10.4	December 1958.
Elmira			41,400	4,800	11.7	August 1958.
Glens Falls-Hudson Falls.			37,700	3,400	9.0	November 1958.
Gloversville	X	X [3]	23,400	3,200	13.7	August 1958.
Jamestown-Dunkirk			62,900	6,100	9.7	September 1958.
Kingston			45,350	3,250	7.2	July 1958.
Newburgh-Middletown-Beacon.			78,400	7,630	9.7	December 1958.
Olean-Salamanca			31,450	2,450	7.8	August 1958.
Oneida			17,850	2,150	12.0	October 1958.
Watertown			35,900	3,650	8.5	September 1958.
Wellsville			15,400	1,450	9.5	October 1958.
North Carolina:						
Major areas:						
Asheville	X	X [3]	51,000	4,300	8.3	January 1959.
Durham			48,145	3,500	7.4	Do.
Smaller areas:						
Fayetteville	X	X	34,500	3,620	10.5	September 1958.
Kinston			22,165	1,005	4.5	October 1958.
Mount Airy	X		22,650	1,910	8.4	December 1958.
Rockingham-Hamlet	X		15,430	2,850	18.5	October 1958.
Rocky Mount			43,285	1,540	3.6	Do.
Rutherfordton-Forest City.			16,615	1,315	7.9	November 1958.
Shelby-Kings Mountain.	X	X	25,250	2,500	9.9	August 1958.
Waynesville			16,750	900	5.4	October 1958.
Ohio:						
Major areas:						
Canton			132,000	7,800	6.0	January 1959.
Lorain-Elyria	X		62,700	7,100	11.3	Do.
Toledo			195,900	15,200	7.8	Do.
Youngstown			229,300	20,000	8.7	Do.
Smaller areas:						
Ashtabula-Conneaut			30,400	2,300	7.6	November 1958.
Athens-Logan-Nelsonville.			20,900	2,000	9.6	September 1958.

APPENDIX—Continued

Labor force and unemployment in areas of substantial labor surplus [1]*—Major and smaller areas*—Continued

State and area	Areas probably eligible for assistance under [2]— S. 722	S. 1064	Estimated labor force	Unemployment Number	Percent of labor force	Date of information on labor force and unemployment
Ohio—Continued						
Smaller Areas—Con.						
Batavia-Georgetown-West Union.			25,600	2,500	9.8	August 1958.
Cambridge			17,200	1,500	8.7	Do.
Defiance			29,000	2,400	8.3	July 1958.
East Liverpool-Salem			32,500	2,400	7.4	September 1958.
Findlay-Tiffin-Fostoria			42,750	2,600	6.1	November 1958.
Kent-Ravenna			21,300	1,600	7.5	October 1958.
Kenton			16,200	1,000	6.2	Do.
Marietta			16,600	1,400	8.4	September 1958.
New Philadelphia-Dover.			38,300	2,900	7.5	December 1958.
Portsmouth-Chillicothe	X		61,700	5,100	8.3	November 1958.
Springfield	X [3]		44,900	5,300	11.4	August 1958.
Zanesville			33,500	2,300	6.9	November 1958.
Oklahoma:						
Smaller areas:						
Ardmore			15,175	1,075	7.1	August 1958.
McAlester	X	X	13,310	1,450	10.9	July 1958.
Okmulgee-Henryetta			16,725	1,700	10.0	September 1958.
Oregon:						
Major areas: Portland			327,400	27,900	8.6	January 1959.
Smaller areas:						
Albany			24,235	975	4.0	August 1958.
Coos Bay	X [3]		19,675	1,215	6.2	Do.
Eugene			56,050	2,710	4.8	Do.
Pendelton			16,045	1,315	8.2	November 1958.
Roseburg			24,000	1,075	4.5	August 1958.
Pennsylvania:						
Major areas:						
Allentown-Bethlehem-Easton.			214,200	21,800	10.1	January 1959.
Altoona	X	X	53,700	7,700	14.4	Do.
Erie	X [3]	X [3]	99,100	16,900	16.9	Do.
Johnstown	X	X	99,400	16,500	16.8	Do.
Philadelphia			1,823,800	150,600	8.4	Do.
Pittsburgh			982,900	117,000	12.0	Do.
Reading			119,600	9,400	7.8	Do.
Scranton	X	X	102,700	17,400	16.9	Do.
Wilkes-Barre-Hazleton	X	X	136,600	25,000	18.0	Do.
York			103,500	9,000	8.7	Do.
Smaller areas:						
Berwick-Bloomsburg	X	X	21,650	2,700	12.5	November 1958.
Butler			34,950	4,600	13.2	September 1958.
Clearfield-Du Bois	X	X	36,900	5,000	13.6	Do.
Lewistown	X		22,000	2,500	11.4	November 1958.
Lock Haven	X	X	15,500	1,800	11.6	November 1958.
New Castle	X		37,300	5,600	15.0	September 1958.
Oil City-Franklin-Titusville.			30,000	3,200	10.7	Do.
Pottsville	X	X	78,300	12,400	15.8	November 1958.
Sayre-Athens-Towanda			20,700	2,000	9.7	September 1958.
Sunbury-Shamokin-Mount Carmel.	X	X	64,750	6,650	10.3	Do.
Uniontown-Connellsville.	X	X	47,700	11,300	23.7	November 1958.
Williamsport	X		42,950	5,550	12.9	July 1958.
Puerto Rico, major areas:						
Mayaguez			32,300	4,300	13.2	January 1959.
Ponce			38,800	4,900	13.0	Do.
San Juan			177,000	18,100	9.8	Do.
Rhode Island:						
Major area: Providence	X	X	338,700	43,200	12.4	Do.
Smaller area: Newport			16,140	1,000	6.2	September 1958.
Tennessee:						
Major areas:						
Chattanooga			117,750	8,450	7.3	January 1959.
Knoxville	X		143,550	11,500	8.1	Do.
Memphis			242,500	15,700	6.7	Do.
Smaller areas:						
Bristol-Johnson City-Kingsport.			97,367	6,547	6.7	September 1958.
La Follette-Jellico-Tazewell.	X	X	16,350	2,250	13.8	October 1958.
Texas:						
Major areas:						
Beaumont-Port Arthur			97,336	11,050	10.8	January 1959.
Corpus Christi			74,773	5,840	7.6	Do.
Smaller areas:						
Laredo			22,192	1,940	8.7	September 1958.
Texarkana	X	X	39,709	2,875	7.2	November 1958.
Vermont, smaller areas:						
Burlington			26,100	1,400	5.4	December 1958.
Springfield			13,750	850	6.2	November 1958
Virginia:						
Major area: Roanoke			66,775	6,800	10.2	January 1959.
Smaller area:						
Big Stone Gap-Appalachia.	X	X	19,675	2,300	11.7	October 1958.
Radford-Pulaski	X	X	44,550	4,350	9.8	July 1958.
Richlands-Bluefield			33,800	2,300	6.8	November 1958.
Washington:						
Major area:						
Spokane			99,000	10,700	10.9	January 1959.
Tacoma			96,200	8,500	9.0	Do.
Smaller area:						
Aberdeen	X		26,880	2,600	9.7	August 1958.
Anacortes	X	X	22,050	2,480	11.2	Do.
Bellingham	X		28,350	2,180	7.7	Do.
Bremerton			28,280	1,990	7.0	September 1958.
Everett	X		42,260	3,670	8.7	August 1958.
Olympia	X		39,880	3,640	9.1	Do.
Port Angeles	X	X	14,550	1,430	9.8	Do.
West Virginia:						
Major areas:						
Charleston	X	X	112,500	13,200	11.5	January 1959.
Huntington-Ashland	X		91,600	13,350	14.5	Do.
Wheeling-Steubenville			142,750	18,450	12.9	Do.
Smaller areas:						
Beckley	X	X	24,360	6,000	25.6	August 1958.
Bluefield	X		23,110	4,220	18.3	December 1958.
Clarksburg	X		27,300	4,050	14.8	October 1958.
Fairmont	X	X	25,200	3,950	15.7	Do.
Logan	X	X	22,150	5,040	22.8	August 1958.
Martinsburg			19,750	1,250	6.3	October 1958.
Morgantown	X		19,800	3,550	17.9	Do.
Parkersburg			39,780	3,330	8.4	December 1958.
Point Pleasant-Gallipolis.	X	X	36,620	4,800	13.1	August 1958.
Ronceverte-White Sulphur Springs.	X	X	16,600	2,020	12.2	Do.
Welch	X	X	22,600	5,020	22.2	December 1958.
Wisconsin:						
Major area: Racine			53,150	3,185	6.0	January 1959.
Smaller areas:						
Beloit			18,780	2,135	11.4	July 1958.
Eau Claire-Chippewa			38,585	2,640	6.8	December 1958.
La Crosse			30,600	2,845	9.3	July 1958.
Oshkosh			23,755	1,905	8.0	Do.
Watertown			18,300	1,145	6.3	January 1959.

NOTE.—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.

Smaller areas: Areas with a labor force of 15,000 or more which are officially classified as "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. 10, 1959.

EXHIBIT 2

[From the Washington Daily News, Mar. 20, 1959]

DISTRESS COMPOUNDED

Now before the Senate, following a squeaky OK by the Senate Banking Committee, is another one of those hurry-up, patch-up, prop-up bills supposed to cure the economy of some of its ills.

This measure melodiously is known as the Area Redevelopment Act. It is a bill to bail out a hundred or so communities listed as victims of chronic unemployment.

The question is not whether these communities are hard hit. No one denies that. The question is whether the bill, if enacted, would be any help.

Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

It flies straight in the face of a free-swinging flexible economy. Its ponderous machinery would raise unfounded hope. And its ultimate cost—like most such Washington proposals—would range far beyond its most optimistic prospect of usefulness.

It is discriminatory, the minority points out, because at the most it would affect only a small fraction of the unemployed, while probably creating more unemployment in other areas. The initial outlay of less than $400 million eventually would run to $4 billion or $5 billion.

It would create another sprawling Government agency, added to others already in this field.

The bill is founded on the identical illusions which led to 25 years of subsidies for a few special farm products. It will lead to exactly the same result—disrupted markets, billions of taxpayer money wasted and an economy blighted by Government interference.

EXHIBIT 3

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from S. 3683, the area redevelopment bill.

Every year for the past 3 years I have strongly urged the adoption of a program of Federal assistance to communities of substantial and persistent unemployment for the purpose of assisting those communities to develop a sounder and more secure economic base. I regret that no action along these lines has been taken by the Congress until this year and, needless to add, I am greatly disappointed that I find myself unable to approve the present bill.

My disapproval need cause no unnecessary delay in initiating a sound area assistance program. Even the unsound program contemplated by S. 3683 could not be of immediate help to any community because the Congress, before adjournment, failed to provide any money to carry out the bill's purposes. Until the next session of the Congress, the needs of areas of severe and persistent unemployment can be met in part through the new program of loans to State and local development companies under the Small Business Investment Act of 1958 which I recently approved.

The repeated recommendations of the administration recognized that the major responsibility for planning and financing the economic redevelopment of communities of chronic unemployment must remain with local citizens if Federal programs are to be effective. The present bill departs from this principle, and would greatly diminish local responsibility. In doing so, and in including other undesirable features, it defeats any reasonable chance of giving effective help to the communities really in need.

S. 3683 provides for less local participation in the costs of local development projects than is proper or necessary to stimulate and assure the continuing interest and support of local governmental and private interests. The administration recommended loans, for periods of 25 years, in amounts not exceeding 35 percent of the cost of redevelopment projects. S. 3683, on the other hand, provides for loans for such projects for periods of 40 years, at artificially low interest rates, in amounts up to 65 percent of the total cost of a project.

S. 3683 proposes in addition a program of Federal grants for public works in redevelopment areas under which it would be possible to have no local participation whatever. Moreover, the criteria for making these grants are so loosely drawn that, without indiscriminate use of funds, administration of these provisions would be almost impossible. This is a field in which, if the Federal Government participates at all, it should be able to rely upon local judgments backed by significant local contributions.

S. 3683 is also defective in my judgment because its assistance in certain instances, would be available in areas in which unemployment is traceable essentially to temporary conditions. Federal assistance to communities where unemployment is not clearly chronic would necessarily mean the assumption of responsibility by the Government for the direct support of local economies—an assumption of responsibility that would have the most profound consequences.

I also believe it would be a grave mistake to establish, as this bill would, an area assistance program in the Housing and Home Finance Agency. Such a program should be lodged, not with an agency concerned with residential housing and related matters, but rather with the Department of Commerce which has primary responsibility for business and industrial development and a long experience in extending to local areas technical aid for economic development.

S. 3683 also contemplates a Federal redevelopment assistance, including loans, in rural areas. There is serious question as to whether Federal loans for the construction of industrial buildings in rural areas would be a proper or effective approach, much less a permanent one, to the problems of surplus labor in essentially agricultural communities.

It is my intention next January when the Congress reconvenes to request the Congress to enact area assistance legislation more soundly conceived to carry out the purposes which I have repeatedly stressed as being in the national interest. It is my hope that Congress at that time will move with all possible speed to enact such an area assistance program.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 6, 1958.*

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I yield back the remainder of my time and ask that the roll be called.

The PRESIDING OFFICER. All time for debate has been yielded back. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania [Mr. SCOTT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, he would vote "nay."

The result was announced—yeas 24, nays 70, as follows:

YEAS—24

Aiken	Curtis	Mundt
Allott	Hruska	Prouty
Bridges	Javits	Saltonstall
Bush	Keating	Schoeppel
Capehart	Kuchel	Scott
Case, N.J	Lausche	Thurmond
Case, S. Dak.	Martin	Wiley
Cotton	Moss	Young, N. Dak.

NAYS—70

Anderson	Gore	Mansfield
Bartlett	Green	Monroney
Beall	Gruening	Morse
Bennett	Hart	Morton
Bible	Hartke	Murray
Butler	Hayden	Muskie
Byrd, Va.	Hennings	Neuberger
Byrd, W. Va.	Hickenlooper	O'Mahoney
Cannon	Hill	Pastore
Carlson	Holland	Proxmire
Carroll	Humphrey	Randolph
Chavez	Jackson	Robertson
Church	Johnson, Tex.	Smathers
Clark	Johnston, S.C.	Smith
Cooper	Jordan	Sparkman
Dirksen	Kefauver	Stennis
Dodd	Kennedy	Symington
Douglas	Kerr	Talmadge
Dworshak	Langer	Williams, N.J.
Eastland	Long	Williams, Del.
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, Ohio
Ervin	McGee	
Frear	McNamara	

NOT VOTING—4

Fulbright	Magnuson	Russell
Goldwater		

So Mr. SCOTT's amendment in the nature of a substitute was rejected.

Mr. DOUGLAS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BUSH. Mr. President, I call up my amendment identified as "3-19-59-C," and also the amendment, submitted by the Senator from New York [Mr. JAVITS], which is identified as "3-19-59-B."

Mr. President, my amendment is offered on behalf of myself, the Senator from Utah [Mr. BENNETT], and the junior Senator from New York [Mr. KEATING]; and the amendment of the Senator from New York [Mr. JAVITS] is offered on behalf of himself and myself.

We wish to combine the two amendments and to have them considered as only one amendment.

The amendment submitted by Mr. BUSH, on behalf of himself, Mr. BENNETT and Mr. KEATING, is as follows:

On page 2, line 19, strike out all after the word "created" through line 22, and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out the remaining language in line 22 through line 24.

On page 28, line 12, insert a period after the word "another" and strike out the remaining language in line 12 through line 14.

The amendment submitted by Mr. JAVITS, on behalf of himself and Mr. BUSH, is as follows:

On page 9, line 15, after the parenthesis "(" and before the word "including", insert the word "not".

On page 12, line 12, after the parenthesis "(" and before the word "including", insert the word "not".

Mr. BUSH. Mr. President, I ask unanimous consent that we may have the privilege of combining these two amendments; that they may be considered together; and that the time available on the two amendments be limited to 40 minutes to a side, rather than to 1 hour to each side, as we would be entitled to have under the agreement which is in effect.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. CAPEHART. Will the Senator from Connecticut ask for one vote or two votes?

Mr. BUSH. We shall ask for one vote on the two amendments. We shall also ask that the yeas and nays be had on this question.

Mr. JOHNSON of Texas. Mr. President, first, may be have an agreement to limit debate on this question to 30 minutes to each side? If that is done, it will permit us to conclude by 5 minutes to 6.

Mr. BUSH. I shall do so if the Senator from Texas will allow me as much as 5 minutes tolerance.

Mr. JOHNSON of Texas. Certainly.

Mr. President, I ask unanimous consent that the debate on this question be limited to 30 minutes to a side. If such consent is given, I shall yield additional time on the bill to the Senator from Connecticut, if necessary.

Mr. CAPEHART. As a substitute, I propose a limitation of 40 minutes to a side.

Mr. BUSH. Mr. President, I appreciate the courtesy of the Senator from Indiana in that connection. But the majority leader is very anxious to keep an engagement to meet with the Prime Minister of England, and so forth and so on; and I am trying to accommodate myself to the exigence of the moment.

Mr. JOHNSON of Texas. Mr. President, let me say to the Senator that the opponents do not plan to use their 30 minutes.

Mr. BUSH. I understand.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that not to exceed 30 minutes be allowed to each side on this question, with the time for the proponents to be controlled by the Senator from Connecticut [Mr. BUSH] and the time for the opponents to be controlled by the Senator from Illinois [Mr. DOUGLAS].

Mr. BUSH. Mr. President, I shall accept that proposal, with the understanding that our side may have as much as 5 minutes additional.

Mr. JOHNSON of Texas. I understand; and I have said that we would, if necessary, yield that much additional time from the time available on the bill.

The PRESIDING OFFICER. Is there objection to the request, as modified? Without objection, it is so ordered.

Mr. BUSH. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. BUSH. Mr. President, it is with genuine regret that I oppose Senate bill 722, because I share with the sponsors of the bill a desire to contribute to a solution of a serious and tragic economic problem—namely, the persistence of chronic unemployment in various areas of the Nation during a time of general prosperity.

We must never forget that in discussing unemployment, we are talking about people, and about people who find themselves in a distressing situation.

A. H. Raskin, in an article published in the New York Times of Monday, March 16, has effectively made this point in the following paragraphs:

> Unemployment is people—the individual hardship and heartache of 4,749,000 Americans, willing and able to work but unable to find suitable jobs.
>
> Unemployment is the husky, fresh-faced college graduate, with 3 years of Air Force duty behind him, being told he is too old for a job with a future—at age 26.
>
> Unemployment is the breezy, blustery executive, accustomed to an income of $50,000 a year, trying to pay his bills on a State job insurance check of $40 a week—an amount he once spent on taxis and cigars.
>
> Unemployment is the head shipping clerk, stranded when his textile plant moved from New York to North Carolina, subsisting on odd jobs of heavy cleaning and reading an inspirational pamphlet. Its title, "Get Rich in Spite of Yourself."
>
> Unemployment is the rhinestone setter, with all her State and Federal benefits drawn, watching a giveaway show on television and murmuring, "It makes me feel bad to see people getting all these nice things."
>
> Unemployment is the electrical worker, fearful that automation has permanently wiped out his chances for reemployment, wondering whether he can volunteer for a space flight to the moon.

I commend Mr. Raskin's article to the attention of my colleagues; and I ask unanimous consent, Mr. President, that the article may be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. BUSH. Mr. President, I believe that those of us who are opposing this bill are as sensitive to the human tragedies involved in unemployment as are those who support it.

Why, then, do we oppose it?

The reasons advanced by five other members of the Senate Committee on Banking and Currency and myself are contained in the minority views which appear on pages 39 through 52 of the committee's report on the bill.

I shall not detain the Senate by reading the minority views in their entirety, but I do wish to bring to the attention of Senators the following paragraph:

> The sponsors of this bill have proposed a complex program which is basically discriminatory and unworkable. The tragedy in this bill is not only the fact that the Federal Government would be involved in wasteful and discriminatory expenditures, but more significantly, by initially labeling certain areas as depressed areas, the Government would raise false hopes for economic redevelopment in a program that is impossible to administer equitably.

There is the basic objection to the bill. Not only will it not work, but it will arouse false hopes in the unemployed, in the communities throughout the Nation, who have been led to believe that this bill will solve their problems.

Mr. President, I had intended to ask unanimous consent that the minority views on Senate bill 722 be printed in the RECORD following these remarks, but I understand the Senator from Virginia has already made such a request. Therefore, I shall not ask that they be printed again.

Mr. President, I now desire to invite the attention of the Senate to the "runaway shop" or "industry pirating" problem which the sponsors of the bill recognize, but have failed to solve.

On page 22 of the report of the committee majority appears the following statement, which I heartily endorse:

> 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.

However, nothing in the bill would prevent the use of Federal funds to assist in shifting industries and jobs from one area to another.

So-called antipirating language has been incorporated in S. 722, but the difficulties it raises have been described in the following paragraphs contained in the minority views, at pages 42 and 43:

> The complete unworkability of the proposed legislation is clearly illustrated by the attempt of its proponents to meet the so-called runaway shop or industry-pirating problem.
>
> The bill includes a so-called antipirating provision stating that Federal loans shall not be made 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."
>
> While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:
>
> If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a depressed-areas program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.
>
> On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.
>
> In short, the administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting substantial detriment upon a community. Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional detriment to a community with 217,000 already unemployed to be reckoned as substantial? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

I am convinced, as is the distinguished senior Senator from Utah [Mr. BENNETT], that the language now in the bill is completely ineffective. For that reason we have filed individual views, appearing at page 53, which I shall read for the information of the Senate:

> We endorse the views expressed by our colleagues in the minority, but desire to state more fully our opinions with respect to the runaway shop or antipirating problem.
>
> As described in the minority views, the authors of S. 722 recognize that the problem exists, but fail to meet it squarely.
>
> On the contrary, they have used vague and slippery language in the bill which is intended to give comfort both to those who would enthusiastically welcome Federal funds for relocating industry from one area

to another, and to those who oppose the use of Federal funds for that purpose.

To our minds, the use of Federal funds to help some areas attract industries and jobs from other areas is unconscionable and must be prohibited without any qualifications.

If such a prohibition is not written into S. 722, the people of industrial States may be forced to underwrite with their Federal tax dollars the export of jobs to competing areas.

The bill must be confined to the purpose stated in President Eisenhower's economic report to the 86th Congress, namely, "to create new job opportunities instead of merely transferring jobs from one locality to another."

The same thought is expressed in the policy declaration of the administration bill, S. 1064, as follows: "new employment opportunities should be created rather than merely transferred from one community to another."

Regrettably, the draftsmen of S. 1064 failed, in another section of the bill, to carry out the President's thought. Instead, they fell into the same "substantial detriment" trap contained in the Douglas bill.

To bring this issue squarely before the Senate, we propose amendments to S. 722, as follows:

On page 2, line 19, strike out all after the word, "created" through line 22 and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out "when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

These amendments will draw a clean-cut issue between Senators who wish Federal funds used to assist the relocation of industries and jobs from one area to another, and those who believe, as we do, that such intervention of the Federal Government in competition for industries and jobs among States and communities violates basic principles of the Federal system and is highly improper, unfair and indeed unconscionable.

I hope the Senate will adopt the amendment which is now before it. Without the amendment, I believe the bill is a snare, a sham, and an illusion, and I believe it will work many disadvantages on many parts of the country, including Connecticut.

EXHIBIT 1

[From the New York Times, Mar. 16, 1959]

SURVEY OF THE UNEMPLOYED: PEOPLE BEHIND THE STATISTICS IN FIVE MAJOR JOB AREAS—VICTIMS PUZZLED BY THEIR PLIGHT—FAMILY DEBTS RISE DESPITE INCREASES IN PRODUCTION AT MECHANIZED PLANTS

Puzzlement is more apparent than anger in the attitude of men and women who have tramped the streets, month after weary month, with nothing to show for their efforts but holes in their shoes and a growing pile of debts.

In Detroit, capital of the automobile industry, one worker in seven is jobless and cutbacks in the output of some 1959 models threaten to add thousands to the idle lists in the next few weeks. Pittsburgh, crossroads of steel and coal production, is worried that large-scale unemployment will become a chronic drag on its economic well-being.

In the mine regions of West Virginia the specter of permanent pools of idle workers is even more tragically present. Mechanization has cut the need for manpower so drastically that 68,000 men now dig more coal than 125,000 did 10 years ago. The displaced, returning from futile job-seeking expeditions to Cleveland, Columbus, or Detroit, are less disposed to be philosophical about their plight than most of the country's uncomplaining unemployed.

Surplus food—mollygrub is what they call it in the Kanawha Valley coalfields—has become a mainstay in the diets of tens of thousands of families, not only in West Virginia but also in every other State. In December, 5,230,000 persons benefited from the Federal dole of butter, flour, cornmeal, and other surplus commodities. The food lines were almost twice as long as they had been a year earlier.

Yet, by the standards of mass misery that prevailed in the great depression of the thirties, privation is a minor problem. What bears most raspingly in today's jobless is the sense of uselessness that comes with being unwanted and unneeded in the world's richest and most productive Nation.

The corrosive effect has been acute among youngsters—high school and college graduates, ex-GI's, and others in the 20 to 35 age group—locked in their first real bout with hard times and deprived of the community of suffering that helped preserve the fabric of self-respect in the depression years when everyone was in trouble.

YOUNG MAN'S RECESSION

In many ways this was a young man's recession, especially in factory industries operating under rigid seniority systems. The most recently hired were the first to feel the layoff ax. Now science, moving with the same breathtaking speed in the improvement of industrial technology as it is in the conquest of the atom and of outer space, is making the day of recall to work more remote.

The harnessing of electronic brains to mechanical muscles has made it possible to produce more goods with fewer workers. Men with 10 to 12 and even 15 years of seniority remain on the surplus list while their companies climb past the production peaks they set in the preautomation days.

To make the outlook gloomier, other employers hesitate to hire them for fear that their desire to safeguard their pension equities and priority status in their old jobs will cause them to quit when and if the recall whistle sounds.

For men and women of more advanced age among the unemployed, the calendar is an enemy. The piling up in New York and other States of statutory prohibitions against discrimination based on age has brought no abatement in the conviction of those past 35—and even a good many under that age—that their biggest handicap is the years in which they acquired their maturity and skill.

There is little tendency to clutch for the comforts of the welfare state. Confronted with the necessity for going on relief, most workers will grab a job at half or less than the standard they used to enjoy. And there are plenty of employers ready to capitalize on this preference for staying independent of a government handout.

RELIEF LOAD UP 3 PERCENT

In small machine shops, dry goods warehouses and other small businesses, the calls are for work at only a few cents above the legal minimum of $1 an hour. Only in the large standardized industries and those under stringent union policing is there no move to pull down pay scales or trim fringe benefits. There the movement is still up—in both prices and wages.

In this city, where 50,000 workers have drawn all the Federal and State unemployment insurance they could get in the last 14 months, fewer than 100 a month have turned to the department of welfare for relief after their insurance ran out. The total public assistance caseload here has gone up less than three percent in the last year, and not all of this slight rise is attributable to unemployment.

In contrast to the economic trough of the thirties, when one-fifth of the city's population was on home or work relief, the ratio now is 1 in 23. And many of the family heads now on the rolls are unemployable even by the relaxed tests that would apply in the rosiest flush of full employment.

In Detroit and other centers of "productivity unemployment," the relief rolls have risen more rapidly. But everywhere the idle, without insurance or other sources of support, echo the remark of the Detroit mother of five, who told a reporter:

"Accepting money from welfare, I feel we're down to the last notch. I don't want the children to grow up with the idea of welfare aid. My parents back in Arkansas raised me never to lean on welfare."

Here are some reports on what unemployment has meant to workers and their families:

NEW YORK-NEW JERSEY

The New York-New Jersey metropolitan area, with its incredible diversity of finance, commerce, entertainment, publishing and manufacturing, is enjoying the seasonal upswing that always accompanies the pre-Easter rush in its largest single field of employment, the needle trades.

But the face of joblessness in the metropolis has so many visages that improvement even in a multi-billion-dollar area leaves hundreds of thousands untouched. The last official estimate in mid-January showed 375,000 workers, or 1 in 12, looking for jobs in the 5 boroughs.

A reporter who toured unemployment insurance offices, welfare agencies, union hiring halls and armories where the idle queued up for Federal food came away with the impressions as diverse as the people he talked to. Visits to the jobless in their own homes merely reinforced his feeling that no shortcut cure, by Government or industry, would eradicate the economic sores behind the gleaming new skyscrapers, the flourishing theaters and restaurants and the other badges of New York's opulence.

Waiting in the "T" line

Walk into the job insurance office at 259 West 54th Street and chat with some of the men and women on the "T" line. This is the State labor department's shorthand for temporary unemployed compensation, the emergency program the Federal Government finances for the long-term jobless.

Here is James Matthews a tall, handsome man of 36, with a shy smile, who won a Rhodes scholarship and studied at Oxford and the Sorbonne after graduating from Columbia. He had 4 years of wartime duty on Navy combat ships and was receiving officer's training when V-J Day came.

He entered the State Department's career Foreign Service and held posts in Europe and the Far East until he resigned in 1953 to become an international marketing specialist for a Standard Oil affiliate overseas. An expert in six languages, he was on his way to a European assignment for International Goodrich last summer when a dip in rubber sales wiped out his $200-a-week job.

His pavement-pounding has convinced him that employers want men in their mid-twenties, not midthirties. What depresses him even more is that so many of those he sees going abroad are men whose interest in their foreign trade missions seems to him largely confined to the prospect of hanging around the American bar.

In the meantime Mr. Matthews has a somewhat less global concern. He has just made the transfer from the State insurance lists, where he drew his full quota of 26 $45 checks, to the Federal list. This week red tape connected with the shift will limit his benefit to $11. That means he will have to send a distress signal to his parents in Texas for a fresh loan.

"If Congress doesn't extend the Federal program beyond its present March 31 closing

date, I will really be in the soup," he says. His savings are all gone, but his job insurance and help from his family have enabled him to keep quarters at the Columbia Club, 4 West 43d Street.

A few places down the line is Mrs. Sydonia Goodstein, of 340 West 57th Street, an imperious woman in black caracul. She has the air of a grand dame, as befits a couturiere whose shop used to make costly dresses for Saks Fifth Avenue, Bergdorf Goodman, Neiman-Marcus and other fine stores.

The business she started in 1921 never recovered from a fire that gutted the building 2 years ago. Now, her lease gone and her job insurance expiring this week, she is looking for work. This is her report on her first telephone call in response to a help wanted advertisement:

"The employer said I sounded young and asked how old I was. I am a rabbi's daughter and do not lie, so I said 65. He told me, 'Lady, why don't you go sit in the park?' It reminded me of a book I once read about an uncivilized island where they burned everybody at 50. I thought it was savage, but it doesn't seem so savage now."

The next man asks that his name be kept secret, but it could be Willy Loman, the hapless hero of Arthur Miller's "Death of a Salesman," whose goal in life is to be well liked. He is a jolly, talkative man of 55, whose sales talent made him head of a ladies' belt business with 80 employees, an annual volume of more than $1 million and profits in the $50,000 to $60,000 range.

A bankrupt company he bought for tax-loss purposes and then tried to run, plus the advent of the beltless chemise, proved his downfall. The home he owned in Harrison is gone and the lease on his $230-a-month apartment in Riverdale runs out in June. He has been borrowing on the $100,000 in personal insurance he used to carry, but the end of that is in sight.

Future looks bleak

"I keep telling my wife it's fortunate that I was born with a strong heart and a weak mind," he says with a melancholy attempt at a salesman's laugh. "But I'm really at the end of my rope. I've been selling all my life; I have a wonderful reputation in the field. It doesn't seem possible I can't get connected. But after 14 months of tramping around the future looks very, very bleak."

Drop in on Michael Azzata, a well set-up youth of 26, with glossy black hair and dark, earnest eyes, in his parents' neat apartment in a neat row of identical tan-brick houses at 30-27 41st Street, Long Island City, Queens.

He enlisted in the Air Force after he got out of high school at the height of the Korean war. When he went to Columbia under the GI bill of rights, he took seriously the advice of industrialists and educators that it was wise for young men to get a well-rounded general training in liberal arts, instead of concentrating on specialized technical courses.

Now, with a bachelor of arts degree, he finds himself being told by job interviewers that he lacks the specific instruction or experience they require and that he is too old to get into an executive training program.

It does not help, psychologically, that his own inability to get a job with a future, even at $50 a week, forces his 74-year-old father to keep working at Pennsylvania Station as a bootblack. He will probably settle for a night job as a restaurant supervisor and go back to Columbia to take a master's degree in business administration.

PENNSYLVANIA PUZZLE

(By Stanley Levey)

PITTSBURGH, March 13.—Up and down the river valleys of western Pennsylvania smoke is shooting once again from steel mill stacks. After 2 years of recession and unemployment, it is a signal read in various ways by various persons.

"Look at that smoke," says the owner of a shoe store in Homestead. "Isn't it beautiful?"

"Went back to the mill last week," says a laborer in Ambridge. "First day's work in 14 months. I never thought I'd be so glad to see the lousy place. But after looking at all that television, I really was."

"The recession is over," says a steel company official.

"I don't know," says a forge man in New Castle. "I hear the recession's over and I know a lotta guys have gone back, so I guess maybe it is. But not me, they don't call me back, and sometimes, mister, I don't think they ever will."

ELEVEN PERCENT IDLE IN JANUARY

Halfway across the State in Harrisburg, the capital, in the new sleek building of the department of labor and industry, analysts have compiled statistics and drawn graphs and curves. This is the story they tell:

At the end of January 508,000 Pennsylvanians (or about 11 percent of the work force) were idle. The figure for the country was 6 percent. At the bottom of the recession last June, 520,000 persons were jobless in the State. This was 10.9 percent of the work force. The comparable national figure then was slightly more than 7.5 percent.

What worries the analysts (and workers, union leaders, merchants, and businessmen) is that increased production has not been accompanied by a corresponding increase in employment. Does this tendency mean, they wonder, that new pools of chronic unemployment are in the making—in the steel areas, for example?

"Is Pittsburgh in danger of becoming another Scranton?" asked an economist in the Bureau of Employment Security.

Thirty years ago Pennsylvania's heavily populated hard coal regions about Scranton and Wilkes-Barre employed 150,000 miners. By 1937 the total was 32,000. Today it is probably even lower. Scranton has tried desperately and effectively to attract new industry, but the area's economic base has been almost completely destroyed. Ten thousand new jobs have been provided but the rate of unemployment is about the same.

"Scranton has been running like hell to stand still," said the economist.

The basic cause of high production with fewer workers is automation—the use of machinery to run machines. During the recession many mills have introduced new equipment, discontinued using inefficient plants and eliminated jobs.

Bruce Alexander, district staff member of the United Steelworkers of America in McKeesport, predicted that many workers would never regain their jobs.

"This fellow comes in to see me," Mr. Alexander recalled last week. "He's got his kids with him—three of the cutest kids you ever saw. And he says, 'I'm down to nothing. I got no family to help me. I'm on public assistance and I don't think I'm ever going to get my job back. What's going to become of me?' "

Mr. Alexander lifted his palms in a gesture of helplessness. "What could I tell him?" he asked. "I didn't have any answers. It's rough. Oh, we don't let him hurt. We help him, we get him food and like that. But we can't mislead him and tell him we can get his job back for him."

Actually while the recession has resulted in distress, it has not produced disaster. A reporter looking for signs of political protest or starvation in Pennsylvania would come away with an empty notebook. Tom Leslie, a 42-year-old hammer operator from Beaver Falls with 20 years in the industry, illustrates the reasons why this is so.

In the good days he made as much as $200 a week and averaged $6,000 a year. He saved some money, but not much. He bought a home and has $4,000 still to pay on it. He installed storm windows last year but owes a substantial balance. He still drinks a bottle of beer when he feels like it but not so often as formerly. His wife and three children eat regularly.

WIFE'S WORK IS KEY

"How do you manage it?" he is asked.

"My wife works as a bookkeeper," he says a little sheepishly.

This answer is heard in various forms throughout the steel area:

"My wife does day work."

"My wife got a job as a nurse's aid."

"My son brings home a little money."

"My wife and I moved in with my mother."

"My folks help us out."

Tom Leslie has got by for several other reasons. He has worked occasionally with a friend who owns a truck. He has picked up odd carpentry and repair jobs. He has drawn $35 a week in State unemployment compensation. Under the State-Federal program he is entitled to 45 weeks of payments.

Finally under the supplementary unemployment benefits program negotiated 3 years ago with the steel industry by the union, he has been receiving benefits that started at about $20 a week. They will run for a year. He has only one major complaint.

"Too damned much housework," he said.

Tom Leslie is joined by others who think the benefits may have saved the day. These include merchants in steel towns who were lukewarm about the welfare program when it was broached back in 1956.

A member of the Beaver County Public Assistance Commission reported that in 2 years only 10 steel workers had applied for relief.

"Without supplementary unemployment benefits," he said, "there would have been relief lines all over the country."

In the union's district 15 area, Bruce Alexander and Paul Hilbert, the district director, organized a community services program to help steel workers in distress. Banks were asked to grant moratoriums on mortgage payment, and 150 agreed. Members were told how to obtain public assistance and surplus food. Medical and hospital service were obtained for men whose benefits had lapsed because of prolonged idleness.

But the picture has its shadowy corners, too. George Combs, a burner in the Clairton plant of United States Steel, has been out of work for thirteen months. He says he has not had "eight hours work since I was laid off." His benefits will run out in a few weeks. He owes a $400 furniture bill. The store is waiting. He has not been able to pay his $42-a-month rent for an apartment in a county housing project. The project is waiting.

He receives a relief check for $4 every two weeks. He sought surplus food and was told he was ineligible. Now he finds other men with his seniority called back to work. He is getting uneasy about providing for his wife and three children.

"TAKE JOB ANYPLACE"

"I'll take a job any place," he said. "After more than a year this place don't look so good to me."

In that judgment, George Combs is not typical. Despite unemployment, steel workers are reluctant to strike out to new frontiers. Their homes, their families, their roots keep them clustered about the mills. In Beaver Valley, Wilbert Berarducci, 22 years old and unemployed since July 23, 1957, drove West a few weeks ago with his wife in his 1946 automobile.

Almost as soon as he arrived in California, he received a telegram from his mother, summoning him back home. He had been called back to the mill, she said. Without funds and unable to rely on the old automobile for another trip across the continent, he hitchhiked home in five days only to find there had been a mixup and no job awaited him.

"Why did you come back?" he was asked. "Why didn't you stay out in California and look for a job?"

"Why," he said without hesitation, "this is my home and I'm a steel worker."

WEST VIRGINIA GRIM

(By Homer Bigart)

CHARLESTON, W. VA., March 10.—Thousands of unemployed coal miners have used up their "rockin' chair money" and are living on "mollygrub" in the coalfields of West Virginia.

"Rockin' chair money" is the miner's term for unemployment compensation. "Mollygrub" is the monthly dole of Federal surplus foods.

With about 15 percent of its work force idle, West Virginia is the blackest spot among the Nation's areas of economic distress.

The statistics are grim enough: 45,000 workers have exhausted their unemployment benefits; 280,000 to 300,000 persons are subsisting mainly on "mollygrub."

A tour of coalfields south of Charleston revealed that the human tragedy was not yet as stark as in the 1930's when children fainted in schoolrooms for lack of food. This time the schools are providing free lunches for the desperately poor. And at home the surplus food dole, while deficient in protein and in bulk is generally enough to support what the natives call a "cornbread livin'."

There are no signs of desperate physical distress, not even in Big Coal River Valley, where the expiring communities of Edwight and Highcoal present ghostly rows of boarded-up shacks. In the half-deserted streets and in the tiny yards of ramshackle dwellings, children play who look as least as robust as children in urban slums.

Tensions and despondency bred by long idleness are evident in the hopeless complaining tone of minors who have returned in disgust from job-hunting expeditions in Cleveland, Columbus and Detroit. The added complaint of racial discrimination was raised by Melvin Smoot, a Negro miner, in Highcoal. "A mine superintendent told me he ain't hiring any colored," Mr. Smoot said.

The mine at Highcoal blew out (shut down) more than a year ago, throwing 82 men out of work. They were the last of a gradually reduced force of about 500. Mr. Smoot, 37 years old, with eight children, was laid off December 31, 1957, the night his wife gave birth to twins. He has had no work since then. He drew the maximum of 24 weeks, plus a special extension of 12 weeks, in unemployment payments last year. Payments in reduced amounts ($21 a week) were resumed a few weeks ago, but Mr. Smoot said he had to use his first two checks to pay the utilities bill.

NO RENT SINCE JULY

The Smoot dwelling is a gray, soot-crusted four-room house renting at $16 a month. But Mr. Smoot said he had not paid rent since last July. Nor had he been able to buy tubes for his television which failed Christmas eve.

His monthly "mollygrub" included 30 pounds of flour, 5 pounds of butter, 10 pounds of rice and a small quantity of meal. This was not enough for 3 weeks, he said. Supplementing the Federal dole was a windfall of canned milk, canned peas and a little sugar from Charleston churches following an exposé of Highcoal's plight in the Charleston Gazette.

Despite the dismal outlook, Mr. Smoot said he would remain in the dying town because jobs were scarce in Ohio cities and because "they claim there's going to be a lot of roadbuilding around here."

But up the road in the white community, Carl Harris had decided to quit the mines and try farming. He had gone to Lincoln County to look for a farm. Meanwhile, Mrs. Harris, carried away by visions of bucolic plenty, had bought 100 pullets for $2. They were cheeping in the kitchen as Mrs. Harris told of the impending move to Lincoln County.

"They do right smart farmin' down there," she said. "They got some little bitsy old mines but mostly farms."

Still, she hated to leave Highcoal. "I like the people here: they're friendly," she said.

In near-by Whitesville, shopping center for Big Coal Valley, Quentin Barrett, principal of Whitesville Elementary and Junior High School, summoned his teachers to an emergency meeting.

"Starting tomorrow," he announced "all children who are completely destitute and look undernourished will be given a cup of cocoa and a hot biscuit at the start of school each morning in addition to the regular hot lunch. Maybe some scrambled eggs, too."

He asked the teachers how many children came to school without having had any breakfast at home. They reported a total of 65. The school has an enrollment of 700.

FREE LUNCH TO DESTITUTE

For the hot lunch the school charges 25 cents. But families on relief pay only 15 cents and the lunch is given free to those described as "penniless and destitute."

The Reverend Jack Weller, director of the mission project of the United Presbyterian Church, said conditions were particularly grim in Edwight, a few miles up the valley. He said the land company that owned the miners' houses had recently turned off the street lights, adding to the tension, and there were reports the water supply would be shut when the village school closed at the end of the spring term.

He estimated that "at least 1,800 persons in the valley aren't getting a balanced diet." He recalled that the Whitesville Fire Department, in making up its Christmas list, found that 300 families in the area had no income at all.

In Charleston, Raymond Lewis, brother of John L. Lewis and president of District 17 of the United Mine Workers Union doubted that many miners now out of work would find jobs again in the industry.

He called the current crisis "a lot worse" than the depression of the 1930's.

"The 1930's depression was just the end of a boom period. It was not caused by technological advances but by overproduction. This one here is a different story, an industrial revolution like the one that hit England when the spinning jenny was invented."

Mr. Lewis said scarcity of labor during World War II forced operators into mechanization. "By 1949 new equipment began to come in. Thereafter there was a steady decrease in miners and an increase in production.

"In 1948, West Virginia had 125,000 coal miners. Last year there were only 68,000 men in mines."

Sheriff T. H. McGovran, of Kanawha County (Charleston) said the number of men arrested for nonsupport had risen steadily during the last 14 months of deepening unemployment.

He suspected that in some cases the man was driven by desperation to seek a jail sentence for nonsuport so that his wife could then apply to the State Department of Public Assistance for benefits. "A man who can't support his wife can do it by going to jail," the sheriff explained.

DETROIT DESPERATE

(By Damon Stetson)

DETROIT, March 11.—Mrs. Charles Lawrence listened quietly as her husband, a carpenter, sat in the living room of his small Oak Park home and told about his futile efforts to get a job.

His unemployment benefits had run out and the immediate future looked grim for a couple in their early thirties with two children.

Suddenly Mrs. Lawrence, a brown-haired woman wearing a pink jersey and black skirt, leaned forward and said grimly:

"I think the situation here in the Detroit area is just as desperate as if we'd been hit by a tornado. It's just as much a disaster for us if we lose our house as if a tornado struck us—except that the kids are safe. But if a tornado hit, the whole country'd be ready to help us.

"As it is," she continued, "the bill collectors keep saying the recession is over. For whom, I'd like to know?"

"For me," Mr. Lawrence said "it's no recession. It's a depression."

FIFTEEN AND FOUR-TENTHS PERCENT IDLE IN AREA

The Lawrences are probably luckier than thousands of other unemployed people in this hard-hit area. They have been getting $49 a week in unemployment benefits, plus $55 a month as a veteran's disability pension.

Mr. Lawrence has some hope of getting work when the weather improves, although his disability is likely to force him to give up carpentry. But this couple were able, in a few words to articulate the plight of the 229,000 people, 15.4 percent of the labor force, now out of work in Detroit.

In Michigan, 364,000 people, or one worker in eight, are without jobs. Last year 242,800 of the unemployed exhausted their jobless benefits. By April 1 about 145,000 will have exhausted their temporary additional benefits.

You begin to sense what has been happening when you pass a store on Charlevoix Street where the featured items are smoked hocks at 19 cents a pound, neck bones at 15 cents and spare ribs at 10 cents.

A visit to the welfare department's surplus commodities division at 8300 Woodward provide further insight. A thousand people a day line up there to get their allotments of dry milk, rice, corn, meal, flour and butter. Last month 130,112 persons got surplus food at this center and 154 grocery stores, where the commodities are also distributed.

Robert Feagin, a 38-year-old auto worker, was laid off at Chrysler's Jefferson plant in 1957. He has a wife and three children, and long ago exhausted his unemployment benefits. Lately he has been getting $69 every 2 weeks from welfare.

"JUST CAN'T GET A JOB"

"They tell me at the plant there's no chance of getting back unless a miracle happens," he said. "I've been looking for work all over but I just can't get a job. I hate being on welfare. Its enough to make a man jump into the river. But right now I've got to see about getting some blood. My wife's expecting and I'm afraid she's going to need some help."

Roy Case, a thin, bespectacled man who lives in a three-room flat among drab, closely packed houses, was laid off in January, 1958. He has not worked since. He has a wife and one child. They have been living on $41.45 every 2 weeks from welfare since their unemployment benefits stopped. Of this, $20 goes to Mr. Case's landlord for rent.

"I went to Chicago once looking for a job," he said, But I didn't have any luck. Around here all you get is 'no' when you ask for a job. It's the worst I've ever seen it."

Harvey Sampson, an auto worker with 12 years' seniority, has been getting $44 a week

in unemployment compensation plus $9.14 in supplementary unemployment benefits since he was laid off last year.

He has a wife and three children and has to pay $55 a month in rent for his six-room flat.

"We're not living," he said. "We're existing. I can't find anything. If I go to an employer and ask for a job, he says he doesn't want to hire me because I have 12 year's seniority and he's afraid I'll be called back."

A boom in the auto industry would do more than anything else, probably, to resolve Detroit's and Michigan's unemployment problems.

But the overconcentration on manufacturing in Michigan, especially in automotive production, means that the State's economy is unusually sensitive to economic dips and consequent declines in the purchase of durable goods.

The long term answer to Michigan's unemployment problem, competent analysts of the situation say, is greater diversification to insure a better balance and less dependence upon the economic fate of one or two major products. Additional defense work, drastically reduced here since the emphasis has been on missiles, would perhaps provide more immediate help.

Mr. SALTONSTALL. Mr. President, will the Senator yield for an insertion?

Mr. BUSH. I had promised to yield first to the distinguished Senator from New York, but I yield 30 seconds now to the Senator from Massachusetts on the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 30 seconds.

Mr. SALTONSTALL. Mr. President, I shall support the amendment of the Senator from Connecticut and the Senator from New York, but I am opposed to the bill. I have prepared a speech. Because of the pressure of time, I shall not try to deliver the speech, but I ask unanimous consent that it may be printed in the RECORD at this point.

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

STATEMENT BY SENATOR SALTONSTALL

I rise to express serious misgivings about S. 722, the area redevelopment bill which is now before the Senate.

First, I wish to express my confidence in the sincerity of concern for a real problem which has been expressed by the Senator from Illinois, Mr. DOUGLAS, who introduced S. 722, and by many other Senators who joined Mr. DOUGLAS in sponsoring this bill. I share their concern about any conditions of unemployment which now or may in the future exist in the United States. We have experienced in Massachusetts and in New England our share of industrial depression in many communities. I am deeply sympathetic with the plight of our citizens in communities in my own State who have been affected in recent years by localized chronic unemployment. My objection to this measure in no way reflects a lack of concern nor do I differ with the basic objectives of aiding depressed areas. Rather, in my judgment, this bill offers an unsound approach to these problems and generally would not assist us in Massachusetts. We have in Massachusetts met our adversities with imagination and industry.

We have local industrial development commissions in almost every industrial center in the State. The story of Lawrence's industrial redevelopment has been given nationwide publicity. The city has earned the admiration of all for the manner in which it has shouldered its responsibilities and regained its industrial strength. In Lowell, Mass., the local officials and civic-minded citizens have worked together to restore thousands of jobs in diversified industries after textile mill closings brought about a severe depression. The city built and housed new plants and attracted new industry. Cities such as Quincy, Mass., have undertaken a number of ambitious civic projects which have kept the city strong and I am pleased that Quincy is today among those areas not classified as labor surplus. Fall River as a civic project constructed a modern manufacturing plant and attracted an industry from outside to use it. Other communities in Massachusetts are taking equally imaginative and vigorous steps to aid their own local economies.

Moreover, the bill is highly discriminatory as it affects many of our communities. It would aid some of our depressed areas but fail to aid others. It fails to seek out the basic causes of our difficulties and establishes arbitrary standards whereby the citizens of one community subsidize transfer of their livelihood to other communities which, on fundamental analysis, may not be as seriously affected as their own.

The bill fails to take into account the fact that many of our communities, and I speak now of Massachusetts cities and towns with which I am familiar, have already borrowed to their debt limits. In our case in Massachusetts this would necessitate permission of the State legislature before further borrowing could be undertaken.

Insofar as Massachusetts is concerned, this bill would only hold out false hopes for our depressed communities.

Fundamentally, I am opposed to the program in the bill before us today for the reason that it would not operate, as proposed, to cure much to be deplored unemployment thereby making the economy healthier. Rather, it would seek to cure unemployment in certain areas while simultaneously creating unemployment tendencies elsewhere.

This measure would establish a program under which States like my own and others with long histories of industrialization, would be forced to contribute to the erosion of their own substance. This Federal program to subsidize the establishment of new industrial enterprises cannot operate but to injure Massachusetts. We have already suffered from the migration of our industry to States with lower wage levels, lower cost programs of public welfare, less costly public utility services and lower property and income taxation. We have suffered through the operation of Federal programs frankly designed to help other parts of the country. Examples of these are the subsidies given to American producers of raw materials and manufactured products needed in New England industry and commerce. These subsidies include import barriers on foreign produced fishing vessels, petroleum products and wool and artificially supported raw cotton prices. Moreover, Massachusetts contributes far more in Federal taxes than she received back in Federal grants and services.

Massachusetts and other similarly situated States will only suffer further disadvantage from the Area Redevelopment Act which openly proposes to industrialize large quantities of rural areas at our expense and with the inevitable effect of attracting industries and jobs from our communities.

The principle underlying this bill is that Paul can be paid by robbing Peter—a totally indefensible proposition.

The bill by implication concedes that it involves the risk of helping depressed areas at the direct cost of reducing employment in healthier areas by providing the new jobs should be created in depressed areas "without substantially reducing employment in other areas." Nowhere does the bill provide a definition or a standard for defining what constitutes "substantial" reduction of employment outside the depressed areas. Amendments which would attempt to guard against the transferring of jobs from healthier areas to depressed areas have been rejected. The best explanation for this refusal is that the program provided in the bill can only help the depressed areas at the expense of healthy areas.

In all American history, our Nation has never been more dynamic; our work force has never been more qualified. And yet we are asked to consider a bill which would bring the mountain of industrial facilities to the Mohammed of arbitrarily selected numbers of unemployed persons. And we are supposed to credit the notion that this process will not retract substantially from the employment opportunities of areas to which no such mountain will be brought.

A third reason for my opposition to the bill is that the program it would establish is arbitrary in application, without clear criteria or standards for its operation and unrelated to the underlying conditions which it is intended to cure. The definition of eligibility for the loans and grants provided in the bill would exclude from any assistance vast numbers of the Nation's unemployed by the application of purely statistical criteria which are in no way designed to take account of the causes of unemployment involved nor to give any recognition to areas in which conditions of unemployment are eliminated or averted through the application of local initiative and effort. The citizens in such areas and those in healthy areas will not only not benefit under the terms of this bill, but they will be forced to contribute tax revenues which may by their applications in some instances constitute a subsidy or reward for imprudent or mistaken behavior by business men, labor leaders, and local governments whose actions have caused or contributed to the conditions of unemployment which would be eligible for help under the bill.

Fourth, the bill would in effect establish a policy completely at odds with the basic principles of our competitive enterprise economy. Its operation can only weaken rather than strengthen private initiative.

Fifth, there is no evidence of which I am aware that the loan assistance provided in this bill for the financing of industrial facilities goes in any way to meet a genuine need in depressed industrial areas.

Jobs cannot be created simply by building and equipping a factory. Beyond that is needed a product with consumer demand which can be produced and distributed to compete successfully against similar products which are already being made and sold. With respect to these imperative needs in the creation of new industrial employment, the bill provides only for the duplication, under a cumbersome new administrative arrangement, of technical advice and assistance which is already effectively provided by or available from a host of competent existing private and public sources.

In this respect then, S. 722 is a deceiving illusion. It offers assistance of a character that is not needed—capital for industrial facilities—and adds nothing with respect to what may be the crucial needs to what is already available. It assumes that Federal funds will somehow create new products and the jobs to make the products.

Ten years ago a wise and able citizen of Massachusetts who rendered exceptional service to our Nation, Vannevar Bush, wrote as follows:

"The search for security by action of a paternalistic government * * * is * * * one in which muddled thinking abounds.

"One result of that kind of thinking appears to take the form of a belief that the Federal Government has a pipeline to some

inexhaustible treasury on the moon; that it has income in addition to what it gets from the people in taxes; that the national income each year consists of something in addition to such total annual national products as we can produce. This kind of thinking looks at dollars, at money, as something significant in itself, rather than as to what it is—a mechanism, a mirror that reflects tons of coal, tons of steel, bushels of wheat, and so on.

"* * * We still conceive that money in some strange ways gives birth to more money, or that money can merely be printed.

"* * * Money does not make money. But money combined with judgment, courage, and risktaking can and does."

Federal Government money will not create a permanent net increase in industrial employment by the program called for by S. 722.

This brings me to my final point. This bill would create large new Federal welfare enterprise, which would strike a heavy blow against local initiative and effort both public and private. Local initiative applied to public problems must be strengthened rather than thwarted.

This concerns me very greatly.

The most significant development of our generation in the political structure of America is the diminishing responsibility of local government.

As one who has served in city government, the legislative and executive branches of State government, and for 14 years in the United States Senate, I believe in the importance of strong local government which this bill would tend to diminish.

I want to make it clear that I am greatly troubled by this development. Local government is very important. It should be nourished and strengthened. It should not have functions and responsibilities which it is capable of performing effectively usurped by either the State or the Federal Government.

The reasons for the diminishing significance of local government appear to me to include the following:

First, many of the tasks and problems of government have gotten too large and complex to be dealt with by local government. This has been a natural and perhaps inevitable corollary of the increase in the size of our population, the increase in the complexity and integration of our economy, and the manifold changes which these increases have helped to induce in the relationship of our Nation to the rest of the world. In addition, we have developed a more acute and larger sense of social responsibility which has contributed to the shift in relative significance from local to National Government.

Examples of the challenges to its feasibility which local government has not been able to meet either in terms of institutional capability or financial capacity include:

Public safety in the areas of civil defense and internal security.

Public utility services which are shifting to county, district, and metropolitan institutions; atomic energy has been absolutely federalized.

Transportation services including roadbuilding, and local railroad, bus, and subway services.

Regulation of industry and commerce including quality, weight, measure, shipping standards, and other conditions of manufacture, and distribution of goods and performance of services.

Construction of public school facilities which has already been shifted to being in part a State government responsibility may be on the threshold of a further partial shift to a responsibility of the Federal Government.

There are doubtless some further necessary attritions ahead for untrammeled local government responsibility. A view of the road ahead may be accurately depicted by Prof. Robert C. Wood of Massachusetts Institute of Technology in his interesting recent book, "Suburbia, Its People and Their Politics."

Second, dissemination of information to the public is dominated by news media which are addressed to such large masses of people that they must focus public attention on tasks and problems of government of the broadest interest—the ones which are dealt with by the Federal and to a lesser extent the State government.

Third, our educational institutions have followed the lead of the mass media in concentrating their focus and the attention of their students on the tasks and problems of the Nation and the world and away from local public concerns.

Fourth, the conditions described in 1–3 tend to orient the vast majority of people who are best qualified and most strongly motivated for public service to render service in the Federal Government, thus negating State and local government needs.

All the foregoing conditions are operating to diminish the significance of local government. We cannot afford further erosion in the substance of this vital level of our political institutions.

There are a great many tasks and problems of a public character which are best undertaken at the local level—matters such as zoning and land use planning, establishment of private building standards, furnishing library services, supervision of the content and administration of public education, administration of real property tax assessment and collection, provision of programs of recreation for youth and the aged, to mention only a few.

The importance of strong and effective local governments to deal with these matters lies in their unique qualification to preserve precarious local characteristics which inhere in them. The greater the geographical area and the larger the number of people for which a standardized government solution to a problem must be found, the narrower is the range of permissible individual deviation which can exist for that area or population. Local individuality must inevitably be curtailed as problems are transferred to higher levels of government.

A further essential characteristic of local government is the opportunity which it affords for effectively fixing responsibility for the sound and efficient management of public services.

Because Senate bill 722 would operate to curtail further the responsibility of local government with respect to a task which is inherently within its capacity to undertake in cooperation with existing activities of State governments and the Federal Government, I cannot support it in the form in which it was reported to the Senate by the committee.

In summary, I oppose S. 722 because:

1. The communities in my State by local effort, initiative and imagination have done much to cure their own economic ills, and the bill offers practically nothing which is not now already available either from private or public sources.

2. Although I have great concern for the economic welfare of many communities in Massachusetts, this measure is discriminatory in that it forces our citizens to subsidize the development of some areas selected on arbitrary standards, while neglecting other areas.

3. The bill would encourage piracy and would draw industries away from those areas which with their own investment have already industrialized. It would create an arbitrary economic advantage for rural areas without justification.

*4. The bill is vague and ambiguous.

5. It overlooks the basic causes of unemployment and creates the illusion that by the mere construction of factories jobs can be created.

6. It is at odds with our basic competitive enterprise system.

7. Finally, it would tend to weaken further the responsibility and authority of local governments where effort of this nature should best be managed.

Mr. BUSH. Mr. President, I yield 2 minutes to the distinguished Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, I have prepared a statement with respect to the amendment sponsored by the distinguished Senator from Connecticut and myself, and a short statement with respect to the equipment amendment offered by the Senator from New York. In the interest of saving the Senate's time, and as an accommodation, I ask unanimous consent at this time to have those statements printed in the RECORD without my reading them.

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

STATEMENTS BY SENATOR BENNETT

ANTIPIRATING SECTION IS WEAK AND VAGUE

Section 2

A. The dilemma of antipirating restrictions: The complete unworkability of the proposed legislation is clearly illustrated by the attempt of its proponents to meet the so-called runaway shop or industry-pirating problem.

The bill includes a so-called antipirating provision stating that Federal loans shall not be made 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."

While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:

If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a "depressed areas" program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.

On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.

In short, the Administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting "substantial detriment" upon a community.

Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional "detriment" to a community with 217,000 already unemployed to be reckoned as "substantial"? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

B. Discrimination within industries: Moreover, not only would the bill promote discrimination by the Federal Government in favor of some areas at the expense of others, it would also promote such discrimination to benefit some companies within a given industry at the expense of its competitors.

Assume a situation in which several companies have plants in various parts of the country, none of which are in a so-called depressed area.

Company A, employing 250, is at a competitive disadvantage because it has not kept pace with the industry as a whole in modernizing its factory and improving machinery.

A community eligible for redevelopment under the bill builds and equips a factory with Federal assistance, and induces company A to relocate.

A double discrimination, promoted with Federal funds, has thus taken place: Discrimination against the area of original location of company A and discrimination against company A's industrial competitors.

C. Senator DOUGLAS and I went to Detroit and held a hearing. The mayor of Detroit told us on his own—on its own—the city government has raised $2 million and purchased 17 acres of land and torn the buildings down and they were redeveloping it. And later that afternoon in came a representative of the city of Jackson, Mich., who did a little arithmetic and said, "Those 17 acres are costing the city of Detroit $118,000 an acre." And he said, "The best place for me to pirate industry is not outside of Michigan, it is in the city of Detroit."

In other words, with this kind of language remaining in here, we can actually envision a situation where communities both using Federal funds are in a position to pirate industry away from each other, and we will set up an industry with Federal funds in community A, Detroit, and then the fellow from Jackson will come over and take it away because he said, "We can furnish them industrial land for $350 an acre, not $118,000."

D. Individual views of Mr. BENNETT and Mr. BUSH: To our minds, the use of Federal funds to help some areas attract industries and jobs from other areas is unconscionable and must be prohibited without any qualifications.

If such a prohibition is not written into S. 722, the people of industrial States may be forced to underwrite with their Federal tax dollars the export of jobs to competing areas.

The bill should be confined to the purpose stated in President Eisenhower's "Economic Report" to the 85th Congress, namely, "to create new job opportunities instead of merely transferring jobs from one locality to another."

On page 2, line 19, strike out all after the word "created" through line 22 and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out "when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

These amendments will draw a clean-cut issue between Senators who wish Federal funds used to assist the the relocation of industries and jobs from one area to another, and those who believe, as we do, that such intervention of the Federal Government in competition for industries and jobs among States and communities violates basic principles of the Federal system and is highly improper, unfair, and indeed unconscionable.

E. Let us suppose that in a period of rising demand, a manufacturer established a branch or second plant in a depressed area with Federal assistance in financing. Let us further assume that he occupied his new plant for a few years and during the next dip in the business of the firm he had to cut back some operations—reduce output.

If he reduced the work force in his original plant and held the full force in the new one, would this represent a transfer of jobs?

If he finally had to close one plant for lack of business—would it be a violation of his loan agreement if he closed the old one? If so, would the Federal Government call his loan and maybe put him completely out of business?

If, in a new plant established through this program, business suffers due to poor management or good management and a poor market condition, can the Government then stop helping the project it started?

Is there a moral obligation to continue subsidy to a business venture in the first instance nurtured through subsidy?

Questions of this sort are difficult to answer. Experience with agricultural subsidies, for instance, illustrates the difficulty of terminating any program of Federal aid once it has become established. Can we let this happen to the American manufacturing industry? It is the first steps that seem so mild, so meritorious, that begin such unwise programs.

LOANS FOR EQUIPMENT UNJUSTIFIED AND UNFAIR

1. Thirty-year loans are okay for land and buildings, but have no relationship to the life of equipment. Equipment would be depreciated several times over that long a time.

2. Any enterprise brought in on the basis of land and buildings should be able to finance the equipment. If the firm can't finance equipment itself, it is doubtful that the community would want such a business risk.

(NOTE.—This applies to nonfixed equipment not attached to the building.)

3. This is an unreasonable public subsidy of business. You are doing more than just trying to aid areas with chronic unemployment.

4. It gives a major competitive advantage to those so subsidized.

Mr. BUSH. Mr. President, I yield to the Senator from New York [Mr. JAVITS] as much time as he may need.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I shall take but a few minutes to explain what I consider to be an important point.

Mr. President, may we have order? This is an important bill, and this happens to be an important point about the bill, though I have no illusions of being able to convince a good many of our friends on the other side of the aisle; but this point at least ought to be listened to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, what the Senator from Connecticut is proposing is that there should not be raiding, under the guise of this bill, on the big industrial States. I do not see how anyone can argue with that desire, if the honesty of the bill is to be maintained.

What I am proposing is the exclusion from financing, under the provisions of the bill, of machinery and equipment. There either would be made available another $80 million or $100 million, or the amount provided by the bill would be reduced by that amount. If another $80 million or $100 million should be made available we should take into consideration the objections made by the chairman that the cloth is not adequate to go around.

Those who wish to make reductions in the amount available will find it possible to reduce, legitimately, the amount provided. Why do I say "legitimately"? The classic pattern followed in the sections which have been hurt by chronic unemployment and unemployment because of technological reasons has been financing through tax avenues and through acquisition of land in a community and the construction of buildings. One of the most notable examples of the rehabilitation of a community under self-help programs is the fantastic job done in the Utica-Rome area, which was one of the most depressed areas. It has been restored economically by the technique of making it possible to buy machinery on fairly liberal terms, under a self-financing plan. Machinery can become obsolescent or perishable. Then it is mostly a drug on the market for a particular community. Hence that kind of program should not be connected with this type of rehabilitation program. It costs a great deal of money. It takes much out of the bill.

In the testimony of the Department of Commerce, which is to be found at the foot of page 400 of the record of testimony on this bill, it is stated: "Machinery and equipment exceeds the investment in land and buildings by 4 to 1."

A survey by the Department of Commerce of industrial establishments under new construction showed that machinery and equipment constitute 43 percent of the total cost of building those establishments.

When that fact is coupled with the fact that the proposal is completely outside the tradition with respect to area rehabilitation, the very large amount provided in the bill which will go to machinery and equipment will cause legitimate suspicion on the part of great industrial States that an attempt will be made to raid them, using this very provision for machinery and equipment as bait. That factor would place a great handicap in the bill, unless the amendment were adopted.

I say to the friends of the bill—not those against it, but its friends—if they are really serious about the purposes of the bill, as they have expressed them, and wish it passed to assist their States, they should accept, not oppose, this particular amendment.

Mr. DIRKSEN. Mr. President, I should like to ask the Senator a question. Would the proposed amendment cut any money from the bill, or would it simply eliminate the use of funds for machinery and equipment, so that the funds would be intact and could be used only for renovation, construction, and so forth?

Mr. JAVITS. As I and the Senator from Connecticut designed the amend-

ment it would cut no money from the bill.

Mr. DIRKSEN. The amount of money in the bill as reported by the Committee on Banking and Currency would remain intact?

Mr. JAVITS. Exactly. However, if we are successful it would be legitimate to move to reduce the amount, and the same purpose could be accomplished, or we could accomplish 40 percent more if we left the amount intact.

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

Mr. JAVITS. I yield.

Mr. BUSH. I believe the amendment, as merged, would severely restrict the use of these funds. That is the purpose of my amendment.

Mr. JAVITS. That is the purpose of my amendment.

Mr. BUSH. The money could not be used for financing the transfer of an industrial organization from one State to another. The use of Federal funds would be prohibited in that regard.

Mr. DIRKSEN. But the amendment inserts the word "not" so that the money would remain intact at the level reported in the Douglas bill, but could not be used for machinery and equipment.

Mr. JAVITS. The Senator is correct.

Mr. DIRKSEN. The money would remain in the bill at some $380 million-plus.

Mr. JAVITS. Except that it would be susceptible to a reduction of from $80 million to $100 million, without changing the purpose of the bill.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. BUSH. Mr. President, I yield myself 2 additional minutes.

I simply wish to say I endorse all my distinguished friend from New York has said regarding the amendment. I want to thank the Senator for the suggestion that we merge the two amendments, which I think are not conflicting, but rather are complementary. I believe if the amendment is agreed to by the Senate, it will make the bill much more palatable to a great many areas of this country. I strongly urge the Senators who believe that the pirating of industry should not be done at the expense of the Federal Government to support the amendment.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the very able junior Senator from Connecticut.

Mr. DODD. Mr. President, I am reluctant to enter the debate on the amendment, because my distinguished colleague, the senior Senator from my State sponsored the amendment. There are many occasions when I find myself in agreement with my friend and colleague from Connecticut, but I feel compelled to differ with him on this amendment for two or three reasons which I should like to make clear on the record.

I speak in opposition to the pending amendment which would, in my judgment, make this bill unworkable and endanger its passage.

I fully agree that funds under this bill should not be used for simply moving industries from one place to another. We are all in agreement on this point.

However, I am convinced that the antipirating clause now in the bill provides reasonable and adequate protection against this practice. There are many controversial points in this legislation, but the antipirating clause is one point upon which there is preponderant agreement. The clause in the Douglas bill, S. 722, is the same as that in the administration bill, S. 1064, and in fact it was taken from the administration bill. The clause in the Douglas bill has the support of the administration, the Banking and Currency Committee, and has substantial backing from both sides of the aisle. It has this support because it is the best clause that reasonable and conscientious men can agree upon.

The philosophy behind the pending amendment seems to be that Connecticut cannot compete successfully with other States for new businesses. I do not share this view. I think our State has more to offer new business than any State I can think of. Our State finances are sound. We have a great deal of skilled labor of all kinds; the level of health and education and of public facilities in our State is high and we are located right in the midst of the great consumer market of the Northeast.

There have always been, and always will be, transfers of business from one locality to another. Of necessity, redevelopment requires a degree of flexibility, a margin for discretion, in order to tailor each project to the needs of a particular area. To prevent any relocation of industry, to remove the necessary margin of discretion from the hands of the Administrator would destroy this bill.

The rigid amendment that my colleague the Senator from Connecticut proposes would make the administration of this bill impossible, invite countless lawsuits over its application, and cost the whole bill the support of many who now favor it.

Congress learned long ago that it can make the laws but not administer them.

The wording of this bill is clear. The legislative intent as spelled out in the hearings and in the floor debate is clear. Congress is on record, completely and adequately, against use of this bill for purposes of industrial pirating.

We must depend on the executive branch to administer any law faithfully and conscientiously. We cannot administer it ourselves. We know that the amount of money available under this bill is not nearly enough to meet the requests that will flood in from all areas of the country. I believe we can rely on the integrity and the dedication of those administering this act to see to it that only those requests which best square with the intent of Congress will be granted.

Over the years in this as in all bills of this kind, we shall probably find provisions which need tightening or loosening.

This may prove true of the antipirating clause. But for now, the present clause in the Douglas bill, which has substantial support from all sides, should be given a chance. I oppose the present attempt to amend it.

Mr. DOUGLAS. Mr. President, I ask for the defeat of the amendment. The Bush portion of the amendment has already been adequately taken care of in the bill itself, and is covered in the report. To have further binding language would hurt our friends of the South. The amendment is, in a sense, an anti-southern amendment; and though I come from the North, I do not wish to sponsor or support such an amendment. The Javits portion would be too restrictive.

BUSH ANTIPIRATING AMENDMENT NOT NECESSARY

At page 9, line 20 of the bill as reported, it is stated:

> 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.

Then, on page 22 of the report, it is stated:

> Section 6 expressly provides that loans made under it for industrial projects must not be granted 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. This provision reflects the declaration of purpose of the act, to create new employment opportunities by developing and expanding facilities and resources without substantially reducing employment in other areas of the United States.
>
> 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 businesses 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.

Now this, I submit, is sufficient protection against the use of Government funds to finance so-called runaway plants. The main objection to plant relocation is that it causes substantial unemployment. We are not trying to freeze in the status quo. If that were to be a relocation into a depressed area, and if the relocation did not cause substantial unemployment, I see no reason that it should not be permitted.

I further submit that the bill and the report is sufficient to guide the Administration in allocating loans. Were he to grant a loan to finance a plant relocation which hurt an area, he would clearly be in violation of the intent of the act.

I am firmly convinced that the Bush amendment is so rigid as to virtually destroy sound administration discretion and flexibility.

Moreover, the Bush amendment would cause many of our southern friends to oppose the bill in the belief that it would finance businesses in staying where they are and not creating new employment opportunities in the South. Its adoption would cause the bill to lose support without picking up any new support. For example, even if we adopted it, I doubt that the senior Senator from Connecticut would support the bill as amended.

We have discussed and worked on this problem for nearly 5 years. We have reached the agreement embodied in the bill. Thus I will certainly oppose efforts to upset this agreement.

JAVITS PROPOSAL TO EXCLUDE MACHINERY AND EQUIPMENT TOO RESTRICTIVE

The Javits portion of the amendment would restrict the loans to lands and buildings, and would make the program largely ineffective.

The cost of land is relatively small in depressed areas, simply because they are depressed. The cost of buildings will not be much either, because in many cases it would be possible to take over an existing building and rehabilitate it with a relatively small amount of capital. Thus, the thing that can really make redevelopment possible would be the financing of equipment and machinery which lies at the heart of the whole enterprise.

Now, there are two main arguments which might be raised against the inclusion of machinery and equipment. First. It may be said that, because of obsolescence, we should not finance machinery for such a long period of time as 30 years. I would agree with this, but the 30-year period is a maximum, and I would expect the Administrator to provide for a realistic period in the case of loans for machinery and equipment. Depending on the nature of the machinery or equipment, this might run from 5 to 15 years. Second. It may be said that making loans on machines is dangerous, because if the loans cannot be repaid, the Government would lose its investment. However, there are many general-purpose machines such as lathes and punch presses which can be applied to a great variety of uses. Thus, it is not necessarily true that the Government would lose its investment were the loan to go into default.

Therefore, Mr. President, I hope very much that the Bush-Javits amendments will be defeated.

Mr. BUSH. Mr. President, I yield myself 2 minutes for the purpose of observing it is delightful to see my friend, the Senator from Illinois, show so much consideration for our friends of the South. I am sure they appreciate his concern very much, indeed.

In regard to what my distinguished colleague from Connecticut [Mr. DODD] said, I wish to observe that the northeastern part of our State, to which he referred in his remarks earlier in the day, has suffered for many years from an unemployment factor, although that has not always been the case. In 1956 that section pretty well attained full employment. Nevertheless, the area has been seriously affected by the moving of industry from our State.

I simply wish to say that I am indeed concerned about the effect of the bill, since it would facilitate the movement of industry from my State into other sections of the country. I object very strongly on behalf of my State to the use of Federal funds for that purpose. The whole purpose of the so-called Bush-Bennett amendment, and I make no apology for it, is to prevent such a thing happening.

I believe if the sponsors of the bill believe sincerely what they have written into the bill, namely:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another—

They should stop there and say so, rather than permit the bill to be "weasel worded" in such language as—

> when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

I ask Senators if they can tell anyone what constitutes "substantial detriment." I say that is an impossible term to define, and therefore the bill itself would be unworkable and impossible to administer.

Mr. KEATING. Mr. President, will the Senator yield on that point?

Mr. BUSH. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. KEATING. I need only 1 minute to ask the Senator a question.

The junior Senator from Connecticut [Mr. DODD] raised the point that the amendment would make the bill difficult to administer. One of the great merits of the amendment offered by the Senator is that it would make it possible to administer the bill. With the wording—

> when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

The terms are so vague as to make it impossible for any administrator to construe them. Does the senior Senator from Connecticut agree with that statement?

Mr. BUSH. The Senator from New York is absolutely correct. That is the whole point of the amendment.

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

Mr. BUSH. I yield to the Senator from Colorado.

Mr. ALLOTT. Is it not a fact that the language on page 9, which language is sought to be stricken, could be interpreted to mean, in actual practice, that the Administrator could move a business from one area to another area if fewer people would remain unemployed in the former area than would be put to work in the latter area?

Mr. BUSH. Exactly. The purpose of the amendment is to simply prohibit entirely the use of Federal funds for the purpose of relocating an establishment from one area to another.

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

Mr. BUSH. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. Am I correct in my understanding that under the language of the bill Congress would say to one area, "You can get Federal money for the purpose of damaging a community in Ohio and benefiting yourself."

Mr. BUSH. That is correct.

Mr. LAUSCHE. "Unless it is shown that you propose to damage it substantially, that money will be available to you."

Mr. BUSH. That is correct. But who is to determine what is "substantial detriment"? The poor Administrator? I submit to the Senator from Ohio that he would have an impossible assignment.

Mr. LAUSCHE. In my opinion, that provision, in effect, would serve notice upon communities, "Come to the Federal Government and receive Ohio taxpayers' money, and with that money draw away from Ohio those industries and businesses which it has developed through good government and good service, and locate them in other communities."

Mr. BUSH. The Senator has stated the case better than I possibly could.

Mr. President, unless some other Senator wishes to speak on this amendment, I am prepared to yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield back the remainder of the time on our side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH] on behalf of himself, the Senator from New York [Mr. JAVITS], and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mr. MAGNUSON] would vote "nay."

The result was announced—yeas 33, nays 60, as follows:

YEAS—33

Aiken	Cotton	Martin
Allott	Curtis	Morton
Beall	Dirksen	Moss
Bennett	Dworshak	Mundt
Bridges	Goldwater	Prouty
Bush	Hickenlooper	Saltonstall
Butler	Hruska	Schoeppel
Capehart	Javits	Scott
Carlson	Keating	Wiley
Case, N.J.	Kuchel	Williams, Del.
Case, S. Dak.	Lausche	Young, N. Dak.

NAYS—60

Anderson	Ellender	Jackson
Bartlett	Engle	Johnson, Tex.
Bible	Ervin	Johnston, S.C.
Byrd, W. Va.	Frear	Jordan
Cannon	Gore	Kefauver
Carroll	Green	Kennedy
Chavez	Gruening	Kerr
Church	Hart	Langer
Clark	Hartke	Long
Cooper	Hennings	McCarthy
Dodd	Hill	McClellan
Douglas	Holland	McGee
Eastland	Humphrey	McNamara

Mansfield	Pastore	Stennis
Monroney	Proxmire	Symington
Morse	Randolph	Talmadge
Murray	Robertson	Thurmond
Muskie	Smathers	Williams, N.J.
Neuberger	Smith	Yarborough
O'Mahoney	Sparkman	Young, Ohio

NOT VOTING—5

Byrd, Va.	Hayden	Russell
Fulbright	Magnuson	

So the amendment offered by Mr. BUSH, for himself, Mr. JAVITS, and other Senators was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. DOUGLAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that there are two amendments to be proposed which are acceptable to the committee. I believe no discussion of them will be necessary. Then, I understand, the Senator from New York [Mr. KEATING] has a very brief statement to make on the bill. We can have a vote on the passage of the bill this evening if that is agreeable to the Senate. If there is to be a prolonged discussion of the bill we shall have to delay the final vote on the bill until tomorrow, because there is an important meeting to be held at 6 o'clock this evening which some Senators must attend. If the chairman of the subcommittee is agreeable to accepting the Kerr-Monroney amendment and the Bennett amendments we can get action on those amendments at this time.

Mr. DOUGLAS. I shall accept the Kerr-Monroney amendment and the Bennett amendments.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from New York will not take more than 2 or 3 minutes, because I should like to assign similar time to the Senator from Kentucky.

Mr. ALLOTT. Mr. President, I should like to have a few minutes on the bill. I realize the time schedule the leaders face. However, if I cannot have some time on the bill I shall have to object to a vote at this time.

Mr. DIRKSEN. I most respectfully suggest to the majority leader that perhaps we should delay the vote on the passage of the bill until tomorrow.

Mr. JOHNSON of Texas. Mr. President, may we have the amendments stated and accepted?

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Utah.

The LEGISLATIVE CLERK. On page 31, it is proposed to strike out lines 3, 4, and 5 and through the comma in line 6.

On page 31, after line 10, it is proposed to insert the following:

(c) The Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeships and to promote journeyman and other job training in the area.

On page 32, lines 10 and 11, it is proposed to strike out "and section 16 of this Act".

Mr. DOUGLAS. Mr. President, I accept the amendments on behalf of the committee.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendment offered by the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY] will be stated.

The LEGISLATIVE CLERK. On page 7, line 19, it is proposed to insert after the words "public assistance", the words "from the Federal Government and/or".

Mr. DOUGLAS. Mr. President, on behalf of the committee, I accept the amendment.

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

Mr. KERR. I thank the Senator from Illinois.

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

Mr. CAPEHART. Mr. President, I merely wish to say one thing about the bill. It proposes bad legislation. I like to help unemployment. I do not believe that the bill will do that in the long run. Under a socialistic form of government, of course, the government accepts the responsibility for providing employment.

The enactment of the bill would establish the precedent of the U.S. Government furnishing jobs. I believe that under the bill the Federal Government would accept the responsibility of furnishing jobs in the United States even where they were not needed. I wish to go on record as saying that in my opinion the legislation which is here proposed is bad. The bill should be voted down. If we enact the proposed legislation embodied in the bill we may well live to see the day when we will socialize the United States and have the Government accept the responsibility of providing jobs. The bad feature of the bill is that we are accepting the responsibility of furnishing jobs in the United States. I think that is a bad precedent to establish.

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

The bill, S. 722, was ordered to be engrossed for a third reading and was read the third time.

Mr. JOHNSON of Texas. I yield to the Senator from New York such time as he may desire.

Mr. KEATING. Mr. President, the declaration of purpose of the bill before us today, S. 722, contains the worthy and laudable statement that "under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States."

The provisions of S. 722, however, cannot and will not approach this objective. It is, in fact, a bill which will aggravate the very problem it seeks to solve, a bill which will lead to the creation of additional depressed areas.

I am certain that each Member of this body is concerned over the conditions which exist in economically distressed areas of this Nation. But let us make sure that our diagnosis is correct and that the cure we propose will not lead to worsening conditions in other sections of the country.

One of the major causes of unemployment in parts of the Northeast has been the migration of industry. The provisions of S. 722 cannot help but contribute to the acceleration of such movement. Despite the language which purports to prevent relocation of industry, it would be unrealistic to assume that business firms would not take advantage of the inducements which are offered, or to assume further that substantial detriment to the area of original location can be determined administratively. What will be the criteria for such determination? Shall it be the loss of 300 jobs, or 500, or 1,000 before there is substantial detriment? It would be detrimental to place legislation on the books which would be responsible for the loss of even one job in one part of the country while attempting to create employment opportunities in other areas.

As a result of the loss of industry, the termination of defense contracts and other factors, there exist pockets of substantial unemployment in my State, ranging from over 8 percent of the labor force in the Syracuse area to over 12 percent of the labor force in the Buffalo area. None of these areas would be eligible for assistance under the legislation which has been proposed. Among the smaller areas of substantial labor surplus in my State, only 3 of 14 would be considered under the provisions of S. 722. This situation can be multiplied in other States.

In other words, under the terms of this bill, New York taxpayers will be required to shell out large sums to relieve unemployment in other areas without any benefit whatever in New York. We do not want to appear selfish or unsympathetic to the needs of other communities but our New York taxpayers have serious problems right at home which are bound to constitute a drain on their resources at the State and local level.

I bring these facts to the attention of the Senate not to urge the broadening of the aid provided under this legislation, but to point out what I believe to be a serious defect in this proposal as presented to us. It is designed to aid a few communities at the expense of all.

I am deeply concerned over the unemployment picture in various sections of my own State. I cannot in good conscience support efforts which not only will not help New York but will actually aggravate our situation.

When I pointed out on the floor of the Senate last Friday that S. 722—even if workable—could render aid to only a small portion of the unemployed of this country and would be in effect nonexistent as far as the unemployed of my State were concerned, I was duly informed by the Senator from Illinois that these people of New York State might well be eligible tomorrow or next year.

I dislike to believe that such is the philosophy behind this proposed legislation. I dislike to believe that we are being asked to contribute our tax dollars

at this time and wait until our unemployment picture becomes so aggrieved as to become eligible for this proposed aid tomorrow or next year.

In any event, this bill is unfair and discriminatory to those States which are bearing the costs of programs to alleviate their own unemployment problems and are now being asked to shoulder additional burdens. It is unfair to those States which are exerting every effort to maintain and attract business and which would be faced with the loss of such industry under the inducements written into this bill. And lastly and probably most unfortunately, it is unfair to the very people it purports to help, the unemployed of this Nation, few of whom will ultimately be the beneficiaries. Millions will think they are getting something but less than 10 percent of them, under the most favorable circumstances, will benefit and at the same time, by the very terms of the bill, the unemployment problem will be rendered more acute elsewhere.

Let us not evade cur responsibilities to the unemployed in depressed areas; but let us pursue a course which would provide the help which is needed without inflicting damage elsewhere.

Mr. ALLOTT. Mr. President, I wish to join my colleague, the junior Senator from New York, in the statement he has just made in opposition to the pending bill.

The bill, as written, is a misguided attempt to help those areas which have suffered from unemployment chronically throughout the years. I do not oppose this simply because it leaves my own State out of any possible benefits from the act, except those which are too nebulous to attract even the most guileless person.

I oppose it because:

First. As written, the program creates a precedent and pressures for immense additional expenditures of Federal money.

Second. The bill would not begin to provide jobs for even the 390,000 who are supposed to be the primary beneficiaries of the bill.

Third. By approaching the problem of unemployment on a local or area basis, the bill puts the Federal Government in the position of locating and influencing the location of private business in this country.

Fourth. The refusal to adopt the Bush-Javits amendment leaves the bill wide open to the most pernicious practice of all; that is, the pirating of business from one community to the other. Under the phrase, as used on line 22, page 9, and subsequently in the bill, "when such assistance will result in substantial detriment to the area of original location," the way is open wide for the pirating of business from one area to another. The bill does not set up standards by which the Administrator is to make such decisions. For example, under this bill it is possible for the Administrator to assist a chronic area even though it will result in unemployment in another area, if the total unemployment thus produced could not be considered substantial in the latter area. Or, to put it another way, if the amount of unemployment in the pirated area produced by moving a business was not substantial with relation to the total population, businesses could be pirated, not only with the assistance of the Government but with the Government supplying the money.

I look with great sympathy on the areas of this country which the sponsors of this bill say they are trying to help. I am anxious to try and assist them. But such assistance can never come within the straitjacket of this concept which is here before us again today in an even worse form than ever before.

Since the bill cannot help but set in motion a chain of events detrimental to communities now healthy, and cannot begin to do the job which its proponents claim, I am forced to oppose it.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Kentucky as much time as he may desire.

Mr. COOPER. Mr. President, I have supported the committee bill, S. 722, and opposed the administration bill. I spoke at some length on this subject on last Friday. In the short time now available, I want to say simply that I have done so because I believe S. 722 will meet more adequately the desperate situation existing in the distressed areas or our country.

Federal responsibility and Federal action have been admitted by the administration bill, the amendment in the nature of a substitute offered by the distinguished Senator from Pennsylvania [Mr. SCOTT], and, of course, by the committee bill, S. 722. Unless one opposes all bills in principle, the only question before us, is the adequacy of the bill.

There is no question in my mind that S. 722 will cope more adequately with the problems of depressed areas than any other bill before us.

We do not know precisely what effect the passage of the bill will have on the budget. It will undoubtedly increase expenditures. Nevertheless, along with the defense of the country I can think of no greater obligation than to help persons out of work and hungry, in the depressed areas of our country such as S. 722 proposes. It is the only measure before Congress which offers any permanent help. For these reasons, I am glad to cosponsor and support S. 722.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I hope the Senate will pass the pending bill by a majority large enough to insulate it from any veto.

All of us know that if a community is to attract industry that community must offer good living as well as good business.

It takes more than a new factory building ready for occupancy. It takes roads, schools, sewers, playgrounds, plus all the other things which make any town a proper place in which to live and work.

Can communities do this by themselves? Let us be realistic. Local government finances in many of our localities have been drained by the recession until there is barely enough left to meet their own payrolls. How, therefore, can they afford, on their own, to make the additional investment needed to attract industry?

Where necessary and right, loan capital should be furnished by the Federal Government. And that is exactly what this area redevelopment bill will do.

In addition, S. 722 has the following features which make it worthy of our support:

First. It helps both rural and industrial areas.

Second. It is primarily a loan program, rather than a program of outright grants.

Third. The community lending procedure is so safeguarded as to avoid competition with private banks.

Fourth. It is directed primarily toward revitalizing and modernizing private enterprise, rather than toward substituting Government business for private business.

This is not a spending bill; it is an investment bill. Any businessman knows the difference between current operating expenditures and capital investment in plant and equipment. This distinction is equally true here.

Unemployment is not cured by unemployment compensation and other such benefits, necessary as they are. These are symptoms, not causes.

This bill attacks the causes. It is such investments today that will make sure chronic unemployment does not persist in the future. Only by investments of this type can we make sure that we will in the future operate our economy on a full production basis and thereby meet the great economic challenge posed to us by the Communist world.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD just prior to the vote on the area redevelopment bill a statement prepared by me in regard to the bill.

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

STATEMENT BY SENATOR HUMPHREY

Today in Washington and throughout this Nation of ours we hear and read the slogan "Balance the budget." Those who question the wisdom in reducing needed Federal Government programs which a balanced budget would require are branded as spenders. Yes; everyone who wants a school lunch program for all the hungry children is, according to the Republican administration, a wild eyed radical spender. To be a saver or a good boy according to 1959 Republican Party standards, you have got to be against unemployment compensation, slum clearance and low-rent public housing.

I for one and the overwhelming majority of my Democratic colleagues will not be scared off by this flow of unsupported and unsupportable political propaganda. I want to balance the budget, too. But first, like President Roosevelt, I want to balance the budget of human needs. Sometimes I find it difficult to believe that the Republican Party can so underestimate the basic good sense of the American people. All last year the President and his supporters talked about the Nation's good economic health and how a clever advertising campaign was all that was needed to help us regain the jobs lost because of the recession. We Democrats in Congress last year passed over strong administration opposition an area redevelopment bill. The President vetoed this bill which would have helped local distressed areas to help themselves. Well, the voters

voted dozens of the President's fellow Republicans out of Congress last November.

To me the voters of the Nation spoke in clear and simple terms last November. They told the Congress and others in the Government that they were tired of confused lectures on how their Government was unable to meet the challenges of our time. The people of America told us by their votes that they were fed up with governmental officials who because of an apparent obsession with fears of the present or ghosts of the past could not or would not see the America of the future as a great and expanding country.

Everyone of us regardless of political affiliation is determined that the peoples of the world be free. That means we are not going to stand back and permit the Communist leaders of the Soviet Union to take over and strangle freedom in America or any other free nation. Therefore, we must remain strong enough to deter or discourage the Soviet leaders from going to war. There should be no doubt left in the minds of any would-be aggressor that we have the might and determination to win any kind of war they might start.

We all look forward to the day when the threat of war will lessen and permit the direction of our present military expenditures into programs to accelerate the progress toward a better life for all mankind. But we need not—and indeed we will not—wait until military expenditures are reduced before turning our attention to the relief of individual and community distress and the improvement of our economic structure.

EXPANDED ECONOMY URGED AS PREFERRED WAY TO BALANCED BUDGET

The United States can't afford to merely stand still.

We cannot be content with business activity only approaching a level we had already reached in 1956.

We cannot have a model T economic program in the jet age. If we do, the world will soon rush by leaving us by the wayside as a second-rate nation.

In view of our expanding industrial capacity, a constantly rising work force, and an increasing population, in order to maintain a healthy economy it is necessary that there be steady and solid economic growth and development.

A high level of unemployment and the widening gap between our industrial capacity and actual output is a tragic waste of men and equipment.

It cannot be condoned when we have so many unfilled needs here at home, when we should be giving greater assistance to underdeveloped nations so as to raise their standards of living, and when our defenses need strengthening so badly.

If we are to remain as the leader of the free nations of the world, it is imperative that we have a strong, growing, and dynamic economy. We cannot afford idle men and machines at so crucial a time in world history.

The President's budget is not geared to a healthy, expanding economy which can produce the goods and services we need if we are to maintain both a prosperous America and also maintain adequate defenses.

The President's budget is designed to limit economic growth on the theory that this is the only way to hold down prices and stop inflation. However, the facts are that in the past 3 years while our economy has stood still we have had the sharpest rise in the cost of living in the peacetime history of the country.

The answer doesn't lie in a stagnant economy, but rather in an expanding and growing economy whereby our manpower and machinery is effectively utilized.

We are all for a balanced budget. There is no earthly reason why a country as rich as ours should have to operate at a deficit in these times. I am for a balanced budget.

But there are three ways to balance the budget.

One way is to simply slash public spending to the level of expected income, regardless of the importance of the programs.

A second way is to raise taxes.

And the third way—which I favor—is to meet the costs of necessary public spending through fiscal and monetary policies designed to stimulate economic growth and larger incomes, which in turn means larger tax revenues.

This third alternative seems to me the only one which makes real sense.

There are a number of programs we can and should undertake now both as necessary to present needs and essential to future progress. Redevelopment of depressed areas is absolutely necessary to put our economy on a sound footing so that we can all move ahead together.

Major areas in the United States have suffered high levels of unemployment for the past several years. The causes for this are easily ascertained by a review of the economy in each of these areas. During the war years West Virginia produced the fuel that put the guns, planes, and ships into the hands of the fighting men of the United States and her allies. Production was stepped up to a point far beyond the need for coal when the war effort was cut off. Then, too, came automation. Coal is mined with more machinery and fewer hands. Other fuels came into the market.

The evidence before us in the Senate is that the need for area redevelopment is found in every region of the Nation. When we read down the list of cities where substantial unemployment has persisted for months and years we find communities that were once flourishing communities with thriving industry and people. Charleston, W. Va.; Providence, R.I.; Erie, Pa.; Buffalo, N.Y.; Detroit, Mich.; Durham, N.C.; Knoxville, Tenn.; Jaspar, Ala.; Kenosha, Wis.; and Texarkana, Tex., are now among the distressed. But they were among the leading communities in America's economic development. These are the distressed communities of today, but they can be the bulwark of tomorrow's economic growth.

The problems of these depressed areas are not new. Until 1954 there was some hope that national full employment would spread itself around and pull up the economies of the depressed areas. However, by 1954 we could see that the problem required special attention. Many of us in Congress called for a program to promote economic rehabilitation in the urban and rural areas which had been passed over by general prosperity. It was 5 years ago that we in Congress pointed out that the Government of the United States had in the Employment Act of 1946 pledged itself to policies which would promote maximum employment. The Employment Act of 1946 did not say that this pledge was not to cover Charleston, W. Va., or Scranton, Pa., or Buffalo, N.Y., or Detroit, Mich., or Duluth, Minn., or any other city where unemployment was at a high level. No; the pledge of the Government of the United States is to follow policies to promote maximum employment in the Nation as a whole. Here we are, 5 years later, still trying to get the administration to act.

When we in Congress first put forward proposals to meet the specific problems of the depressed areas, the administration ignored the proposals. The serious recession of 1957 and 1958 added to the human deprivation of those who live in the areas of chronic high-level unemployment. So the administration can no longer ignore the problem. They cannot just say it doesn't exist—the facts have been called to the attention of the American people. The people know that children are hungry. The people know that in hundreds of communities children are unable to attend school because they have no shoes. The people know that hundreds of thousands of men, ready, willing, and able to work, have been unable to find jobs. And what is even more important is that the American people know these conditions will not correct themselves. Therefore, the proposals in Congress to encourage the redevelopment of these depressed areas have received wide support among our people.

Even the administration now knows that these proposals can no longer be ignored. Yet, instead of supporting the effort to promote area redevelopment, they continue to oppose any real action.

The President vetoed the area redevelopment bill Congress passed last summer, and the people of America showed their disapproval by vetoing more Republican candidates for Congress than at any time since 1936. Unfortunately, the administration still opposes the area redevelopment proposals which would do the long-overdue job.

The Republican administration now admits that there may be some distress in a few areas of the Nation, but they propose that the State and local governments do whatever is required. The administration takes the position that the Government of the United States just can't afford to help families and communities to recover and redevelop their economic potential.

I think the Congress, with the full support of the American people, should and will tell the administration that there are some things more important than a balanced dollar budget. That food, clothing, decent housing, medical care, and adequate education are necessary to a balanced human society. And that in the long run our whole way of life—our liberty, freedom, and high standard of living—depends on the willingness of each generation to assure expanding opportunities. The question should be, How can the free people of America best utilize their human and natural resources? To force able and willing men and women to stand by unoccupied because of the lack of jobs is unpardonably wasteful. To deny today's children the necessities of life is to wantonly destroy our greatest future resource. But the men of little vision in the administration can only talk about the budget. And they say our depresesd area redevelopment program is too expensive.

What have we proposed? We who have joined in the sponsorship of area redevelopment legislation, and there are more than 40 Senators on the bill, would authorize low-interest loans for private industry and public projects and grants for public facilities, in addition to informational, planning, and technical assistance to help State and local governments and development groups increase the number of permanent jobs in depressed areas. Also, we would permit an unemployed worker to continue to draw subsistence payments if he enters into a training program to acquire a skill which would help him get a job. The total cost of this entire program would be about $390 million, with $300 million of the total being in the form of repayable loans. The total cost to the Federal Government would be less than $90 million or about one-tenth of 1 percent of the Eisenhower budget for 1960. Still the administration says "No, we can't afford it."

Let me tell you that there are expenditures included in the Eisenhower budget which we must pay, but which were unnecessarily incurred. I refer to the increase in interest on Government bonds—an increase of $2,200 million. This increase of the interest rate, which will cost $2.2 billion in the 1960 budget, was deliberately planned and engineered by the Eisenhower administration. What is more they are planning even more interest increases. This increased debt service charge is an expense which will recur each and every year. So here we find the same administration

which says: "No, we can't afford area rehabilitation and the encouragement of job opportunities. We just don't have the $90 million that the program would cost. But we will pay $2.2 billion more in interest on Government bonds."

In 1960 this high interest policy will cost the American taxpayer 25 times that requested for the area redevelopment bill.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately preceding the vote on the area redevelopment bill, a statement explaining my position.

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

STATEMENT BY SENATOR BYRD OF VIRGINIA

The pending area assistance bill would establish WPA-type programs involving Federal and local money and possibly State money in areas where unemployment is found to be persistent.

The bill would authorize expenditure of $389.5 million in Federal money. The administration proposed a similar program with expenditure authorizations totaling $53 million. The bill would exceed the administration request by $336.5 million.

As reported by the Senate Banking and Currency Committee the bill would authorize expenditure directly out of the debt, outside of appropriation control, of $300 million. It would authorize other spending authority which may be either contract authority or authority to appropriate totaling $89.5 million.

Provisions of the bill would:

1. Set up new independent agency in executive branch—the Area Development Administration.

2. Set up new loan program with two revolving funds for industrial and rural areas—to aid and participate in purchase, construction, rehabilitation, etc., of facilities for industrial uses; and it specifies that security for the Federal portion of the loans is subordinate.

3. Set up new loan program in another separate revolving fund for purchase, construction, rehabilitation, etc., of public facilities, which are unlimited in the absence of a definition in the bill.

4. Set up new grant program for planning, construction, rehabilitation, etc., of public facilities.

5. Direct the Administrator to promote and encourage participation in the program by providing information and assistance to any interested parties.

6. Authorize $4½ million annually for technical assistance to designated areas, including studies, evaluations, etc., either directly or under outside contracts.

7. Broaden the urban renewal program to allow areas covered by the bill to get and use urban renewal money.

8. Authorize new vocational training and retraining program in the Department of Health, Education, and Welfare.

9. Provide grants to States by the Secretary of Labor for subsistence payments to individuals being trained or retrained. Payments would be made to individuals not receiving unemployment compensation, and would be for a 16-week period.

10. Make provisions of the Davis-Bacon Act applicable to all construction under the bill.

11. According to the committee report, implement the so-called Full Employment Act.

12. Make adverse effect on an industry resulting from Trade Agreements Act the basis for high priority consideration under the program.

The following table shows area assistance funds provided under S. 722, as reported by the Senate Banking and Currency Committee, compared with the administration requests:

Area assistance funds provided under S. 722 as reported by the Senate Banking and Currency Committee, compared with administration request

	Authority to expend from public debt receipts		Contract authority and other authority to appropriate		Total	
	Administration request S. 1064	Reported by Senate S. 722	Administration request S. 1064	Reported by Senate S. 722	Administration request S. 1064	Reported by Senate S. 722
Loans:						
For industrial projects:						
In industrial redevelopment areas		$100,000,000	$50,000,000		$50,000,000	$100,000,000
In rural redevelopment areas		100,000,000				100,000,000
Subtotal, industrial projects		200,000,000	50,000,000		50,000,000	200,000,000
For public facilities		100,000,000				100,000,000
Total, loans		300,000,000	50,000,000		50,000,000	300,000,000
Grants and payments:						
For public facilities				$75,000,000		75,000,000
For technical assistance [1]			3,000,000	4,500,000	3,000,000	4,500,000
Retraining subsistence payments [1]				10,000,000		10,000,000
Total, grants and payments			3,000,000	89,500,000	3,000,000	89,500,000
Grand total		300,000,000	53,000,000	89,500,000	[2] 53,000,000	[2] 389,500,000

[1] Authorizations for annual appropriations in the amounts shown.
[2] Exclusive of administrative and other cost which would require additional appropriations annually.

Mr. DOUGLAS. Mr. President, in the interest of saving time I ask unanimous consent that a summarizing statement I had intended to make on Senate bill 722, be printed in the RECORD prior to the final vote.

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

STATEMENT BY SENATOR DOUGLAS ON S. 722

I should like to make a few final remarks before the rollcall on final passage of S. 722, the area redevelopment bill.

AREA REDEVELOPMENT PROGRAM NEEDED NOW

There are many areas in the United States which have fallen prey to substantial and extended unemployment and underemployment, a condition which has existed for some time. These areas have been especially hard hit during recessions and, even during periods of recovery, they have often remained in a depressed state. This has caused hardship to many families and is a waste of vital resources. S. 722 would help these distressed areas with a program of self-help.

S. 722 would help those depressed areas which have sound economic potential, to strive more effectively for recovery. The areas, industries, and individuals in these areas should thus be able to achieve lasting improvements and create new employment opportunities.

Continued over a long period, depressed conditions cause disintegration of community physical resources—schools, stores, hospitals, banks, office buildings, homes, churches, and other community services. Moreover, carrying out the purposes of S. 722 would serve to reduce public outlays for unemployment compensation, relief, and various other forms of public assistance.

The needs of the low-income rural areas are also pressing. Rural areas have not shared during recent years in the growth of the country. 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.

Funds provided by S. 722 would represent an investment in increasing productivity. Dollars spent to promote production by otherwise idle or inefficiently employed resources do not have the same inflationary effects as those which are spent under conditions of relatively full employment. Indeed, by making possible an increase in productivity in the Nation's distressed areas, the loans by the Federal Government contemplated under S. 722 might actually have anti-inflationary effects.

HOW THE BILL WOULD HELP

S. 722 proposes the establishment of an Area Redevelopment Administration headed by an Administrator appointed by the President with the advice and consent of the Senate. To be eligible for assistance, it would be necessary for areas to qualify under certain criteria and be designated by the administration as a redevelopment area. Two types of areas, industrial and rural, would be involved.

In the case of industrial areas, the Administrator would have the discretionary authority to designate any area with substantial and persistent unemployment over an extended period of time. When an area meets the specific criteria set forth in the bill, it would automatically become eligible for assistance.

The bill would also permit the Administrator to qualify rural areas for assistance in the case of those rural areas which have the largest numbers and percentages of low-income families, persons receiving public assistance, and where substantial and persistent unemployment or underemployment prevails.

Three revolving loan funds of $100 million each would be created. These would be devoted to loans for (1) industrial areas, (2) rural areas, and (3) 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 appropriations up to $75 million for grants for public facilities in those areas which cannot repay loans.

An authorization for appropriation of $4,500,000 a year would permit the Administrator to make technical assistance grants to designated areas.

Upon the request of the Administrator, the Housing and Home Finance Agency would give financial assistance to municipalities in industrial redevelopment areas without regard to the residential requirements in current urban renewal legislation. In addition, 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 which would be furnished through State vocational education agencies where it can provide the facilities and services needed. If this is not possible, such training

could be furnished through public or private institutions.

There would also be a fund of $10 million for the purpose of making subsistence payments to unemployed persons being retrained and not entitled to unemployment compensation.

AREAS AFFECTED

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 S. 722.

About 6.3 million workers or roughly a 10th of the total national civilian labor force are located in these areas. However, these same areas account for about 17 percent of total national unemployment. In addition, 12.2 percent of the work force in these 112 areas is unemployed, a rate twice as high as the current national average.

With respect to rural areas, it should be noted that the Department of Agriculture has prepared lists of the 500 counties in the United States with 100 or more commercial farms which have ranked, according to the 1954 Census of Agriculture, lowest in terms of level of living for farm-operating families and the 500 counties in the United States 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 on both lists. It may be assumed that these areas provide the core of the low-income rural areas which would be eligible for assistance under a comprehensive Federal-assistance program aimed to alleviate underemployment.

REFUTATION ARGUMENTS AGAINST S. 722 IN THE MINORITY REPORT

Let us consider some of the main arguments against S. 722 which appeared in the minority report.

1. Discrimination in favor of a few: The minority report (p. 39) states that "only a very small proportion of the Nation's unemployed would be singled out as eligible for the alleged benefits of the program, and it should be noted that the selection process is based on purely arbitrary criteria." It further points out that the program would focus only on those unemployed in the designated areas which are in excess of 6 percent.

In effect, this says that an unemployed worker is not helped if he lives in an area which does not qualify for help.

This point fails to take into account the fact that an unemployed worker has less chance of a job if he lives in a depressed area. If the unemployment rate is small and of relatively short duration, he has less competition in getting a job than does a worker who lives in an area of high and persistent unemployment. This is one of the main reasons that, for the country as a whole, we become more concerned about unemployment at a high rate than when the rate is low. Dealing with nationwide unemployment requires a broad program. S. 722 is aimed at alleviating local rather than national depressions.

2. Arbitrary criteria: The minority report (p. 40) says that the criteria for area eligibility is arbitrary and unworkable.

Any standards laid down can be called arbitrary. The report asks, Why select 6 percent unemployment as a base? In establishing any standards, we have to draw the line somewhere. We also need to permit discretion on the part of the Administrator. An area with 7 percent unemployment may, for a variety of reasons, be in worse shape than an area with a 9-percent rate. That is why discretion is necessary.

As to fixing a minimum rate of 6 percent, this was based on testimony at various hearings held on the measure. We have to draw the line somewhere. Government programs which establish standards where a so-called arbitrary line has to be drawn are too numerous to list, but I will mention a few examples. The social security work clause stipulates that an annuitant cannot receive payments if he makes more than $1,200 a year in covered employment. Why not $1,000 or $1,400? Many universities require 120 credit hours for graduation. Why not 115 or 125? Most States require that a person be 21 years of age before being able to vote. Why not 20 or 22?

I could go on ad infinitum, but I hope I have shown how ridiculous it is to attack a program as being arbitrary merely because it sets specific standards.

The minority report also states that the program would be unworkable. We have given the Administrator criteria for the designation of redevelopment areas. He would have a Cabinet-level advisory committee and a 25-man public advisory committee to help him. The committee report has indicated the congressional intent that the program is to be based on economic soundness. I suppose that we could go on and on with further restrictions and directions, but that would destroy the flexibility of the program. Unfortunately, it is always necessary in the final analysis to assume that a Government administrator will have at least a modicum of common sense. If not, we have congressional committees with the power to investigate and change laws if the operation of a program proves unsatisfactory.

3. Interference with private market: The minority report states (p. 43) that "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."

Surely the signers of the minority report are not advocating a return to a strict interpretation of Adam Smith economics. The purpose of S. 722 is to help, to some extent at least, to channel some of our industrial growth into areas of substantial labor surplus. The degree to which this would be an interference in the private economy should certainly be no greater than subsidizing airlines, railroads, the oil industry, shipbuilders, or other groups currently enjoying the Government's largess. Moreover, it is obvious that subsidizing cotton primarily subsidizes agriculture in the South; that subsidizing corn helps the Midwest; that subsidizing wool helps the West. So that even the concept of helping an area is by no means new.

4. Failure to recognize existing programs: The minority report states (p. 45) that "the devices established in the bill * * * are defective in the failure to recognize existing programs, thus causing a duplication of efforts." It cites, as duplication, small offices concerned with development which are existent in the Department of Commerce and the Department of Agriculture. It also cites the Small Business Investment Act.

So far as I am concerned, I would be glad to have whatever minor programs there are in Commerce and Agriculture to be put into the new Area Redevelopment Administration proposed by the bill.

With respect to the Small Business Investment Act, the minority report itself admits that this was designed to fill an "institutional gap" in our economic credit structure; namely, the difficulty in small business enterprises to securing adequate credit. But the SBIA is designed to help small business as such, whether in a depressed area or an area of great prosperity. It is designed to help small business as such.

To the degree that the facilities of the SBIA could be used to create new industry in depressed areas, that would be done since the Administrator of the area redevelopment program cannot allocate loans when they are available from other sources. Moreover, the development of industries in the depressed areas will often involve big business as well as small business.

SUMMARY

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.

Both major parties called for Federal legislation to aid economically depressed areas in their respective 1956 platforms.

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 Congress last year, but did not become law because of a Presidential pocket veto.

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. The committee has now reported S. 722 with amendments. This is the bill now before us for a vote.

The area redevelopment bill now before us would help to reduce unemployment and poverty where it is the worst. It is not a program designed to cure great industrial depressions nor seasonal unemployment. But it would reduce the persistent and deep pockets of unemployed and hence decrease so-called structural unemployment, which general monetary and fiscal policy cannot reach.

I hope from the bottom of my heart that we can get legislation in the very near future. In this way, we shall have ample opportunity to consider the measure again if the President should veto it for a second time.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Illinois [Mr. DIRKSEN] will yield back the remainder of his time, I will yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Washington [Mr. MAGNUSON].

If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Washington would vote "yea."

The result was announced—yeas 49, nays 46, not voting 3, as follows:

YEAS—49

Anderson	Hart	Morse
Bartlett	Hartke	Moss
Beall	Hayden	Murray
Bible	Hennings	Muskie
Byrd, W. Va.	Hill	Neuberger
Cannon	Humphrey	O'Mahoney
Carroll	Jackson	Pastore
Chavez	Johnson, Tex.	Proxmire
Church	Kefauver	Randolph
Clark	Kennedy	Smith
Cooper	Kerr	Sparkman
Dodd	Langer	Symington
Douglas	Mansfield	Williams, N.J.
Engle	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Green	McNamara	
Gruening	Monroney	

NAYS—46

Aiken	Ellender	Morton
Allott	Ervin	Mundt
Bennett	Frear	Prouty
Bridges	Goldwater	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Capehart	Javits	Smathers
Carlson	Johnston, S.C.	Stennis
Case, N.J.	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Cotton	Kuchel	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	Long	Young, N. Dak.
Dworshak	Martin	
Eastland	McClellan	

NOT VOTING—3

Fulbright	Magnuson	Russell

So the bill (S. 722) was passed.

Mr. DOUGLAS. Mr. President, I move that the vote by which the bill has been passed be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

Mr. DOUGLAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 643, to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

My purpose in making the motion is to have the bill made the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

FISCAL SOUNDNESS

Mr. THURMOND. Mr. President, on March 17, 1959, the distinguished senior Senator from Virginia [Mr. BYRD] delivered a very timely and able address before the National Taxpayers Conference at the Sheraton Park Hotel in Washington, D.C. In his address this great fiscal expert and chairman of the Finance Committee has issued a solemn warning to all American taxpayers that they must demand a return to fiscal sanity by our Government if we are to survive as a nation. The importance of the distinguished Senator's address is pointed up by the following two sentences which appear on page 1:

> With fiscal soundness I would have no fear for the future—economically or militarily. Without it there will be neither solid economic progress nor security with military preparedness.

This address has received favorable attention in two columns in the Washington Evening Star of March 19 and 20, 1959. The distinguished columnist and magazine editor, Mr. David Lawrence, refers to Senator BYRD's plea for a balanced budget as "significant news." Another distinguished writer, Mr. Gould Lincoln, winds up his favorable comments with this paragraph, which I heartily endorse:

> The Senator's voice has been raised against huge Government spending—deficit spending—for more than a quarter of a century. With the Federal debt approaching the $300 billion mark, it is time the people and the Government should listen.

I wish, Mr. President, that—contrary to what some may have wished once upon a time—we had more HARRY BYRDS in the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD folding these remarks, this excellent address, and the columns by Messrs. Lawrence and Lincoln, previously referred to.

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

ADDRESS DELIVERED BY SENATOR HARRY F. BYRD, DEMOCRAT, OF VIRGINIA, BEFORE THE NATIONAL TAXPAYERS CONFERENCE, SHERATON-PARK HOTEL, WASHINGTON, D.C., 8 P.M., TUESDAY, MARCH 17, 1959

Development of our great resources through free enterprise democracy is the source of this Nation's strength. With atomic energy, rocketry, etc., we are entering a new era. Our population is increasing. We have unduly exploited our resources, but they are still tremendous. Our productive know-how and capacity are yet unsurpassed. These are elements on which free enterprise democracy should thrive soundly, and proceed constructively for the good of all mankind.

Our free enterprise democracy is the greatest system the world has ever evolved. But there is one controlling requirement, and this must never be overlooked. The system is based on solvent government and sound money. With fiscal soundness I would have no fear for the future—economically or militarily. Without it there will be neither solid economic progress nor security with military preparedness. We have allowed ourselves to grow weak in the requirement for solvent government and sound money. Assurance of fiscal soundness in the future does not now exist.

Deficit financing has been the rule—not the exception—for more than a quarter of a century. Current Federal spending and deficit have been exceeded only in the peak years of global war emergency. Federal debt set its alltime record January 23, this year. It exceeded the World War II peak by more than $6 billion. Best experts concede that deficit financing in present circumstances is a heavy factor in continuing inflation.

We have reached a point of serious reluctance to invest in the bonds of the U.S. Government. The fiscal situation deteriorated faster during the past year than in any comparable peacetime period to my knowledge. In 6 months we moved from estimates of virtually balanced budgets in fiscal years 1958–59 to combined deficits of $15 billion. In the process we were forced to raise the statutory debt limit twice in the same period. At the present rate, Federal agencies would spend more than $400 billion in 5 years.

Contrary to general understanding, recent great increases in Federal spending have not been for defense or foreign aid. The tremendous increases have been for domestic-civilian programs. Since 1954 expenditures outside of defense, atomic energy, and foreign aid categories increased from $19.1 billion to $34 billion estimated in the current year. This is an increase of $14.9 billion, or 78 percent.

There is terrific pressure in the current session of Congress for enactment of more nonessential spending programs. Almost invariably these new spending programs involve multiyear or permanent commitments for heavy spending in the future.

Much of the domestic-civilian spending is for subsidies; and by subsidies I mean nearly all kinds of loans, grants and payments out of the Federal Treasury to special beneficiaries. Many of these subsidy programs are bottomless pits for Federal spending and contribute to sky-high inflation. The Federal Government of the United States can not now pay its bills except by increasing debt and inflation. Revenue at present tax rates does not meet our commitments.

Interest on the Federal debt is taking approximately one-tenth of all taxes collected. Chronic inflation has reduced the purchasing power of our money 52 percent. The American dollar is now worth 48 cents by the 1939 index. Inflation destroys fixed incomes, provident investment, prudent business, sound financing, national security, and democratic government. More than 20 years of destructive inflation in this country to date have led to continual demands for increased Federal subsidization. The Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States, localities, individuals, etc.

By the process of cheapening our money and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted. Social democracy is a subterfuge for sound government and constructive enterprise. Its evils are historically documented wherever nations have stooped to it. The Federal position alone is bad enough, but it is epidemic. It has spread to State and local governments. It has permeated our whole economy. It has dangerously changed our attitudes—public and private.

Total public expenditures in this country—Federal, State, and local—this year will reach nearly $150 billion. Federal, State, and local governments this year will take $130 billion or more out of the pockets of American taxpayers in revenue receipts from

all sources. In their annual budgets Federal, State, and local governments this year will run deficits totaling $15 to $20 billion. Public debt—Federal, State, and local—this year will approach $350 billion. Private debt now runs at more than $500 billion.

In short, we have nearly a trillion dollars of debt on our backs. That figure is beyond ordinary comprehension. When individuals become insolvent they take bankruptcy and dispose of their obligations. When governments become insolvent their money becomes worthless and they go through a revolution wringer. The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to think free enterprise democracy as we have known it could survive. I concede, of course, the necessity for deficits in extreme national emergencies.

For the first 150 years of our history we met our emergencies when they arose. But when they were over we promptly restored sound financing, characterized by balanced budgets, and began paying off the debt. Under this practice, combined with our wealth and natural resources, this Nation grew great in the short span of a century and a half. But in our time we have not only continued exploitation of our resources; we have abandoned our traditional policy of fiscal soundness. We have sapped our strength and undermined our form of government with continual deficit spending, rising debt, and spiraling inflation.

There can be no doubt that we have allowed ourselves to become weak in the fundamental requirement for fiscal soundness. Effects of this weakness to date are bearing down heavily upon us in all private and public pursuits. Privately they are tangible in the form of inflation. Publicly they are manifest in Federal fiscal frustration at all levels of government. The situation will continue to grow worse unless there is drastic action in the immediate future.

In the process of centralizing power, the Federal Government is usurping State and local revenue sources. At the same time it is encouraging greater spending at all levels. And through expanding paternalism, great segments of business, labor, agriculture, and taxpaying individuals are being brainwashed with Federal subsidy. States have been pushed to a point where they are having difficulty paying the bills. Highway programs are examples.

Localities also are running out of funds and sources. They will be in Washington this week asking for Federal payments in lieu of taxes on federally owned real estate.

Taxpayers, caught in the pinch of levies at all levels, are driven to search for tax loopholes and avoidance, and coming to Government with hands out for payments of all kinds. Once we are on this merry-go-round, we are riding an endless circle.

On the other side we find States sacrificing their sovereignty through increasing efforts to push more costs on the Federal Treasury. Public assistance and unemployment payments are examples. Localities are sacrificing their autonomy in the same way. For instance, they are now demanding that the Washington Government underwrite the bill for slum clearance and urban renewal in privately owned, locally taxable districts.

Individuals, business, agriculture, etc., are sacrificing their traditional American independence for Federal subsidy in forms which are legion. Nearly 40 million people will receive direct payments from the Federal Treasury. this year. With their families these 40 million people could reach a number equivalent to half the population of the United States. Nearly $87 billion is outstanding at this moment under so-called Federal credit programs for housing, veterans, agriculture, commerce, defense production, small business, etc. There are now 77 programs for State and local subsidy. Payments to State and local governments are now totaling $7 billion.

Some of these programs are not generally referred to as subsidies, but they are Federal payments to special beneficiaries just the same. There are others under other programs, and called by other names. There are some that do not meet the eye such as the postal deficit, foreign trade, and development programs, Government contracts under which beneficiaries demand that the level of Federal expenditures be maintained or increased, needed or not. Fiscal frustration is evident at every turn in the Federal Government. Our debt is the highest the world has ever known, and we are right up against the highest peacetime debt ceiling of all time. We engage daily in deficit financing, and there is reluctance in the purchase of Government bonds. Tax revenue is insufficient, but tax rates are near the point of diminishing returns. Cynics advocate more inflation to produce more revenue, but it increases the cost of everything the Government buys.

The President says balance the Federal budget, and the spenders say spend more. Sometimes the frustration descends to complete fiscal irresponsibility. In the Senate during recent weeks we have heard the spenders say: "Disregard the budget when it interferes with our projects; resort to a capital budget and hide the spending; and do away with the budget, if you just spend enough the revenue will increase."

This kind of fiscal irresponsibility is inherent in efforts to use the Federal budget to turn the economy on and off like a spigot. Fiscal irresponsibility is just as inevitable in efforts to use the Federal budget to force social reform. Fiscal irresponsibility is at its worst when effort is made to use the Federal budget as a tool of the so-called Full Employment Act.

Those of us working simply to achieve constructive reduction in Federal spending to preserve solvent government and sound money have our own difficulties with the budget. But they are of a different kind.

We find billions to be spent through back doors and out of unexpended balances which are outside of annual appropriation control. We find billions more to be spent under previous commitments in foreign agreements, Federal-State formulas, contracts with those dealing in Government purchases, and promises to pay in scores of subsidy programs.

The staff of the Joint Committee on Reduction of Nonessential Federal Expenditures has just completed a study of the $77 billion expenditure budget for the coming fiscal year, beginning July 1. It found that only about one-third of the $77 billion in expenditures scheduled for fiscal year 1960 can be effectively or practically reached in appropriation bills to come before Congress in the current session.

Preservation of fiscal soundness in governments of the United States will not be easy. There are no short cuts.

It is a grave responsibility which rests upon the President, the Congress, and every citizen of the Nation acting individually and through all organizations with which he may be affiliated. It will take constant, unrelenting effort by all of those willing to practice unselfish patriotism for the preservation of our form of government.

I am here tonight because I know you represent the kind of people upon whom we must rely. If we are to preserve the solvency of our Government and the validity of our money—in short, our way of life—let's summarize what we have to do now.

First. We must support the President in his efforts to reduce Federal expenditures. If he is forced to veto appropriation or other legislation authorizing expenditures, the need for our support will be even greater.

Second. We must oppose all new legislation for nonessential Federal spending with all means at our disposal at all stages of the legislative process.

Third. We must constantly urge the President to hold down Federal spending under administrative control of Federal agencies, including spending out of balances in prior appropriations.

Fourth. We must support all current proposals to recapture congressional control over the annual rate of Federal spending.

Fifth. We must constantly urge State governments, local governments, organizations representing segments of the population such as business, labor, agriculture, veterans, etc., and individuals themselves to reduce demands on the Federal Treasury, and eliminate abuses in Federal programs in which they are involved.

Sixth. We must constantly demand that the Federal Government withdraw from programs which usurp State sovereignty, local autonomy, and individual independence.

Seventh. We must constantly demand that the Federal Government, in withdrawing to its constitutional sphere, return to other levels of government the sources of revenue it has usurped.

The Federal Government now owns more than 455 million acres of land in the United States. This is nearly 25 percent of our national confines. The staff of the Joint Committee on Reduction of Nonessential Federal Expenditures has just been ordered to make a survey of Federal property which should be returned to local tax rolls. Your State organizations could be extremely helpful in this matter. If you can ferret out idle Federal areas which could be developed as taxable property, please let us know. We should like to work with you to the best of our ability.

With respect to Federal payments to States, localities, business, individuals, etc., the joint committee staff has started also a study of Federal subsidies. Here again you could be extremely helpful, if through your State organizations, you could bring influence to bear on State and local governments, and organizations representing individuals, in an effort to reduce demands on the Federal Treasury. Federal subsidies are ugly words to many people. But I can assure you that the committee study will treat the subject in its broadest definition. Reduction in the cost of these programs can be accomplished by tightening up at the source—by elimination of abuses.

As you know, Congressmen SMITH and CANNON, and Senator THURMOND and I, and others, have introduced resolutions designed to recapture congressional control over the annual rate of Federal spending. Your support of these measures will be helpful.

The President is asking you to support his efforts to hold down Federal spending. I know you will comply. I join you.

Beyond this, I think you believe that, in view of the tremendous debt we are carrying, a balanced budget is not enough. We need a substantial surplus. We would be far safer if, in the coming year, Federal expenditures were held below $72 billion. Such a figure would allow for a reasonably good recovery from last year's decline in receipts. It would offer relief from excessive deficit spending. It would require some slow-down in the rapid rise in domestic civilian expenditures. But you are forewarned that such a reduction in the coming year would require more than action on current appropriation bills alone.

Some reductions applying to fiscal year 1960 can be made in the forthcoming appropriation bills. But for other reductions, such as those in expenditures from balances in appropriations enacted in prior years, we must rely on the President. For still other reductions in such expenditures as public

assistance and urban renewal, we must urge State and local governments to hold down demands.

And, finally, there must be cooperation by business with Government in tightening up policies with respect to subsidies and more efficient performance on contracts; and those on Government subsidy and payment rolls must be urged to eliminate abuses in the programs. That is a large order, but realistically I do not look for substantial reductions until those participating in the high cost of Government begin to cooperate with unselfish patriotism. Organizations such as yours could render no greater service than to take the lead in such a crusade. Personally I shall support the President's effort to reduce Federal expenditures.

In addition, I believe the best interests of this Nation and our allies would be served if the $77 billion expenditure estimate for the coming fiscal year were reduced by $5 to $6 billion or between 7 and 8 percent. I know this could be accomplished without the impairment of a single essential function. From long experience I know public demand could force such reductions.

The voice of the people of this country, if it is loud enough, will overcome selfish and highly organized minorities and will prevail. This is the great virtue of our constitutional democracy as contrasted with dictatorship. So the job is up to you and me and every other citizen.

We must remember that the very foundation of our democracy rests upon the fact that people support the Government; it is not the purpose of the Government to support the people.

The national interest must come ahead of private gain. To achieve our objective there must be sacrifice all down the line.

Federal expenditures, fiscal years 1954–59, broken categorically to show national security, foreign aid, etc., and domestic-civilian

[In millions]

	Actual					Estimated, 1959
	1954	1955	1956	1957	1958	
National security:						
Military functions	$40,336	$35,532	$35,791	$38,439	$39,062	$40,800
Stockpile and defense production	1,045	944	588	490	625	378
Atomic energy	1,895	1,857	1,651	1,990	2,268	2,630
Subtotal, national security	43,275	38,334	38,030	40,918	41,955	43,808
Foreign aid:						
Military assistance	3,629	2,292	2,611	2,352	2,187	2,312
Economic and other	1,511	1,960	1,616	1,686	1,909	3,321
Subtotal, foreign aid	5,140	4,252	4,227	4,038	4,096	5,633
International affairs	221	221	231	290	325	387
Total, other than domestic-civilian	48,636	42,807	42,487	45,246	46,376	49,828
Domestic-civilian:						
Veterans' services and benefits	4,256	4,457	4,756	4,793	5,026	5,198
Labor and welfare	2,485	2,575	2,821	3,022	3,447	4,380
Agriculture and agricultural resources	2,557	4,389	4,868	4,526	4,389	6,775
Natural resources	1,315	1,202	1,104	1,296	1,543	1,708
Commerce and housing [1]	817	1,420	2,142	3,392	3,816	6,421
General government	1,235	1,199	1,627	1,787	1,353	1,673
Interest	6,470	6,438	6,846	7,308	7,689	7,601
Allowance for contingencies						200
Total, domestic-civilian [1]	19,136	21,679	24,165	26,124	27,267	33,955
Grand total [1]	67,772	64,486	66,652	71,370	73,643	83,873

[1] Since 1954 expenditures for Federal National Mortgage Association and highways have been dropped from the general fund budget and converted into so-called trust funds—FNMA in 1955 and highways in 1957. Commerce and housing figures and affected totals above are adjusted to include these figures throughout for complete and accurate comparison over the period.

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

(By David Lawrence)

A WARNING TO CURB SPENDING—SENATOR BYRD IS PRAISED FOR URGING DRASTIC ACTION TO AVERT INSOLVENCY

If you're one of the spenders in Congress and you ridicule the idea of a balanced budget, you get plenty of attention. But if you're a saver and want to keep the American dollar from being forced down to a value of 10 cents, then you're old fashioned and not in tune with the times.

Senator HARRY BYRD of Virginia happens to be chairman of the Senate Finance Committe. He also happens to be a member of the Democratic Party, so many of whose members are trying to make a virtue of bigger and bigger spending by Government. Yet, when he spoke Tuesday night at the National Taxpayers Conference here, his words got scant attention.

"Contrary to general understanding," said Senator Byrd, "recent great increases in Federal spending have not been for defense or foreign aid. The tremendous increases have been for domestic-civilian programs."

This alone seems to be a worthwhile piece of news. For, in the speeches emanating from Capitol Hill, President Eisenhower is repeatedly being accused of trying to balance the budget at the expense of national defense in the battle against Communists. The purpose of the crusade for more spending is of course, to break the faith of the public in budget balancing by using defense as an excuse, so that all sorts of subsidies and grants can be made in the guise of social reform. The Virginia Senator says:

"Since 1954, expenditures outside of defense, atomic energy and foreign aid categories increased from $19.1 billion to $34 billion estimated in the current year.

"This is an increase of $14.9 billion, or 78 percent. There is terrific pressure in the current session of Congress for enactment of more nonessential spending programs. Almost invariably these new spending programs involve multiyear or permanent commitments for heavy spending in the future.

"Much of the domestic-civilian spending is for subsidies—and by subsidies I mean nearly all kinds of loans, grants and payments out of the Federal Treasury to special beneficiaries. Many of these subsidy programs are bottomless pits for Federal spending and contribute to sky-high inflation.

"The Federal Government of the United States cannot now pay its bills except by increasing debt and inflation. Revenue at present tax rates does not meet our commitments.

"Interest on the Federal debt is taking approximately one-tenth of all taxes collected

"Chronic inflation has reduced the purchasing power of our money 52 percent. The American dollar is now worth 48 cents by the 1939 index.

"Inflation destroys fixed incomes, provident investment, prudent business, sound financing, national security, and democratic government.

"More than 20 years of destructive inflation in this country to date have led to continual demands for increased Federal subsidization.

"The Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States, localities, individuals, etc.

"By the process of cheapening our money and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted.

"Social democracy is a subterfuge for sound government and constructive enterprise. Its evils are historically documented wherever nations have stooped to it.

"When individuals become insolvent, they take bankruptcy and dispose of their obligations.

"When governments become insolvent, their money becomes worthless and they go through a revolution wringer.

"The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to think free enterprise democracy as we have known it could survive."

Senator BYRD said he concedes the necessity for deficits in extreme emergencies, but that in its first 150 years America met her emergencies and then promptly restored sound financing, she balanced the budget, and began paying off debt. He points out that nearly 40 million persons are getting direct payments from the Federal Treasury this year and that, with their families, this could reach a number equal to half the population of the United States. He appeals to his colleagues in Congress to stop the spending. He says "cynics advocate more inflation to produce more revenue, but it increases the cost of everything the Government buys." The Virginia Senator adds:

"The situation will continue to grow worse unless there is drastic action in the immediate future."

This plea by the chairman of the Senate Finance Committee—who, though a Democrat, supports the President's efforts to balance the budget—is significant news.

[From the Washington Star, Mar. 19, 1959]

GET OFF UNCLE SAM'S BACK

(By Gould Lincoln)

Senator HARRY F. BYRD, of Virginia, chairman of the powerful Senate Finance Committee, has issued a call for Americans to get off Uncle Sam's back and save our present democratic form of government. The Virginia Democrat has produced an alarming array of figures and facts, which show that the Federal Government is being rapidly shoved into a state of insolvency. He shows, too, that State and local governments and the people and their businesses are doing their share to bring about an intolerable financial situation, cheapening the dollar and causing more and more inflation. Addressing the National Taxpayers Conference Tuesday the Senator warned:

"When governments become insolvent, their money becomes worthless and they go through a revolution wringer. The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to be-

lieve that our free-enterprise democracy as we have known it could survive."

Senator BYRD also said: "By the process of cheapening our money (the dollar is now worth 48 cents by the 1939 index) and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted."

In support of this contention, he pointed out that the Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States and localities.

THREE HUNDRED AND FIFTY BILLION DOLLARS PUBLIC DEBT

The Senator said that total public expenditures in this country—Federal, State, and local—will reach the staggering total of $150 billion this year, with the Federal Government spending slightly more than half of the total. He predicted that deficit spending of the governments will total $15 to $20 billion in the same period, and that public debt will approach $350 billion. Private debt, he said, now runs at more than $500 billion.

The Virginia Senator did not mince words in speaking about the spenders in his party in Congress who are seeking—and apparently accomplishing their end—to upset President Eisenhower's precariously balanced $77 billion Federal budget. He accused them of cynicism and worse in their proposals to spend the country out of debt. Instead, Senator BYRD urged that the Democratic-controlled Congress and the President combine to cut the Federal budget by some $5 billion or $6 billion below $77 billion. He insisted that such cuts could be made in Federal spending for the next fiscal year without impairing any of the essential Government services to the people.

Senator BYRD's economic philosophy differs radically from that of the free spenders in Congress and from that of the Democratic Advisory Council and the Americans for Democratic Action. More and more, it appears certain that the issue of fiscal responsibility in Government will go into the national political campaign next year. And the Democratic Congress can and apparently is bent on making it an issue. Senator BYRD sums up the situation this way:

"The President says balance the budget and the spenders say spend more. Sometimes the frustration descends to complete fiscal irresponsibility. In the Senate during recent weeks we have heard the spenders say: Disregard the budget when it interferes with our projects; revert to a capital budget and hide the spending; do away with the budget—if you just spend enough, the revenue [of the Government] will increase."

PROPOSED STEPS

The only way to halt our march along the road to financial ruin, in Senator BYRD's opinion, is for public opinion to exert itself in opposition to this ever-increasing demand for bigger and bigger Government expenditures. The first step, the Senator said, is to support President Eisenhower in his battle for a balanced budget. Other steps he outlined are opposition to all new legislation for nonessential Federal spending, pressure on the President to hold down spending under administrative control of the Federal agencies, and pressure on all State and local governments, on business and labor organizations, on agriculture and veterans organizations and on individuals themselves to reduce their demands on the Federal Treasury.

Senator BYRD called attention to the fact that, contrary to the general belief, recent great increases in Federal spending have not been for defense but for domestic civilian programs sometimes called "social programs." To prove his point, Senator BYRD said that expenditures outside defense, atomic energy and foreign aid, since 1954, increased from $19.1 billion to $34 billion estimated in the current year.

The Senator's voice has been raised against huge Government spending—deficit spending—for more than a quarter of a century. With the Federal debt approaching the $300 billion mark, it is time the people and the Government should listen.

KEEPING PERSPECTIVE AND FAIR ATTITUDES ON THE QUESTION OF NEPOTISM IN THE SENATE AND THE HOUSE

Mr. NEUBERGER. Mr. President, all Members of the Senate and the House have followed the excitement over nepotism in Congress. I think it is certainly sound that the public know who are on public payrolls. I would support a resolution providing that Senate payrolls be open to the press and the public.

However, Mr. President, when a Member of Congress employs a relative, it does not follow that the relative is incompetent or undeserving of such employment. We all know that many famous and outstanding Members of Congress have hired their relatives—for example, Senator Harry S. Truman, Senator Arthur H. Vandenberg, Senator Irving M. Ives, Speaker John N. Garner, and many others.

No relative serves on my payroll, although my wife performs many valuable services at my Senate offices. Yet I would never criticize a Senator because he chose to hire a relative. If the relative were without merit, that would be different. But it never follows that a relative is, per se, underserving of being on a payroll.

One of the most thoughtful editorials I ever have read on the whole question of nepotism was published on March 18, 1959, in the Oregon Daily Journal, in my home city of Portland, Oreg. The editorial sets the issue in perspective, and points out that many sons of corporation presidents become vice presidents and the stockholders foot the bill. So let us be fair when we consider the nepotism question.

I ask unanimous consent, Mr. President, that this able editorial from the Oregon Journal be published in the body of the RECORD.

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

KEEP PERSPECTIVE ON NEPOTISM

Like congressional junkets, congressional nepotism is a favorite target for critics. And like junkets, there is nothing wrong with the practice so long as it does not get out of hand and so long as the public gets its money's worth.

The term "nepotism" has taken on unpleasant connotations, much like the term "politician"—a development which isn't altogether fair to those who practice it.

The Oregon Legislature might be cited as an example of nepotism run rampant. Wives in great numbers show up on the State payroll as secretaries to their senator or representative husbands. There have been times when a particular wife couldn't distinguish a page of Gregg pothooks from a page of braille, and occupied the secretarial seat on house or senate floor only on occasions of great moment when seating space was at a premium.

No one has raised great objection to this, and certainly not to the wife who actually works. We pay our legislators a pittance, we deny them any living expenses and, as a consequence, the wife has to go to work if a legislator is even to come close to breaking even.

And Federal Senators and Representatives, even at $22,500 a year, find the job is not exactly a money-making proposition. The criterion should be not whether the congressional employee is or is not a relative, but whether he or she is doing a job commensurate with the salary.

When the spotlight swings to the payroll in a Congressman's office, it is inevitable that the innocent as well as the guilty will get hurt.

For example, the Associated Press published a list of Representatives who had persons with the same or similar family name on their January payroll.

This brought cries from the Smiths, the Browns, and the Joneses. FRANK SMITH (Democrat, Mississippi), for example, took the floor of the House to "raise one voice in opposition to this great self-righteous crusade which the press of the country has taken upon itself to conduct against the House of Representatives * * * concerning relatives and alleged relatives on the payroll."

The Representative from Mississippi went on to say he would be glad to claim kinship with all the Smiths in the country but could not and that the young woman in his office, whose surname is Smith, unfortunately is not a relative.

And so it goes. Undoubtedly, there are abuses in this field as there are in the matter of congressional junkets and the occasional glare of publicity probably has a salutary effect. But let's keep our perspective, and for those who would throw stones at all public officeholders, let's not forget that private business has its favorite sons who become vice presidents overnight, and the stockholders foot the bill.

TRIBUTE TO ROBERT G. BAKER FOR FURTHERING PASSAGE OF HAWAIIAN STATEHOOD BILL

Mr. GRUENING. Mr. President, the House of Representatives of the Territory of Hawaii, being very appreciative of the action recently taken by the Congress, has adopted House Resolution 100, entitled "Resolution Extending to Robert G. Baker Warmest 'Mahalo Nui Loa' and 'Aloha' for His Interest and Activities in Behalf of Statehood for Hawaii."

I should like to read two paragraphs of this admirable resolution, as follows:

Whereas Robert G. Baker, often referred to as the third Senator from South Carolina, is secretary to the majority in the Senate of the Congress of the United States, and as such is the right-hand man for the majority leader of the Senate, Hon. LYNDON B. JOHNSON; and

Whereas Robert G. Baker has favored the admission of Hawaii as a State, and has actively pushed for statehood and used his prestige and influence with the Members of the Senate; and

Whereas his activities on behalf of statehood for Hawaii have very materially assisted the passage of the Hawaii statehood bill: Now, therefore, be it

Resolved—

I ask unanimous consent that the entire text of this admirable resolution be printed in the RECORD, following my remarks; and I should like to take this occasion to say that the people of Alaska feel no less appreciative to Mr. Baker for

his services last year in behalf of statehood for Alaska.

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

HOUSE RESOLUTION 100

Resolution extending to Robert G. Baker warmest "mahalo nui loa" and "aloha" for his interest and activities in behalf of statehood for Hawaii

Whereas Robert G. Baker, often referred to as the third Senator from South Carolina, is secretary to the majority in the Senate of the Congress of the United States, and as such is the right-hand man for the majority leader of the Senate, Hon. LYNDON B. JOHNSON; and

Whereas Robert G. Baker has favored the admission of Hawaii as a State, and has actively pushed for statehood and used his prestige and influence with the Members of the Senate; and

Whereas his activities on behalf of statehood for Hawaii have very materially assisted the passage of the Hawaii statehood bill: Now, therefore, be it

Resolved, That the House of Representatives of the 30th Legislature of the Territory of Hawaii hereby extends to Robert G. Baker its warmest "mahalo nui loa" and "aloha" for his interest and activities in behalf of statehood for Hawaii; and be it further

Resolved, That the Honorable JOHN A. BURNS, Delegate to Congress from Hawaii, be requested to personally present a certified copy of this resolution to Robert G. Baker; and be it further

Resolved, That to accomplish this purpose, two certified copies of this resolution be forwarded to the Honorable JOHN A. BURNS.

We hereby certify that the foregoing house resolution was this day adopted by the House of Representatives of the 30th Legislature of the Territory of Hawaii.

ELMER F. CRAVALHO,
Speaker, House of Representatives.
HERMAN T. F. LUM,
Clerk, House of Representatives.

INVITATION TO CHIEF JUSTICE OF THE UNITED STATES TO ADDRESS A JOINT SESSION OF THE CONGRESS ANNUALLY—INTRODUCTION OF A JOINT RESOLUTION

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a joint resolution to invite the Chief Justice of the United States to address a joint session of the Congress annually.

The purpose of the joint resolution is to provide a simple and direct method whereby the head of the judicial branch of the Government can report to the legislative branch of the Government. The word "invite" is specifically used, because there is nothing mandatory in the resolution. If the Chief Justice felt that it was unnecessary to report for any particular year, he could decline the invitation.

The Attorney General of the United States, the Honorable William P. Rogers, has declared that the most effective way to focus public attention on the judiciary would be through such an address to the Congress.

An annual address by the Chief Justice would provide a bridge between Congress and the judiciary. The Chief Justice could advise Congress of any needed legislation affecting the courts and the judicial function which he might want it to consider. He might also wish, at that time, to review in brief the work of the Supreme Court during the preceding period, possibly explaining some of the important decisions. An authoritative explanation as to what the Supreme Court is doing on the frontiers of constitutional law from time to time, especially in the light of some of the recent controversial decisions of the Court, could prove extremely helpful both to the Court and to Congress.

Finally, the Chief Justice might see fit to give Congress the benefit of some of his longer range observations and experiences. Neither Congress nor the President possess the permanency of tenure of the Chief Justice. He holds an office and speaks for an institution which maintains its continuity through all the vicissitudes of politics. I believe it would be greatly in the public interest to have his observations and suggestions formally and publicly made, not only for the benefit of the Congress, but also for the benefit of the rest of the Nation.

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

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

The joint resolution (S.J. Res. 80) to invite the Chief Justice of the United States to address a joint session of Congress annually, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That as soon as practicable after the beginning of each regular session of the Congress, the Chief Justice of the United States shall be invited to address the Congress with respect to the state of the judicial branch of the Government and related matters. Upon his acceptance of the invitation, a joint session of the Senate and the House of Representatives shall be convened to hear his address at a suitable time after the delivery by the President of the state of the Union message to the Congress.

ADJOURNMENT

Mr. DOUGLAS. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 11 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, March 24, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23, 1959:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Maxwell Davenport Taylor, O14898, Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James Dunne O'Connell, O14965, Army of the United States (major general, U.S. Army).

IN THE NAVY

Rear Adm. Ralph K. James, U.S. Navy, to be Chief of the Bureau of Ships in the Department of the Navy for a term of 4 years.

CONFIRMATION

Executive nomination confirmed by the Senate March 23, 1959:

U.S. TARIFF COMMISSION

J. Allen Overton, Jr., of West Virginia, to be a member of the U.S. Tariff Commission, for the remainder of the term expiring June 16, 1962.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 23, 1959

The House met at 12 o'clock noon.

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

The Psalmist has said, Psalms 27: 14: *Wait on the Lord: be of good courage, and He shall strengthen thine heart.*

Heavenly Father, God, we know Thou art solicitous about the affairs of this great Nation. Because of this we know Thou art concerned about every law that is made by this great body.

Because Thou art Lord of Lords and King of Kings teach us patience. So many times when we endeavor to make momentous decisions we eliminate from our thinking divine guidance. In our eagerness to come to a conclusion we fail to wait on the Lord.

Dear God, as decisions are made in this great body, discipline and increase the faith of Thy children by directing the Holy Spirit to entreat them to wait on the Lord.

This petition we make in the name of Jesus our Lord and Saviour. Amen.

The Journal of the proceedings of Friday, March 20, 1959, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

INVESTIGATION OF INDUSTRIAL MOVEMENTS OUT OF ESTABLISHED AREAS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. STRATTON. Mr. Speaker, I have today introduced a House resolution designed to create a select committee of the House to investigate the reasons behind the movement of industries out of well-established industrial locations, and also the hardship that is caused as a result of these movements.

No problem, with the exception of strengthening our national defense, is more urgent on the agenda of this 86th Congress than the problem of unemployment. We have authorized an extension of unemployment compensation benefits and we will soon be debating the provisions of the distressed areas bill. But much of the unemployment to which these measures are addressed has been caused by the gradual shift of established industries out of one section of the country and into other sections of the country.

A lot has been said about the reasons for these movements, which have been taking place in my State of New York and in other portions of the industrial Northeast. We are told, for example, that our States do not possess a "favorable business climate," and that is the reason for the move. Other people have other explanations. But so far, Mr. Speaker, no careful scientific study of the real causes of these shifts and of the tremendous hardship which they create has ever been made.

How can we intelligently provide a satisfactory answer to this problem unless we make some thorough study of the causes of these movements?

I urge the adoption of my resolution as a necessary part of the legislative package dealing with unemployment which this Congress has a responsibility to adopt. Let us get this serious problem out into the open once and for all, so that we may know exactly what steps to take to correct it.

PUBLIC FACILITY LOAN PROGRAM

Mr. SPENCE. 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 Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I am introducing today a bill which would expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency. This bill would authorize up to $1 billion of direct Federal Government loans to water supply and sewage disposal projects, public and nonprofit hospitals, and public nursing homes. Two hundred and fifty million dollars is earmarked for cities of 35,000 population or less. This program is linked to the local health and employment needs. It will also strengthen the existing program for pollution control of our waters.

We cannot in good conscience continue to be apathetic or indifferent toward the great need for the construction and improvement of the water and sewer facilities of our cities and towns.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Arkansas [Mr. HARRIS], I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit today during general debate.

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

There was no objection.

PROVIDING PROGRAM FOR DISCOVERY OF MINERAL RESERVES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and 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.*

REPORT OF RAILROAD RETIREMENT BOARD FOR FISCAL YEAR ENDED JUNE 30, 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

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 FOR FISCAL YEAR ENDED JUNE 30, 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and 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.*

ONE HUNDREDTH ANNIVERSARY OF ESTABLISHMENT AND EXISTENCE OF SUPERIOR COURT OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution (H. Con. Res. 109) extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

Whereas July 2, 1959, marks the 100th anniversary of the existence of the Superior Court of Massachusetts; and

Whereas the open and impartial administration of justice is the firmest bulwark of a free society; and

Whereas the Superior Court of Massachusetts, throughout its long and distinguished history, has functioned in harmony with the highest ideals of American judicial procedure; and

Whereas, in these critical times, when justice is made a mockery in so much of the world, it is of the utmost importance that we in America cherish and preserve our legal heritage: Now therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its greetings and felicitations to the Commonwealth of Massachusetts upon the occasion of the 100th anniversary of the establishment and existence of the Superior Court of Massachusetts, and expresses the appreciation of the American people for its outstanding leadership in the never-ending struggle to achieve the ideal of liberty and justice for all.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TRADE FAIR ACT OF 1959

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5508) to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes.

The Clerk read the title of the bill.

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas give the Members of the House some idea of the contents of this legislation?

Mr. MILLS. I will be glad to do so, Mr. Speaker.

As the gentleman from West Virginia will recall, the Committee on Ways and Means has in the past had before it a number of individual bills designed to accomplish the purpose of providing for the free importation of articles for exhibition or use at trade fairs in the United States. As an example, in the 85th Congress we enacted into law nine such bills. This is a general bill unanimously reported by the Committee on Ways and Means to obviate the necessity of continuing to pass these individual bills providing for the free importation for use at each of the trade fairs and exhibits in the future.

Mr. BAILEY. Would the gentleman answer this question? Does the bill provide for the importation of certain things to be used in construction?

Mr. MILLS. It does not have anything to do with any particular commodity; it limits the use of these commodities to these trade fairs or exhibitions. In the event any of these articles should subsequently be offered for sale then the import taxes would apply.

Mr. BAILEY. I thank the gentleman.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title.

This Act may be cited as the "Trade Fair Act of 1959".

SEC. 2. Designation of fairs.

(a) IN GENERAL.—When the Secretary of Commerce is satisfied that the public interest in promoting trade will be served by allowance of the privileges provided for in this Act to any fair to be held in the United States, he shall so advise the Secretary of the Treasury, designating (1) the name of the fair, (2) the place where the fair will be held, (3) the date when the fair will open and the date when it will close, and (4) the name of the operator of the fair.

(b) DEFINITIONS.—For purposes of this Act—

(1) The term "fair" means any fair, exhibition, or exposition designed by the Secretary of Commerce pursuant to this section.

(2) The term "closing date" in the case of any fair means the date designated pursuant to subsection (a)(3) as the date when the fair will close, or (if earlier) the date on which such fair actually closes.

(c) REGULATIONS.—The Secretary of Commerce may prescribe such regulations as he deems necessary or appropriate to carry out the provisions of this section.

SEC. 3. Entry of articles for fairs.

Any article imported or brought into the United States—

(1) which is in continuous customs custody, covered by a customs exhibition bond, or in a foreign trade zone, and

(2) on which no duty or internal revenue tax has been paid,

may, without payment of any duty or internal-revenue tax, be entered under bond under this section for the purpose of exhibition at a fair, or for use in constructing, installing, or maintaining foreign exhibits at a fair.

SEC. 4. Disposition of articles entered for fairs.

(a) ENTRY UNDER GENERAL CUSTOMS LAWS, ETC.—At any time before, or within 3 months after, the closing date of any fair, any article entered for such fair under section 3 may be sold or otherwise disposed of within, or may be removed from, the area of such fair. This subsection shall apply only if, before such disposition or removal—

(1) the article, after the entry for such fair under section 3, has been entered under any provision of the customs laws, and

(2) any applicable duties and internal revenue taxes are paid on such article in its condition and quantity, and at the rate in effect, at the time of such entry as if such article were imported or brought into the United States at the time of such entry.

(b) DISPOSITION WITHOUT PAYMENT OF DUTY.—At any time before, or within 3 months after, the closing date of any fair, any article entered for such fair under section 3 may, without the payment of any duties or internal revenue taxes, be—

(1) exported,

(2) transferred from such fair to other customs custody status or to a foreign-trade zone,

(3) destroyed, or

(4) abandoned to the Government.

(c) MANDATORY ABANDONMENT TO GOVERNMENT.—If any article entered under section 3 is still in customs custody, under such entry, at the expiration of 3 months after the closing date of the fair for which it was entered, such article shall thereupon be regarded as an article abandoned to the Government and shall be subject to sale or destruction of the article and disposition of the proceeds of sale in the manner provided for in sections 491, 492, and 493 of the Tariff Act of 1930. For purposes of this subsection, any duties or internal-revenue taxes on the article shall be computed on the basis of its condition and quantity at the time it becomes subject to sale.

(d) PERIOD FOR PERFORMANCE OF CERTAIN ACTS.—Whenever any article entered under section 3 is transferred pursuant to subsection (b)(2) or entered under subsection (a), the period prescribed for the performance of any act required by the provision governing the status to which the article is transferred, or under which the article is entered, shall run from the date of such transfer or entry.

SEC. 5. Marking, packaging, and labeling.

(a) CUSTOMS LAWS.—Articles entered under section 3 shall not be subject to any marking requirements of the customs laws, except that when any such article is entered for consumption under section 4 it shall not be released from customs custody until the marking requirements of the customs laws have been complied with.

(b) INTERNAL-REVENUE LAWS, ETC.—Articles entered under section 3 shall not be subject to the packaging, marking, or labeling requirements of the internal-revenue laws or of the Federal Alcohol Administration Act, except that any such article failing to comply with such requirements—

(1) shall be conspicuously marked prior to exhibition "Not labeled or packaged as required by law—not for sale", and

(2) when entered for consumption under section 4, shall not be released from customs custody until such packaging, marking, and labeling requirements have been complied with.

The application of the permit requirements of the Federal Alcohol Administration Act and the occupational taxes prescribed by chapter 51 of the Internal Revenue Code of 1954 shall be determined without regard to this Act.

SEC. 6. Responsibilities of fair operator.

(a) SOLE CONSIGNEE AND IMPORTER.—Each fair operator designated by the Secretary of Commerce pursuant to section 2 shall be deemed the sole consignee and importer of all articles entered under section 3 for the fair for which such operator has been designated.

(b) EXPENSES OF CUSTOMS CUSTODY, ETC.—The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, custody, abandonment, destruction, or release of articles entered under section 3, together with the necessary charges for salaries of customs officers and employees in connection with the accounting for, custody of, and supervision over, such articles, shall be reimbursed to the United States by the operator of the fair for which they are entered. Receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1524).

SEC. 7. Regulations.

The Secretary of the Treasury may prescribe such regulations as may be necessary or appropriate to carry out the provisions of this Act (other than section 2 thereof).

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] and I may extend our remarks with regard to each of the bills to be called up this morning.

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

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 5508, designated the "Trade Fair Act of 1959," has been unanimously reported by the Committee on Ways and Means. The bill has one purpose and that is to provide, under explicit safeguards, for the free importation of articles for exhibition or use at trade fairs in the United States.

The Committee on Ways and Means has in the past had before it individual bills designed to accomplish this purpose with respect to individual trade fairs and expositions in the United States. For example, in the 85th Congress nine such bills were enacted into law. There are presently pending before the Committee on Ways and Means two bills and one resolution relating to individual trade fairs.

In order to facilitate the free entry of imported goods for exhibition at trade fairs your committee felt it desirable to report general legislation that would not require the specific enactment of individual bills. The experience over the years with the individual trade fair bills has shown that they have operated well and that there is no need for the repetitious work involved in individual enactments by the Congress, nor for the Treasury Department to issue individual regulations implementing each of these individual enactments.

The provisions of H.R. 5508 are patterned closely on the provisions of the individual trade fair bills enacted in the past. Instead of requiring a special enactment in each case, H.R. 5508 designates the Secretary of Commerce as the officer of the United States Government responsible for determining which trade fairs should be accorded the privileges contained in the bill. He will make this decision if he finds that the public interest will be served by so doing. The Secretary of Commerce will then advise the Secretary of the Treasury of the name, location, opening, and closing dates, and the name of the fair operator.

As in the case of the individual trade fair bills, H.R. 5508 would authorize articles to be admitted free of duty under bond for exhibition or for use in con-

structing, installing, or maintaining foreign exhibits at the fair. Also in line with the individual bills, H.R. 5508 would permit the sale or other disposition for consumption in the United States of such articles subject, however, to payment of applicable customs duties and internal revenue taxes and compliance with the usual marking and labeling requirements. Such duties and taxes would be based on the condition of the article and the rate in effect at the time of its disposition.

In order to permit articles entered for one fair to be transferred to another fair the bill specifically provides for such transfer and also provides for the transfer of such articles from a fair to customs custody or to a foreign trade zone and then to another fair.

Enactment of H.R. 5508 would therefore establish a general procedure as a substitute for individual enactments of bills. It would serve to reduce the legislative burden on the Congress and would result in a considerable saving in time and manpower for the customs service.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it has been the practice of the Congress in the past to enact legislation as the occasion arose authorizing the duty free importation of articles for exhibition at specific trade fairs. To avoid the necessity for individual bills dealing with each trade fair the administration has recommended to the Congress the enactment of general legislation on this subject. H.R. 5508 would constitute permanent legislation permitting the free entry of exhibition articles at fairs approved by the Secretary of Commerce. Under the legislation when the Secretary of Commerce is satisfied that the public interest will be served by approval of an application, he will so inform the Secretary of the Treasury so that appropriate steps may be taken by the Bureau of Customs to observe the duty free status.

The legislation contains the necessary safeguards to prevent abuse of the privilege of duty free importation. The Committee on Ways and Means was unanimous in approving this legislation and I have joined with the distinguished chairman of the committee in urging the House to take favorable action with respect to it.

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.

NET OPERATING LOSS CARRYBACKS

Mr. MILLS. Mr. Speaker, I ask unanmous consent for the immediate consideration of the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

The Clerk read the title of the bill.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "; except that if a net operating loss carryback is created by the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later".

(b) Section 322(b)(6) of the Internal Revenue Code of 1939 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "; except that if a net operating loss carryback is created by the elimination of excessive profits by a renegotiation (as defined in section 3806(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later".

(c) The amendment made by subsection (a) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 6511(d)(2) of the Internal Revenue Code of 1954 applies. The amendment made by subsection (b) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 322(b)(6) of the Internal Revenue Code of 1939 applies, but only with respect to claims resulting from renegotiations of excessive profits received or accrued for taxable years ending after December 31, 1952.

With the following committee amendments:

Page 1, beginning in line 7, strike out "that if a net operating loss carryback is created by" and insert "that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of".

Page 2, beginning in line 8, strike out "that if a net operating loss carryback is created by" and insert "that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of".

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, the general rule provided by the Internal Revenue Code with respect to claims for credit or refund provides that such claims must be filed within 3 years from the time the return giving rise to the credit or refund is filed or 2 years from the time the tax is paid, whichever period expires later. However, net operating losses create a special problem and a special rule is now provided by the Code to take care of this problem. Thus, existing law provides that if a claim for credit or refund relates to an overpayment of tax arising from the carryback of a net operating loss, the period in which such claim may be filed is that period ending 38½ months following the end of the taxable year in which the net operating loss arose. Generally speaking, this special period is adequate to protect taxpayers in the ordinary net operating loss carryback situation. However, in cases where the net operating loss arises as a result of the restoration of excessive profits pursuant to renegotiation, the period is not adequate, since renegotiation and the appeals resulting therefrom to the Tax Court of the United States, and under the bill of last year extending the Renegotiation Act to June 30, 1959, to the courts of appeals, the period during which the taxpayer is at risk with respect to a net operating loss can and will often exceed 38½ months. Since it is unfair that the Government should require the restoration of excessive profits on the one hand and deny the taxpayer a credit or refund of the taxes paid with respect to such profits, your committee's bill, as amended, provides a new rule for both the Internal Revenue Codes of 1939 and 1954 stating that, in the case of a net operating loss which is created or increased as a result of the elimination of excessive profits by renegotiation, the period for filing a claim for credit or refund shall not expire until 12 months after the month in which the agreement or order for the elimination or the excessive profits becomes final. It is to be noted that the amendments made by the bill apply only to that portion of the overpayment for any taxable year which is attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by renegotiation. Thus, there will be no extension, by reason of this legislation, for any portion of the overpayment which is not so attributable.

The Committee on Ways and Means was unanimous in ordering H.R. 2906 favorably reported. I urge its adoption by the House.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just been approved by the membership of the House extends the period for filing claims for credit or refund of overpayments of income taxes where such overpayments result from renegotiation findings with respect to Government contracts. Under the bill the period for filing a claim where the overpayment is attributable to a net operating loss carryback resulting from renegotiation procedures is not to expire prior to the end of 1 year after the month in which the renegotiation finding becomes final.

Present law provides a special period somewhat in excess of 3 years for filing a claim for credit or refund where net operating loss carrybacks are present. In general this special period has been found to be adequate. However, a circumstance has recently been brought to the attention of the Committee on Ways and Means where the existing period was not adequate and hardship resulted. The case involves a renegotiation procedure in which final action was not taken until after the special period had run with respect to the year in which the net operating loss arose.

This legislation which was unanimously reported by the membership of the Committee on Ways and Means would correct this tax inequity.

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.

ESTATE TAX DEDUCTION FOR CERTAIN CHARITABLE TRANSFERS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 137) to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2053(d) of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for certain State death taxes) is amended to read as follows:

"(d) CERTAIN STATE AND FOREIGN DEATH TAXES.—

"(1) GENERAL RULE.—Notwithstanding the provisions of subsection (c)(1)(B) of this section, for purposes of the tax imposed by section 2001 the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of—

"(A) any estate, succession, legacy, or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106(a)(2), and

"(B) any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States upon a transfer by the decedent for public, charitable, or religious uses described in section 2055.

The determination under subparagraph (B) of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

"(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a State death tax or a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106(a)(2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in section 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

"(3) EFFECT ON CREDITS FOR STATE AND FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

"(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

"(B) CROSS REFERENCES.—

"See section 2011(e) for the effect of a deduction taken under this subsection on the credit for State death taxes, and see section 2014(f) for the effect of a deduction taken under this subsection on the credit for foreign death taxes."

SEC. 2. Section 2014 of the Internal Revenue Code of 1954 (relating to credit for foreign death taxes) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL LIMITATION IN CASES INVOLVING A DEDUCTION UNDER SECTION 2053(d).—In any case where a deduction is allowed under section 2053(d) for an estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country upon a transfer by the decedent for public, charitable, or religious uses described in section 2055, the property described in subparagraphs (A), (B), and (C) of paragraphs (1) and (2) of subsection (b) of this section shall not include any property in respect of which such deduction is allowed under section 2053(d)."

SEC. 3. Section 2011(e) of the Internal Revenue Code of 1954 (relating to limitation on credit for State death taxes) is amended—

(1) by striking out "imposed upon a transfer" and inserting in lieu thereof "imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer";

(2) by striking out "for which a deduction" in paragraph (1) and inserting in lieu thereof "for which such deduction";

(3) by striking out "the deduction authorized by" each place it appears in paragraph (2) and inserting in lieu thereof "such deduction authorized by".

SEC. 4. The amendments made by the preceding sections of this Act shall apply with respect to the estates of decedents dying after the date of the enactment of this Act.

With the following committee amendments:

Page 2, beginning in line 9, strike out "Columbia, or any possession of the United States," and insert "Columbia".

Page 2, line 11, strike out "public" and insert "public,".

Page 2, line 15, strike out "country" and insert "country,".

Page 2, line 18, strike out "States upon" and insert "States, upon a".

Page 4, line 7, strike out "adding at the end thereof" and insert "relettering subsection (f) as subsection (g) and by inserting after subsection (e)".

Page 5, beginning in line 1, strike out "Columbia, or any possession of the United States," and insert "Columbia".

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, as Members of the House will recall, prior to the enactment of Public Law 414 of the 84th Congress, a pyramiding of estate taxes resulted in instances of a gift by a decedent for charitable purposes which qualified for deduction under the Federal estate-tax law but which did not so qualify under the provision of applicable State law. This pyramiding came about as a result of the following rules. The amount allowable as a deduction for purposes of the Federal estate tax was limited to the amount payable to the charity. This amount was, of course, reduced by the amount of the State taxes imposed on the value of the gift. The combination of the two taxes, and the resulting pyramiding, could result in the Federal estate tax being increased by much more than the estate tax on the bequest and in a considerable reduction in the amount of the transfer to charity. To prevent this, Public Law 414 granted a deduction to the estate for the amount of the State death taxes imposed upon a charitable transfer in cases where the net decrease in Federal estate taxes resulting from the deduction inured solely to the benefit of a charitable transferee or the entire Federal estate tax is equitably apportioned among all of the transferees of the decedent. However, the rules thus provided do not extend to foreign death taxes, and the pyramiding sought to be avoided by Public Law 414 still results in cases where a foreign tax is imposed upon a gift made to charity where the decedent is subject to the Federal estate tax.

To place such gifts on a parity with gifts subject to the death taxes of a States, the District of Columbia, or the Territories of the United States, H.R. 137 provides that an executor may elect to take a deduction for any foreign death tax actually paid with respect to property situated within the foreign country if such property is included in the gross estate of a citizen or resident of the United States. However, as is presently the case with respect to the deduction for State death taxes, the deduction for foreign death taxes will be allowed only if the decrease in Federal estate tax resulting from the deduction inures solely to the benefit of public, charitable, or religious transferees or if the entire Federal estate tax is equitably apportioned among all of the transferees of the decedent which received property included in the gross estate.

The Committee on Ways and Means was unanimous in ordering H.R. 137 favorably reported. I urge its adoption by the House.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House relates to the Federal estate tax and would allow a deduction with respect thereto in the case of certain charitable transfers which are subject to foreign death taxes. This bill would make the deduction allowed with respect to foreign death taxes comparable to the present law treatment of deduction for State death taxes.

The effect of the bill is to prevent a pyramiding of Federal estate taxes where foreign death taxes are imposed on a charitable bequest. An executor would be granted an election to take a deduction for an estate, succession, legacy, or inheritance tax paid to a foreign country with respect to property located in that country provided the property is included in the gross estate of a U.S. citizen or resident and is property which would otherwise be transferred for public, charitable, or religious uses.

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.

SOCIAL SECURITY COVERAGE FOR CERTAIN SCHOOL EMPLOYEES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate

consideration of the bill (H.R. 213) to provide that certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees without regard to the existing limitations upon the time within which such a modification may be made.

The Clerk read the title of the bill.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104(f) of the Social Security Amendments of 1956 is amended by striking out "prior to July 1, 1957."

With the following committee amendment:

Page 1, before the period in line 4, insert "and inserting in lieu thereof 'prior to January 1, 1962,'."

The committee amendment was agreed to.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 213, which was introduced by our colleague, the gentleman from Texas [Mr. PATMAN], is to provide an additional period of time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees. This bill would reinstate, until January 1, 1962, a provision of the Social Security Amendments of 1956 under which eight specified States and the Territory of Hawaii could provide old-age, survivors, and disability insurance coverage for certain nonprofessional school district employees without a referendum and as a group separate from the professional employees who are in positions under the same retirement system. The provision in question was in effect for less than a year and the Committee on Ways and Means has been advised that at least some of the States named in the provision did not secure the desired coverage before the provision expired. Because of the relative shortness of the period during which the provision was in effect, and because the objectives of the legislation were not accomplished during that period, it is desirable that a temporary reinstatement of this provision be made in order to give the specified States additional time in which to obtain coverage under the provision. Since some of the specified States may need State enabling legislation in order to obtain coverage under the provision, and since the legislative bodies of almost all of these States meet only in odd-numbered years, the bill would reinstate the provisions until January 1, 1962.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation, H.R. 213, would allow the modification of certain State agreements entered into with the Secretary of Health, Education, and Welfare so as to provide old-age and survivors insurance coverage for nonprofessional school district employees. This would be accomplished by providing an additional period of time for the modification of these agreements. The prior authority for such modification was in effect for less than a year and expired on July 1, 1957 with the result that certain States did not take timely action to achieve this extension of coverage to the school district employees affected. To provide sufficient time the bill which has just received favorable House consideration would extend the modification authority until January 1, 1962.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "A bill to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees."

ESTATE TAX TREATMENT

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1219) to amend section 2038 of the Internal Revenue Code of 1954—relating to revocable transfers.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2038 of the Internal Revenue Code of 1954 (relating to the treatment of certain revocable transfers for purposes of the estate tax) is amended by adding at the end thereof the following new subsection:

"(c) EFFECT OF DISABILITY IN CERTAIN CASES.—For purposes of this section, in the case of a decedent who was (for a continuous period beginning not less than 3 months before December 31, 1947, and ending with his death) under a mental disability to relinquish a power, the term 'power' shall not include a power the relinquishment of which on or after January 1, 1940, and on or before December 31, 1947, would, by reason of section 1000(e) of the Internal Revenue Code of 1939, be deemed not to be a transfer of property for purposes of chapter 4 of the Internal Revenue Code of 1939."

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to estates of decedents dying after August 16, 1954. No interest shall be allowed or paid on any overpayment resulting from the application of the amendment made by the first section of this Act with respect to any payment made before the date of the enactment of this Act.

Mr. MILLS. Mr. Speaker, under present law the gross estate of a decedent, for purposes of the Federal estate tax, includes property held in trust if the grantor of the trust reserves the right to change the trust beneficiaries even though in all other respects he has no interest in the corpus of the trust. Under the 1939 code, in the case of trusts created prior to January 1, 1939, a retained power to change beneficiaries could be relinquished if done so on or after January 1, 1940, or on or before December 31, 1947, without the imposition of a gift tax. In addition, as a result of the Technical Changes Act of 1953, in the case of mentally incompetent decedents who died after December 31, 1950, no Federal estate tax was imposed with respect to the corpus of a trust with a retained power to change beneficiaries if such property would have been free of gift tax had the power been relinquished under section 1000(e) of the 1939 code. This latter rule is applicable if the decedent was under a mental disability for a period beginning at least 3 months prior to December 31, 1947, and continuing to the date of his death. The rule of the Technical Changes Act of 1953 was extended by Public Law 414 of the 84th Congress to decedents dying after December 31, 1947.

Because of the limitations contained in the Technical Changes Act of 1953, and Public Law 414 of the 84th Congress, notwithstanding the incompetence of the decedent to relinquish a power, such decedent's gross estate would include all property with respect to which he had a retained power if the decedent was mentally incompetent for a period 3 months or more before December 31, 1947, and continued so until the date of his death if his death occurred after August 16, 1954. To place the estates of such decedents on a parity with estates of decedents dying in years to which the 1939 code applies, H.R. 1219 provides that the term "power" is not to include a power, the relinquishment of which during the period January 1, 1940, to December 31, 1957, would have been free of the gift tax imposed by the 1939 code as a result of section 1000(e) of such code. This new exception for mentally incompetent decedents will apply under the bill to all years from 1947 on so long as the decedent is mentally incompetent from October 1, 1947, to the date of his death.

This bill was unanimously reported by the Committee on Ways and Means, and I urge its adoption by the House.

Mr. BENTLEY. Mr. Speaker, I would like to speak on behalf of my bill, H.R. 1219. My bill would amend section 2038 of the Internal Revenue Code of 1954, which relates to the treatment of revocable transfers under the estate tax, and it will limit its application in the case of certain mentally incompetent decedents.

Under section 2038 of the 1954 Internal Revenue Code, there is required to be included in the gross estate of the decedent—as an interest passing out of him at death—for estate tax purposes certain property held in trust where the trust grantor reserves the right to change beneficiaries of the trust, although he has otherwise divested himself of interest in the trust property.

My bill adds a provision to the 1954 code relating to persons who have been mentally incompetent for a period beginning at least 3 months prior to December 31, 1947, and who remain so until the date of their death. My bill provides that any powers such persons have at the date of their death to change beneficiaries of a trust they created are not to result in such property being included in their gross estate for estate tax purposes.

This legislation would extend under the 1954 code the same relief as existed under the 1939 code. The section involved in the 1939 code—section 811(d)(4)—was not carried over into the 1954 code. The relief granted by the 1939 code was limited to decedents dying before August 17, 1954. My bill amends

the 1954 code to extend exactly the same estate tax relief provided under the 1939 code to estates of decedents dying after August 16, 1954.

Thus as a result of this bill, the exception for mentally incompetent persons will apply to all years from 1947 forward so long as the decedent involved is mentally incompetent from October 1, 1947, to the date of his death. I feel certain that had the decedents involved been mentally competent they undoubtedly would have relinquished their powers within the prescribed period, and as a result would not have had property in question included in their gross estate for estate tax purposes.

I certainly hope the House takes favorable action on this badly needed legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, existing law requires that for Federal estate tax purposes there be included in the gross estate of a decedent property held in trust where the grantor of the trust has reserved the power to redesignate the beneficiaries even though in all other respects the grantor has fully divested himself of any interest in the trust property. The bill H.R. 1219 would alleviate a hardship that results under existing law where a person vested with a power of appointment fails to exercise that power because of his becoming mentally incompetent. Thus, under the bill any powers that a person may have at the date of his death to change beneficiaries are not to result in such property being included in his gross estate where the failure to exercise the power is attributable to mental incompetency.

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.

TEMPORARY SUSPENSION OF PROCESSING TAX ON PALM OIL

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 147) to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations or mixtures thereof.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the tax imposed under section 4511(a) of the Internal Revenue Code of 1954 shall not apply with respect to the first domestic processing of palm oil, palm-kernel oil, fatty acids derived therefrom, or salts thereof, or of any combination or mixture solely because such combination or mixture contains a substantial quantity of one or more of such oils, fatty acids, or salts, during the period beginning with the first day of the first month which begins more than 10 days after the date of the enactment of this Act and ending with the close of June 30, 1960.

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.

Mr. MILLS. Mr. Speaker, the bill, H.R. 147, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from New York, the Honorable EUGENE J. KEOGH, and which was approved unanimouly by the Committee on Ways and Means, corrects an inequitable competitive situation arising from Public Law 85–235 which suspended through June 30, 1960, the tax of 3 cents per pound imposed upon the first domestic processing of coconut oil.

The tax on the first domestic processing of coconut oil is imposed by section 4511 of the Internal Revenue Code of 1954. This same section imposes the same 3 cents per pound tax on the first domestic processing of palm oil, palm kernel oil, and fatty acids or salts derived therefrom. All of these oils are used for broadly similar purposes such as in the production of soap. The temporary suspension of the tax on coconut oil had the unintended result of placing palm oil and palm kernel oil at a serious competitive disadvantage. This bill provides that the temporary suspension of tax through June 30, 1960, presently provided for coconut oil will be extended to palm oil and palm kernel oil.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 147 would provide for the suspension of the 3-cent-per-pound tax on the first domestic processing of palm oil and related products. This legislation would improve the competitive position of the oils affected by the bill with other oils on which Congress has suspended the tax otherwise imposed on the domestic processing.

FREE IMPORTATION OF TOURIST LITERATURE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph 1629 of the Tariff Act of 1930 is hereby amended by adding at the end thereof a new subparagraph to read as follows:

"(d) Tourist literature containing historical, geographic, timetable, travel, hotel, or similar information, chiefly with respect to places or travel facilities outside the continental United States, issued by foreign governments or departments, agencies, or political subdivisions thereof, boards of trade, chambers of commerce, automobile associations, or similar organizations or associations."

(b) This Act shall be effective as to merchandise entered for consumption or withdrawn from warehouse for consumption on or after the day after the date of enactment of this Act.

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.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 2411, which was introduced by our colleague from the State of Washington, the Honorable DON MAGNUSON, is to amend paragraph 1629 of the Tariff Act of 1930, a free-list provision, by adding at the end thereof a new subparagraph covering tourist literature issued by certain groups and which relates chiefly to places or travel facilities outside the continental United States.

The basic statutory language in the tariff schedules of the Tariff Act of 1930 does not specifically mention tourist literature. In the schedules of that act such literature is embraced within broader tariff provisions in several paragraphs, chiefly paragraph 1410. Certain classes of tourist literature have been carved out of the broader statutory provisions as a result of trade-agreement concessions and are presently dutiable at reduced rates of duty. Thus, the type of tourist literature that is principally covered by this bill is presently dutiable at the rate of 3¾ percent ad valorem if of bona fide foreign authorship and at the rate of 6¼ percent if not of such authorship. Paragraph 1629 provides for the free entry of public documents issued by foreign governments, and this provision has been held to include tourist literature issued wholly by or at the instance and expense of a foreign government or subdivision thereof. The purpose and effect of H.R. 2411 is to simplify the tariff treatment of such tourist literature and to extend the application of the duty-free treatment to a broader class of tourist literature.

During the course of consideration of an identical bill which was reported favorably to the House last year, and which passed the House unanimously, the Committee on Ways and Means was assured that this bill would not affect or in any way alter existing statutory controls on the importation of so-called subversive or propaganda material.

Favorable reports on this legislation were received from the Departments of State and Treasury, as well as an informative report from the Tariff Commission.

The committee is unanimous in recommending the enactment of H.R. 2411.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation would amend the Tariff Act so as to provide for the free importation of tourist literature relating to places or travel facilities outside the continental United States.

The Committee on Ways and Means was unanimous in approving this amendment to the Tariff Act.

PROVIDING FOR THE FREE ENTRY OF CERTAIN CHAPEL BELLS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3681) to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to admit free of duty twenty-five chapel bells, which are more particularly described as two fully chromatic octaves, twenty-five bells, in the key of C, number 22 size, imported for the use of the Abelard Reynolds School Numbered 42, Rochester, N.Y.

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.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 3681, which was unanimously reported by the Committee on Ways and Means, is to authorize and direct the Secretary of the Treasury to admit free of duty 25 chapel bells imported for the use of the Abelard Reynolds School, No. 42, Rochester, N.Y. The Committee on Ways and Means was advised, during the course of consideration of an identical bill which was reported favorably to the House last year, that the bells range from 2 to 8 inches in diameter, and would be used for the musical training and appreciation of students at the school, remaining the property of the school. The committee was further advised that these bells are not manufactured in the United States.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, as explained by the distinguished chairman of the Committee on Ways and Means, the legislation which has just passed the House would permit the importation duty free of a set of chapel bells for the use of the Abelard Reynolds School, No. 42, in Rochester, N.Y.

In the consideration of this legislation the Committee on Ways and Means was informed that bells of the type that would be authorized for importation under this legislation are not manufactured in the United States. The Committee on Ways and Means was unanimous in approving this legislation.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES—TREATMENT OF ACCRUED ANNUAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3472) to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

Mr. MARSHALL. Mr. Speaker, reserving the right to object, I would like to ask a few questions about this bill.

I wonder if the chairman could tell me in connection with this particular bill what the attitude of the committee is in reference to it.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 3472, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from Rhode Island, the Honorable AIME J. FORAND, is to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal civilian employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws.

Title XV of the Social Security Act, which established the Federal employees' unemployment insurance program, provides for the administration of that program by the States under agreements with the Federal Government. Section 1505 of this title, however, presently provides that no compensation may be paid to a Federal employee during a period subsequent to separation from Federal service when he is being paid for accrued annual leave. This bill, by repealing section 1505, would make the award of unemployment compensation to a separated Federal civilian employee while he has accrued annual leave depend upon the provisions of the appropriate State unemployment compensation law.

The Federal civilian worker would then be treated in exactly the same manner as workers in private industry who receive similar annual leave payments upon separation.

Favorable reports on similar legislation last year were received from the Departments of Labor, Treasury, and Health, Education, and Welfare, as well as an informative report from the U.S. Civil Service Commission.

This bill was unanimously reported by the Committee on Ways and Means.

The committee reached the conclusion it did about the bill because the Federal civilian worker would then, under this bill, be treated exactly in the same manner, with respect to annual leave payments, as workers in private industry who receive similar annual leave payment upon separation.

Mr. MARSHALL. Can the gentleman tell me whether or not in some States employees are eligible to collect annual leave and unemployment compensation for the same period of time?

Mr. MILLS. There are some States that provide that a worker who is not a separated civil service employee of the Federal Government but who is a worker in private industry may receive unemployment compensation during the time he is receiving his annual leave payments; that is, upon separation from his private employment. Section 1505 of the Social Security Act prevents a Federal civilian employee, in a State where this may occur with respect to private employees, from receiving the same treatment as the employee in private industry. We were trying to equalize the situation between private and Federal employment in those States where private employees receive this treatment.

Mr. MARSHALL. Will not this make it possible for inequities in the treatment of Federal employees as between the different States of the union?

Mr. MILLS. Now, the gentleman from Minnesota recognizes, I am sure, that unemployment compensation is largely based upon State statutes. It operates in each and every State upon the basis of the State statutes, and the State statutes in the several States vary with respect to many points. Now, some States do allow this separated private employee to receive these benefits while his accrued leave is coming to him. In those States we thought it was fair, since the State law is controlling—because we want to leave the responsibility on the States—that we let our Federal employees be treated just as other employees are presently being treated and that we not prohibit by Federal statute this benefit from being received for this limited period of time by the Federal civilian employees.

Mr. MARSHALL. Is there any possibility that this may lead to a wholesale transfer of Federal employees in order that they may be transferred into States in order to collect their unemployment compensation and annual leave on the same basis?

Mr. MILLS. The gentleman's judgment on that point I would have to take, because I have no information whatsoever that leads me to believe that the Federal Government would precipitously transfer an individual in Washington or some other State into one State just in order for him to receive unemployment compensation at an earlier date than he would otherwise receive it. Now, the period we are talking about, annual leave, the gentleman from Minnesota knows, is not for an extended period at best.

Mr. MARSHALL. Could the distinguished chairman tell me about how much it is anticipated that this will cost the Federal Government?

Mr. MILLS. We asked that question when we had this matter in the committee. We did not get a firm estimate of the cost. It could only involve that period of time for which the individual, the separated Federal civilian employee, is drawing annual leave. He would get his benefits for a certain duration under State law, anyway. Now, if the State law provided for him to receive 26 weeks of benefits, let us say, at $30 a week, he would generally get that amount if he remained unemployed whether we enact this provision or not. This action here does not mean that he would get any more than $30 for that number of weeks. That is all he can get. That is determined by State law. It is just a question of whether or not the commencement of the benefit payment under State law for the prescribed duration period will begin while he is receiving annual leave or whether it will commence after he has exhausted his annual leave. I do not see that it could add any material amount, because we are not extending it. We are not saying that the Federal Government will pay more. We are just saying that the State can begin this payment at perhaps an earlier date than it would under the provisions of existing law, in the light of section 1505.

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

Mr. MARSHALL. I yield to the gentleman from Rhode Island.

Mr. FORAND. I would like to emphasize that this is not separation pay, but it is annual leave accrued to the individual to which he has a right. If he takes a vacation, all right, his time is used up. If, instead, he continues to work but has accrued that vacation period credit, he is entitled to that whether he is receiving unemployment compensation or not. The two are separate and distinct. The point we are trying to clear up is the discrimination now existing against Federal employees who live in States where the State recognizes that an individual in private employment is entitled to unemployment compensation, whereas the same kind of treatment should apply to a Federal employee.

Mr. MARSHALL. I appreciate what the gentleman from Rhode Island is trying to do and I am sympathetic to a certain extent with what he is trying to do. It seems to me that the problem we face on this proposition is that this is a matter of Federal employees getting a different interpretation as between the different States. I realize that some of that is beyond the gentleman's control, because it is a State matter. But there is another feature that is not being considered here, but is tied in to it. In a number of States we are now paying unemployment compensation to Federal employees who are collecting their annuities. That is costing us up into the millions of dollars. It seems to me that that is decidedly unfair. I appreciate that that is separate from what the gentleman is trying to do here. But it does seem to me that this does create some discrepancy.

It was my intention today to point the matter up as far as the Congress is concerned in order that we may have a clearer understanding of it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective only with respect to benefit years which begin more than thirty days after the date of enactment of this Act, section 1505 of the Social Security Act (42 U.S.C. 1365) is hereby repealed.

With the following committee amendment:

Page 1, after line 6, insert:

"SEC. 2. Section 1511(f) of the Social Security Act (42 U.S.C. 1371 (f)) is amended by striking out 'section 1505 applies' and inserting in lieu thereof 'section 1505 continues (without regard to its repeal) to apply'."

The committee amendment was agreed to.

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.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 3472 would amend the Social Security Act so that accrued annual leave for Federal civilian employees would be treated in accordance with State law in determining the employee's eligibility for unemployment compensation.

The Committee on Ways and Means was unanimous in approving this legislation. It is an appropriate amendment to the law because unemployment compensation is intended to maintain in part an employee's purchasing power during a period of temporary unemployment whereas the accrued annual leave of the employee is predicated on the concept that employees earn vacation rights as a result of their employment.

I am happy to have joined in supporting the favorable House action just taken on this legislation.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the authors of these various bills just passed have permission to extend their remarks in the RECORD following the passage of each bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPECIAL MILK PROGRAM, FISCAL YEAR 1959

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman please explain the bill for the information of the House?

Mr. JOHNSON of Wisconsin. Mr. Speaker, it was brought out by a survey in the Department of Agriculture by the people administering the special milk program that up until July 1 of this year there would be a shortage in some 37 States of about $3 million for the carrying out of this program. I introduced legislation that would have increased the appropriation to $5 million for fiscal 1959, and another bill for $10 million for fiscal 1960 and 1961. But the bill was amended unanimously in the committee, which lowered it to $3 million. All this bill does is increase the authorization $3 million from commodity credit fund for the special school milk program. That takes it up to July 1959.

Mr. HOEVEN. Mr. Speaker, this is the popular school milk program which was first proposed by our late colleague, August H. Andresen, of Minnesota. The program has been carried on successfully since that time. It is true, as the gentleman has stated, that the original bill called for an appropriation of $80 million for the current fiscal year. The committee unanimously agreed upon a figure of $78 million for this fiscal year. Although the Department of Agriculture testified that $75 million might be sufficient to carry on the program this year, surveys as to needs might possibly show an expenditure of $77.1 million would be necessary. In order to meet any contingencies, the committee raised the figure to $78 million.

May I ask the gentleman whether or not the expenditure of the money is permissive as far as the Secretary of Agriculture is concerned?

Mr. JOHNSON of Wisconsin. That is right. The Secretary does not have to spend the money, but if it is needed to carry out the program, he has the right to do so.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HOFFMAN of Michigan. I know that the gentleman has complete and accurate knowledge of the situation with reference to milk, but what I was interested in was whether this had anything to do with the monopoly that the Maryland and Virginia Milk Producers have in the situation here?

Mr. HOEVEN. All we know about the supposed monopoly, I will say to the gentleman——

Mr. HOFFMAN of Michigan. Supposed? It is a monopoly; we all know that. Surely the leader knows that.

Mr. HOEVEN. The only thing I know about it is what I read in the newspapers.

Mr. HOFFMAN of Michigan. Does this bill help out these Wisconsin milk producers and those over in Pennyslvania and that milk that is coming in from New Jersey?

Mr. HOEVEN. I would say this bill certainly benefits the milk producers of Wisconsin, Michigan, and other areas. If it is going to make the continued flow of this milk into school channels possible, and an added appropriation can authorize you to carry on the work.

Mr. HOFFMAN of Michigan. Let us see about that now.

The SPEAKER. The Chair was advised that this bill would be considered under a unanimous-consent request and was not going to take much time. If this bill is going to take much time, the Chair will be compelled to ask the gentleman from Wisconsin to withdraw the bill, at least temporarily.

Mr. HOFFMAN of Michigan. Can I not get permission for either one of them to yield for a minute?

The SPEAKER. The gentleman may.

Mr. HOFFMAN of Michigan. I mean, may I try?

The SPEAKER. The gentleman may try.

Mr. HOFFMAN of Michigan. Who has the time?

The SPEAKER. The gentleman from Wisconsin. The gentleman from Iowa has taken his seat. The gentleman from Michigan reserves the right to object.

Mr. HOFFMAN of Michigan. Yes; and I do object. I want to ask the gentleman just what I asked in the first place. If he had answered, we would have been way along on our way. My question is whether this proposed legislation has anything to do with this monopoly that the Maryland and Virginia dairymen have on the supply that goes into the District.

Mr. JOHNSON of Wisconsin. None whatsoever. This affects the whole country.

Mr. HOFFMAN of Michigan. It does not prevent the Wisconsin or Pennsylvania fellows from getting their milk in here?

Mr. JOHNSON of Wisconsin. This affects the schoolchildren of the whole country.

Mr. HOFFMAN of Michigan. Then I am as a milk consumer here to pay that same high price?

Mr. GROSS. Reserving the right to object, Mr. Speaker, will this have anything to do with permitting the bringing into the District of any of that so-called "tired" milk from Wisconsin or Iowa?

Mr. JOHNSON of Wisconsin. This is so the schoolchildren all over the country will have milk in the special schoolmilk program for the balance of fiscal 1959.

Mr. GROSS. It will be very nutritious milk, even though it is "tired" milk.

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

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, I fully support the legislation pending before the House today to make additional funds of the Commodity Credit Corporation available to meet the needs of the special milk program for the remaining months of the 1959 fiscal year.

According to the table submitted by the Department of Agriculture, well over half of the State agencies feel they do not have sufficient funds to operate the program in schools throughout the end of the school year and to take care of the June operations in summer camps. I understand the point made by the Department of Agriculture that some of the States subsequently may spend less, but States must plan on the basis of their best expectations.

Gordon Gunderson, who heads up the program for the State department of public instruction in Wisconsin, in testimony before the House Agriculture Committee, indicated the actions open to State agencies which anticipate a deficit. Any one of those actions, it seems to me, means curtailed consumption this year and next year, too.

My own bill, H.R. 5413, would have increased the authorization to $80 million this year and then provide an additional $5 million for each of the next 2 fiscal years. There is an immediate need to reassure States that funds will be available to meet all of this year's needs. But, we need also to take early action with respect to the program for next year. School people do not start to plan their programs when school opens in the fall—they must be all set to begin operations by that date. Actually, I would think that the Department of Agriculture should be in a position to outline next year's program to the States by late April.

This program has been remarkably successful. Milk service is now available to about three out of every four children in school and that about half the children in school are regularly drinking milk with the school lunch or under the special milk program. That is a fine record, but it also means that we have not yet exhausted the full potential of the program. It is no time to be trying to reduce or even stabilize it. As long as the Department needs to buy surplus dairy products, we should continue full efforts to move that milk in fluid form to our young children. That is much better for children and much better for dairy producers.

The 2 billion half-pints of milk that moved under this program last year had a healthy influence on children, helped reduce Government purchases of manufactured dairy products, widened fluid markets, and helped form the milk-drinking habit among our young people.

The Congress needs to take early action to see that these benefits are continued in full effectiveness. I am cooperating fully with my friend the gentleman from Wisconsin [Mr. JOHNSON] in securing passage of this temporary legislation today.

I realize the urgency of this request to take care of the remaining portion of the year 1959. The gentleman, I am sure, is also aware of the fact that we do have a problem as far as the fiscal year 1960 is concerned. The program for 1960 is such that it will be necessary for the States to make their plans within the next 2 months. It was my hope we would be able to give consideration to the next year's program at an early date. We should also give some consideration to placing this program on a direct appropriation basis. I will introduce legislation this afternoon to take care of next year's program and will place the milk program on a permanent direct appropriation basis.

Mr. JOHNSON of Wisconsin. I am very hopeful that the Dairy Subcommittee will hold hearings on fiscal 1960 and 1961 special milk program right after the Easter recess. I have been promised by the chairman of that subcommittee that hearings will be held right after the Easter recess.

I might say to the gentleman from Wisconsin [Mr. LAIRD] I also have introduced a bill that would take care of the possible shortage for fiscal 1960 and 1961; but to be sure that the special school milk program was not cut, I agreed to wait and take care of the immediate problem before the Easter recess so no reduction would be had in this worthy program.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed $80,000,000, and for each of the two fiscal years thereafter, not to exceed $75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

With the following committee amendment:

Page 1, line 5, strike out "$80,000,000" and insert "$78,000,000".

The committee amendment was agreed to.

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.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent that I may extend my remarks at this point in the RECORD and include extraneous matter, and that all interested Members may extend their remarks at this point in the RECORD on the bill just passed.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on March 4, 1959, I introduced two bills in the House of Representatives that would increase the amount of Commodity Credit Corporation funds which could be used for the special milk program for schools and summer camps. My first bill, H.R. 5247, proposed that the authorization for the program for the fiscal year ending June 30, 1959, be increased from $75 million to $80 million. The second bill, H.R. 5248, provided for future expansion of the program as well as a temporary increase for fiscal 1959. Under the provisions of this bill, $80 million would be authorized to carry the program through this fiscal year, and the funds would be increased to $85 million for both 1960 and 1961.

The urgency of the situation is illustrated by the fact that 37 States and the District of Columbia will be forced to curtail operations in this field unless additional funds are authorized soon. According to a survey made by the U.S. Department of Agriculture, the total deficit for the fiscal year ending June 30, 1959, would be $3,378,569 if the program was carried on at the current level until the end of that time. My home State of Wisconsin has an indicated deficit of $102,097.

California will fall $680,936 short of meeting its estimated milk fund needs. As our population increases, the school enrollment naturally keeps going up. These health programs for our young people must be expanded to keep pace with that growth.

Last June, Congress authorized a 3-year extension of the special milk program with an annual authorization of $75 million. This is already proving insufficient. And unless we increase the authorization soon, those 37 States and the District of Columbia will have to tell their schools to cut down the milk supply to children who need it. In addition, the uncertainty over funds will seriously hamper the summer camp milk program, for now is the time when camp managers are making their food plans for the coming season.

Mr. Speaker, because the situation called for immediate action, Congressman COOLEY scheduled hearings March 17 by the House Agriculture Committee on my bills and similar ones which had been introduced by several of my colleagues. In order to secure a unanimous report in favor of my emergency bill, H.R. 5247, the committee adopted an amendment cutting the proposed increase for fiscal 1959 from $80 million

to $78 million. This was done at the insistence of the U.S. Department of Agriculture, which opposed any increase at all. My long-range bill, H.R. 5248, will be studied further by the Dairy and Poultry Subcommittee of the House Agriculture Committee after Congress reconvenes following the Easter recess.

I would like to read a telegram from R. W. Fenske, superintendent of schools at Wisconsin Dells, Wis. He said:

Anything you can do to assure passage of these bills will be appreciated.

He and other educators know that the special milk program is one of the most successful programs of the U.S. Department of Agriculture. If adequate funds are available, over 2 billion half-pints of milk will be consumed under the plan. Added to the 2 billion half-pints used in the school lunch program, this represents about 3.5 percent of all the fluid milk consumed by our nonfarm population. Around 80,000 schools are taking part in the milk program, and about 22 million children are drinking milk at school either under the school lunch program or at recess breaks as part of the special milk plan.

Mr. Speaker, the 80,000 figure does not include the summer camps using the program. If you recall, I introduced the bill to extend the special milk program to the summer camps, and it became a law in 1956. The following year, 2,220 camps participated. In 1958, the number increased to 3,026. I would like to see this worthwhile program continue to expand, but it will not—it can not—unless enough funds are made available.

Although the funds for the special milk program come under the U.S. Department of Agriculture budget, I do not feel it is fair to charge the cost of the program to the farmers. This is one of the farm programs which does as much good for city folks as it does for the farmer. That's why the cost of this humanitarian program should not be lumped with the cost of Government purchases of surplus food, as is now being done. This kind of accounting presents an untrue picture of the expense of the price support program, a picture which is grossly unfair to our farmers.

Mr. Speaker, I can think of no finer investment than one which insures that this country's children continue to receive the full benefits of the special milk program. Few responsibile citizens will quarrel with the idea that the kids of this Nation are entitled to an adequate supply of the world's most complete food—milk. It seems to me that it is far better to use Commodity Credit Corporation funds to encourage children to drink more milk than to use the money to buy surplus butter, cheese and dry milk. When it comes right down to it, that's the choice we are facing—more money for the special milk program or more price support purchases of dairy products.

When the hearings were held on H.R. 5247 and H.R. 5248, Gordon W. Gunderson, administrative assistant to the Wisconsin State superintendent of public instruction, came to Washington, D.C., to testify in support of my bills to expand the special milk program. Mr. Gunderson is a native of Colfax, Wis., which is in my home District, the Ninth He has a long and outstanding record of public service to the people of our State.

Mr. Speaker, during the depression of the 1930's. Mr. Gunderson served as director of the Wisconsin Home and Farm Credit Administration, which undertook a special program of refinancing farm and home loans in order to put an end to the widespread foreclosures then taking place. After this emergency was over, Mr. Gunderson, as a State representative of the U.S. Department of Agriculture, helped establish the school lunch program in Wisconsin. During World War II, he served as State director of the War Food Administration and had under his direction the administration of all war food orders affecting food processing and so forth.

With the transfer of school lunch activities to the department of pubic instruction in 1946, Mr. Gunderson was employed by that department to supervise the school lunch program in Wisconsin. Approximately a year later, the U.S. Department of Agriculture turned over to the State the distribution of commodities to schools, and he took on this additional job. The special milk program in our State has been under his supervision since 1954.

Mr. Gunderson appeared before the House Agriculture Committee in behalf of the American School Food Service Association and the Wisconsin Department of Public Instruction. Under leave to extend my remarks, I want to include his testimony in the RECORD:

STATEMENT BY GORDON W. GUNDERSON ON THE SPECIAL MILK PROGRAM BEFORE THE HOUSE AGRICULTURE COMMITTEE, MARCH 17, 1959

I greatly appreciate the opportunity to testify before this committee on behalf of the special milk program.

I am here today representing the American School Food Service Association—an organization of some 16,000 members including State school lunch directors, county and district school lunch supervisors and managers of individual school lunch programs. I am also representing the Wisconsin Department of Public Instruction. In this department, I am the supervisor of the school lunch, special milk, and commodity distributing program.

The special milk program is now drawing to the close of its fifth year of operation. From the time that Lodi, Wis., the first school in the Nation to begin the operation of the program, served special school milk to its 530 pupils in September of 1954, there has been a steady growth at an ever-increasing rate to reach a total of more than 19 million children in 76,000 schools and child-care institutions and a consumption of more than 1.9 billion half pints of milk in 1958. This astounding achievement is in line with the objectives desired at the time of the enactment of the legislation and all through the 5-year period, even up to the present time.

During the 1954–55 school year numerous federally financed research projects were undertaken in many of the States to discover problems which might hinder the rapid and extensive expansion of the program and to explore new and more effective ways of increasing milk consumption in schools. These projects included experiments concerning effect of new times of service in schools; milk handling practices and temperature controls; use of milk vending machines; use of container sizes other than the usual one-half pint; the serving of flavored milk; and the effect of various levels of price reduction. In Wisconsin we cooperated in the study of price reduction. Other studies were undertaken in at least 11 other States. The data which were gathered was published by the U.S. Department of Agriculture and submitted to all of the State agencies administering the special milk program in order that they might take advantage of any new or improved ideas in milk service to the end that there might be a rapid gain in milk consumption throughout the Nation. In its preface to the "Service Guide for States," dated February 1959, the U.S. Department of Agriculture has stated: "The Department of Agriculture believes that a many-sided approach is necessary to realize the potentialities of the program. It hopes that the program will:

"(1) Make the service of milk possible to schools or eligible child-care institutions not now serving milk;

"(2) Encourage a larger percentage of children to drink milk in those schools and child-care institutions where milk is now available; and

"(3) Offer an opportunity to those children now drinking milk, to drink more milk, if they so desire.

"Reimbursement funds available under the special milk program will make possible reductions in the price at which milk is offered to children and enable schools and institutions to make more milk available for consumption by children. * * * The Department recognizes that a price reduction is but one of several ways in which increased milk consumption can be encouraged; other ways include the establishment of new times for and their method of serving milk, and continuing efforts to better acquaint children with the importance of drinking adequate amounts of milk. Planning for increased efforts along these lines necessarily must rest largely in the hands of interested State and local groups * * *. The special milk program provides another opportunity to assist in local efforts to improve the diets and health of children."

It is evident that this has consistently been the policy of the U.S. Department of Agriculture since the foregoing quotations are almost word for word identical with those in the preface to the "Service Guide" issued in November 1956. State agencies having the responsibility for the administration of the program have accepted this policy at its face value. They have sought and have obtained the cooperation and services of farm organizations, milk distributors and national, State, and local agencies and organizations concerned with the health and welfare of children. These united efforts have made possible the expansion of the program to the point where it appears that the funds available for the current fiscal year will not be adequate to meet obligations under the terms of the agreements which have been entered into with participating schools. In Wisconsin we have approved 131 new applications during the current school term. On the national basis, the increase is approximately 7,000 schools over last year.

In the division of Federal funds among the States for the financing of the program for the current year, the U.S. Department of Agriculture has set aside a reserve for each State equivalent to 112 percent of the State's estimated expenditure during fiscal year 1958. Any funds needed by an individual State in excess of this reserve could be provided only to the extent to which funds could be recaptured from States not utilizing their full reserve.

Information published by the U.S. Department of Agriculture shows that 38 States indicate a deficit totaling $3,060,250. In addition, four of the five area offices of the

U.S. Department of Agriculture indicate a deficit of $318,310.

What will be the effect of this shortage of funds in these States? The respective State agency will be obligated to take one or more of the following actions:

1. Immediately reduce rates of reimbursement to all participating schools to a point which would enable the continuation of the program to the end of the school year, or

2. Continue payments at the contractual rates until funds are exhausted and then terminate all contracts.

3. Reject all new applications for participation for the remainder of the school term.

4. Curtail or eliminate completely participation by summer camps for children.

Certainly any curtailment in the program before the end of the school term would have a devastating effect upon the program not only for the current year but for the years that lie ahead. The major effects would be:

1. An immediate reduction in consumption of milk.

The Wisconsin experiment concerning the effect of price reductions upon consumption of milk by schoolchildren proved conclusively that:

(a) The greater the price reduction, the greater was the increase in consumption.

(b) Reduced prices resulted in increased numbers of children drinking milk in school.

(c) The increased milk consumption at school was new consumption, not the replacement of home consumption.

2. Total exclusion from participation, or reduced consumption by children from low income families.

The St. Louis study conducted in 1955–56 showed that "pupils in elementary schools serving low income districts drank about 171 percent more milk, other than with meals, and students from the middle income districts drank about 157 percent more during the 1955–56 school year than in the previous year. * * * Pupils in schools serving high income districts increased their consumption by only 44 percent * * * the increase demonstrates a greater effect on those in the lower income school districts when price is reduced."

3. Dissuasion from participation in the coming year. Whether or not any school faced with a reduction in reimbursement rate or cancellation of the contract at this time of the school year will even consider renewing its contract for the coming year without a guarantee of continuous payment at full rate throughout the year is problematical, to say the least. Certainly it will act as a serious deterrent to participation by new schools.

The significance of the program becomes extremely interesting and vivid when we convert the millions of half pints of milk consumed into terms of butter, cheese, and powdered milk. Applying the formula that 100 pounds of 3.5 percent milk will produce 4.2 pounds of butter plus 8.5 pounds of nonfat dry milk solids, or 9 pounds of American cheese, we can readily determine that the more than 1.9 billion half pints of milk consumed by our schoolchildren in the past fiscal year would have produced more than 43 million pounds of butter plus more than 72 million pounds of nonfat dry milk, or more than 92 million pounds of American cheese. I believe it is reasonable to assume further that much of this would have found its way into Government warehouses. But the additional butter and powdered milk or American cheese would not have been eaten by American schoolchildren since they have already consumed these products from Government donated stocks at a maximum rate.

It appears to me, therefore, that we face the problem of providing additional funds with which to finance the special milk program or face the probably even greater problem of purchasing and disposing of additional surplus dairy products.

We would support the proposition that the needed funds be made available for the continuation of the special milk program at full capacity and at full rate of reimbursement for the remainder of the current year and for the next 2 years as a health-giving, sound economic program for all concerned.

From an overall fiscal viewpoint, I think we should remember that the special milk program has not utilized the total funds made available in any previous year, so that in the aggregate the expenditure has been less than anticipated. The additional funds required for the current year, plus addition amounts for each of the next 2 years are authorizations and set maximum limits. Only to the extent that the program needs additional funds would CCC funds be called upon. If full use of the authorized funds is not needed in the program, there would be no call on CCC for the funds.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1960

Mr. KIRWAN. 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. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and, pending that, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half the time to be controlled by the gentleman from Iowa [Mr. JENSEN] and one-half by myself.

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

There was no objection.

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. 5915, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KIRWAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman and Members of the Committee, every year that I come down here to present this bill to the House, I make the same statement, and I will make it again today. I only regret that this bill is not for about $1 billion. If ever there was a country that could afford to spend a billion dollars on itself, it is this country and its Territories—and I mean that sincerely. In the district that I happen to represent, they evacuated people twice in zero weather in the month of February within a short space of 2 weeks. The people had to be taken out of their homes in row boats. There was $10 million worth of damage done just in that little bit of river. So, I repeat again, if there was ever a nation that we should spend money on, it is this Nation. But, the President has asked for a balanced budget of $77 billion. We have before us today the request of the Department of the Interior. I think this committee, that reported this bill out unanimously, did a sound job, and I am going to make every effort to explain to you the basis for the committee's action.

The committee found certain inconsistencies in the budget estimates as well as provision for many items for which there can be no valid justification in these critical budget times. For example, the budget included large increases for national parkways and acquisition of additional park lands and at the same time proposed a decrease of $2 million for forest roads needed for access to timber, the sale of which would increase receipts to the Federal Treasury.

Forest receipts for the current fiscal yeare are estimated at over $100 million, and yet the budget proposed to reduce the funds for access roads that would make possible even greater timber receipts.

The budget also proposed an appropriation of $836,400 in this bill for river basin studies being financed currently by transfer from other agencies without any apparent comparable reduction being made in the 1960 requests of the latter.

While the present Mission 66 plans for improvement of the national parks call for appropriations of over $500 million between 1960 and 1966, or $72 million a year, the 1960 budget request was only $47,600,000. Certainly the public is being misled about this Mission 66.

Every national park and every monument that you go to in the United States has a big sign on it that tells you Mission 66 improvements are to be completed by the year 1966, $500 million more would be required to accomplish this. This year when they should have asked for $72 million, all they asked for was $47.6 million. Yet, included in this amount is $3,250,000 for the acquisition of still another 10,000 acres of park land, the purchase of which would only generate still greater Federal expenditures for construction and operation and maintenance. This request includes $1,250,000 representing the initiation of a 5-year plan to acquire 9,442 additional acres of Civil War battlefield land at a cost in excess of $5 million. Committee review disclosed there are already 18,000 acres in Federal ownership, representing an adequate coverage of the battlefield sites.

Despite the critical budgetary situation, the budget estimates included over $9 million for park and parkway land acquisition and construction projects in the District of Columbia and the nearby areas of Virginia and Maryland with an estimated cost to complete of over $135 million after 1960. Included again in this 1960 request were funds to initiate the scenic parkway in Prince Georges County with an estimated Federal cost of $10 million. This project has twice been disallowed by Congress in the last 2 years.

The total estimated funds available for this fiscal year including the Pay Act request, are $513,449,736.

The budget estimate for 1960 is $491,101,400.

This bill is for $472,198,800.

The reduction from 1959 is $41,250,000, or 8 percent.

The amount of the bill below the budget request is $18,902,600, or 4 percent.

Revenues from items in the bill are estimated at $385 million for fiscal year 1960.

The committee has made decreases in the budget estimate totaling $23,788,600 as follows:

In Pay Act costs (10 percent cut)	—$1,575,000
To hold construction of parkways and Indian schools and roads to level of 1959 appropriations	—10,600,000
Acquisition of park land (including Civil War battlefields and George Washington ton Memorial Parkway)	—4,853,000
Indian items, including Johnson O'Malley contracts, relocation, and road maintenance	—1,432,000
River basin studies (continue to finance under Reclamation and Engineers)	—836,400
Transfer of administration of Alaska fish and game laws to State of Alaska on Jan. 1, 1960	—1,100,000
Disallowance of one-half of increases for management and maintenance of parks (large increases granted in recent years)	—1,203,500
Use of some unbudgeted balances of permanent appropriations under Fish and Wildlife	—1,123,750
Minerals exploration program	—400,000
Geological Survey—water resources studies—(large increase this year)	—500,000
Other minor changes	—164,950

Only three increases were made in the budget, totaling only $4,220,000. These are for:

Additional campground, trailer, and picnic facilities in parks	+$1,550,000
Forest access roads (to keep 1959 level)	+2,000,000
Fish and wildlife construction	+670,000

Major budget increases allowed, totaling $16,230,000, were as follows:

For land management leasing and disposal, cadastral surveying, and fire control	+$1,112,000
Additional care of Indian children in boarding school dormitories, increased enrollment, and additional Indian welfare assistance, law enforcement, and resources management	+3,296,000
Increased management and maintenance requirements in the National Parks	+1,100,000
Expanded operation and maintenance of hatcheries and wildlife refuges and wildlife research	+1,030,000
Expansion of commercial fishing research and marketing studies	+429,000
Additional loans to the fishing industry	+3,000,000
Administration of the Territories	+1,069,000
Expansion of national forest timber sales	+2,800,000
Acquisition of land for the District of Columbia Park and Playground System (reimbursable)	+1,924,000
Saline water program	+470,000

In reference to the District of Columbia Stadium, we learned during the hearings that the Park Service, beginning in fiscal year 1961, planned to spend $3,400,000 of national parkway funds for a parking area for the stadium. There is no authority for such an expenditure out of parkway or any Federal funds. The committee report on the District of Columbia Stadium Act and the floor debate made very clear that the stadium was to be built with a bond issue and was not to be a burden on the Federal taxpayers. The Stadium Act clearly defines construction of the "stadium" to include "necessary motor-vehicle parking areas" and provides for the payment of all costs, including the parking lots, from the operating fund to be set up from the issuance of the bonds. The only Federal assistance authorized was for a long-term lease of the land. This has been done with a rental charge of only $100 a year.

Again let me say that I know of no committee that has brought in a better bill in the many years I have served on it, now 17, than this year's committee. We tried to do what the Department requested. There were, however, many requests in here from the budget that should never have been requested. I am asking the members of the Committee of the Whole today to do some constructive thinking when this bill is before you for amendment, and should amendments come along, make sure you understand what the amendments are all about. I mean that, because we owe a greater national debt today than all the rest of the world put together. Six of our major allies that are in league with us today followed the same path. Greece was the first to lead the world; then came Rome; and Spain, the wealthiest country in all the world when they were hauling gold to her by the boatload. But look at Spain after the Second World War, with people praying in the streets of Madrid for bread. Then came France, England, Germany, and now us. Those nations led the world each for a couple of centuries. We have been cast in this role only since the Second World War, yet there never existed a nation that has gone down the trail as fast as we are going down it.

I repeat, that our national debt exceeds that of all the rest of the world put together. We have all heard some foolish people say: "Why, we owe it to ourselves." Certainly we owe the debt to ourselves. Yet I have not seen many people in this country of 170 million souls who, when they passed on to the next world, said they were leaving any money to wipe out some of the bonds owed by the Government. I know of only two who left anything to the Treasury of the United States. Oliver Wendell Holmes was one and a rural mailman who left a couple of thousand dollars of his estate to the Federal Government. Yes, they leave it by the millions to universities, and I am for that; they leave it to erect monuments, they leave it to hospitals, and I am certainly for that. But very few times has it been recorded that any money was left to this Nation, the greatest country in the world. That is why I tell you this is a Nation that is to be pitied and taken care of. That is what I say when I look at streams, mountains, forests, the minerals and all the natural resources that God put into this country. What have we done with it? We have burned our forests. I remember, as I have told you many times on this floor, that in order to get at a tree that it took God 200 years to grow they burned a tree that it took God 100 years to grow. We have wasted all our resources and now we have to get many of our requirements from foreign countries. We made no effort to conserve, and that goes for all of our minerals and all of our forests. Our streams are polluted and filled up with debris.

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

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

Mr. WESTLAND. I want to compliment the chairman of the subcommittee and the committee for bringing in what I consider to be a very excellent bill. It seems to me the gentleman from Ohio has always presented a businesslike approach to these many problems that come to our Interior Department. I am particularly pleased that the committee saw fit to restore $2 million for forest access roads. I know the subcommittee chairman's approach to this subject has been the same as mine throughout the years. Without adequate forest access roads we cannot harvest the timber. By harvesting the timber the Federal Government shows a profit.

Mr. KIRWAN. Yes; it made about $100 million.

Mr. WESTLAND. Besides that, 25 percent of the gross receipts go to the various counties in which these forests are located for the construction of roads and schools. That is also correct?

Mr. KIRWAN. Yes.

Mr. WESTLAND. Therefore, I am particularly happy that the chairman of the subcommittee saw fit to restore those funds.

I would like to ask the gentleman just one further question. As working hours get shorter, as roads get better, and people have more leisure time, we find that our parks and our forests must provide more recreational facilities for our people. Does the gentleman feel this bill carries adequate provision for the construction and maintenance of adequate recreational facilities in the country?

Mr. KIRWAN. Yes. The committee added over one and a half million dollars for facilities in the parks, such as camp sites, tables, and so forth. There are not enough accommodations in our parks today, so we increased the budget to take care of such things in parks throughout the Nation and decreased the request to buy more land. We should take care of what we have before we start expanding and it will cost $500 million just to provide for present plans under Mission 66.

Mr. WESTLAND. I cannot agree more with the chairman. We should adequately take care of our present facilities and wait a while until we get those fixed up before we buy more.

Mr. KIRWAN. Yes.

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

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

Mr. GROSS. I want to commend the gentleman for the statement he has made particularly with reference to the

economy of waste policies which we have practiced in the past and which are now coming back to haunt us. In reading some hearings in connection with the Bureau of Reclamation, held before the House Interior and Insular Affairs Committee, I noted there are some 37 Bureau of Reclamation employees detailed to oversea projects. I wonder if the gentleman can tell me what happens in the Bureau of Reclamation when 37 top-flight employees are sent overseas?

Mr. KIRWAN. The Bureau of Reclamation does not come under this bill.

Mr. GROSS. I am curious to know whether these 37 top employees are replaced by others in the Bureau, and, if and when this foreign giveway program is ever ended what disposition will be made of these 37 top employees.

Mr. KIRWAN. If the gentleman will pardon me, let me try to answer the gentleman this way. That does not come under this bill.

Mr. GROSS. You do not have the Bureau of Reclamation in this bill?

Mr. KIRWAN. Not in this bill. That comes under the Public Works Subcommittee. But, to answer the question about replacement, I can say this, that the various agencies made a request in this little bill—it is, comparatively, only a little bill, half a billion dollars—they made a request for 1,330 additional employees. We not only reduced the requested by 1,330, we cut 155 more out of this bill.

Mr. GROSS. I commend the gentleman. When the Public Works Committee comes before the House with a bill dealing with the Bureau of Reclamation, I will be prepared to seek further information.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Missouri. Mr. Chairman, I want to commend this distinguished gentleman from Ohio and this committee. I think this is one of the best examples I have ever seen of how to be conservative without being shortsighted, and how to be liberal without being foolish. This bill gets right at the heart of the problem. It seeks to keep abreast of the growth that this country must have, and I commend the committee for it.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point about something that particularly concerns our people in southwest Missouri.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, I am sure you have heard of our Ozarks, their picturesque beauty and the fine, clear fishing waters, and so forth. In the past 20 years we have become one of the favored vacation playgrounds of the Middle West, but we have just begun to scratch the surface of this vast potential. We are constantly trying to improve our facilities to accommodate the influx of vacationers. One of the biggest stimulants we have had is the completion of the Table Rock Dam, a major project, and one of the largest units on the White River Basin chain. It is almost 100 percent complete and will be dedicated this year.

In addition, we have Bull Shoals Reservoir, Lake Taneycomo, Roaring River, and many other fishing waters in the Arkansas-Missouri - Kansas - Oklahoma area.

We have streams to fish, and every year we are getting more fishermen.

People who go fishing like to catch fish; and we need more fish.

The only Federal fish hatchery in Missouri, and one of the oldest of the 101 in America, that is still in operation, is located in our southwest Missouri area at Neosho, Mo. This station was authorized in 1888. Except for a few alterations completed under the WPA and PWA days and the customary maintenance work, the Neosho hatchery is basically what it was in the 19th century. Only a minimum amount of maintenance has been done, such as the painting of the buildings and patching of concrete ponds.

The hatchery puts out approximately 25,000 pounds of fish a year, which includes both trout and warm-water or pond fish such as bass, blue gill, and channel cat, but by revamping the station and bringing in some additional water, the output can be doubled. For this reason, there is $320,000 in this bill to rehabilitate the Neosho fish hatchery.

Due to the age of the buildings—practically all are wooden structures at the Neosho fish hatchery—this involves a major replacement program. It is a badly needed, justifiable investment.

Mr. KIRWAN. I thank the gentleman.

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

Mr. KIRWAN. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the distinguished gentleman if you have firm figures for the reduction you are making in the Johnson-O'Malley Act. When our Committee on Education included a lot of the activities now carried out under the Johnson-O'Malley Act concerning school legislation, I made the prediction that it would lead to a sharp reduction in the Johnson-O'Malley funds. Upon what did you base that?

Mr. KIRWAN. Just what we are talking about, it was based on the Federal impact legislation, you had a hand in passing.

Mr. BAILEY. It came out of our committee.

Mr. KIRWAN. Yes; the Indian children are now eligible under the grants made under this new legislation and those funds are appropriated to the Department of Health, Education, and Welfare.

Mr. BAILEY. I thank the gentleman.

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

Mr. KIRWAN. I yield to the gentleman from Montana.

Mr. METCALF. I, too, rise to compliment the chairman of the subcommittee of the Committee on Appropriations for bringing out a forward-looking and progressive bill, one which conserves our natural resources. I especially want to commend the committee for the increase in forest access roads, because there is an investment that is good for the taxpayers; there is an investment of money that is good for local contractors and local labor and brings money into the Treasury. There is an increase that will genuinely help to balance the budget.

Mr. KIRWAN. I thank the gentleman from Montana.

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

Mr. KIRWAN. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to ask the chairman of the subcommittee a question which had been asked of me. It deals with the appropriation level for the Office of Territories; the administration of Territories. During the past year both Alaska and Hawaii are being broken away from the Office of Territories, and yet the appropriation item, the budget estimate for 1960, has been increased by $506,000 over the 1959 appropriation level. I would like to know what the basic reason for that is.

Mr. KIRWAN. That increase is for the new jet airport on Samoa. The entire funds for the Alaskan Division in Washington and for the Governors office in Alaska, totaling about $135,000, have been eliminated.

In addition, the funds for Hawaii have been reduced by $78,500, representing the legislative expenses.

Mr. LAIRD. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I agree with my good chairman, the gentleman from Ohio [Mr. KIRWAN], that the time is long past due when we should stop wasting the taxpayers' money as we have been doing, not in this Interior Department program, but in many other programs that have come before this Congress. I hope that the leadership on the other side of the aisle will plead with the Members on their side of the aisle to help the rest of us, who have been trying and are still trying, to keep this great Nation of ours from going into bankruptcy, to the end that we will not spend a lot of money during this session of Congress which is not justified by any stretch of the imagination. I hope we can hold the budget, and further I hope that we will cut below the budget a considerable amount, and by so doing give the American people a shot in the arm, so to speak, so that they may have more confidence in their Government, and thus we shall preserve our great American form of Government, the free enterprise system.

I think there is a condition that exists in the minds of too many people that when we appropriate money here in Congress we are helping the wage earner, the so-called little fellow. But let us not forget that the wage earners of America, the so-called little people, with the people who have a set income, who are on pensions, social security, or welfare, comprise the greatest consuming group in America. And the ultimate consumer of the goods pays all the bill in the final analysis. Every dime that we spend, not only here in Congress, but that is spent by State governments,

county governments, municipal governments, is paid for by the ultimate consumer. And so when we spend money that should not be spent we are hurting the little fellow first and most.

The wage earners, the little fellows whom we are all concerned about—and I say I am concerned about them possibly more than a great many people who are always talking about spending money for the little fellows—they should be down here beating us over the head every day to stop unnecessary spending, because they are the people who are going to be obliged to pay the greater share of the bill—either they or their children, or their children's children. Let us not forget when you come here on the floor of the House and offer amendments to increase appropriation bills that these several subcommittees on appropriations have sat for weeks and possibly months hearing all of these people who come before us to justify their requests, and many times they come before the committee and ask that the budget request be increased to no end.

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

Mr. JENSEN. I yield to the gentleman from Florida.

Mr. HERLONG. May I congratulate the gentleman on the statement he is making about private enterprise. I live in a district where many of the people have to live on fixed incomes. They are retired. What the gentleman says about inflation is eminently true. Our inflationary tendencies are certainly spurred by unnecessary Government spending. It is robbing these people of money they have paid to try to live on, just the same as if a thief broke into a house and took the money out of their pocketbooks.

Mr. JENSEN. I thank the gentleman. He always contributes to a debate. He is a conservative wherever economy is needed but always willing to spend where money should be spent. I congratulate the gentleman.

My good chairman has told you that this bill comes to the floor by unanimous agreement of the committee, which is true. You will note that for the past many, many sessions of Congress this bill has come to the floor by unanimous agreement of the Subcommittee on the Department of the Interior. Why? Because we settle our differences in committee. There are times there is considerable difference of opinion among members of the committee, but we stay there until we settle those differences. However, I may say that such a condition does not exist too often, because we all want to appropriate for this great natural resource program which is so important to the people of America not only for today but for generations to come. Everything in this bill, every dime in this bill, is for the benefit of America and its Territories.

So I need not take much more time. The chairman of our subcommittee, the gentleman from Ohio [Mr. KIRWAN], has explained the bill. I do want to say that I have been on this subcommittee for the past 17 sessions with Mr. KIRWAN, Mr. NORRELL, and Mr. FENTON. We have now several new Members on both sides, comparatively new Members. The gentleman from Pennsylvania [Mr. FENTON] has been in charge of the Bureau of Mines and the Geological Survey for the minority side of the committee for the past many years. The gentleman from Wyoming [Mr. THOMSON], because of his service on the legislative Committee on Interior and Insular Affairs and because of his knowledge of the Federal domain and the Forest Service, I have asked to take charge of the minority side of the committee when such agencies are before the committee. So, I shall not take up more time except to say that this bill comes to the floor a well-rounded bill. I trust the Committee of the Whole House on the State of the Union will not permit any additional amendments to be adopted to this bill.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Chairman, I note with regret that the committee in its wisdom saw fit to delete from this bill the Department's request for funds for the acquisition by the National Parks Service of additional acres of Civil War battlefield lands. I note this particularly because included in the Department's request were funds for some 600 additional acres which make up the remaining unacquired acres of the battlefield at Gettysburg.

The second Battle of Gettysburg is currently being fought and I regret to report, Mr. Chairman, that it is not being won. This is the battle to preserve this historic site from the ever-growing encroachment of commercialism. I am afraid that the action of the committee in not providing the National Park Service with sufficient funds will mean that by the time the spotlight of the country and the world is focused upon Gettysburg in 1963 to commemorate the 100th anniversary of that most historic battle, we are going to suddenly discover, when it is too late, that the second Battle of Gettysburg has been lost and that this truly great American shrine has been completely desecrated by the onslaught and ever-expanding growth of commercialism. I intend to support the bill, Mr. Chairman, but I do regret that the committee has seen fit to delete this particular item. I trust the other body will correct this error.

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

Mr. QUIGLEY. I yield.

Mr. VANIK. I would like to inquire of the gentleman, if the land is acquired at some future date, whether we have any assurance that it will not be used to build a new golf course out there.

Mr. QUIGLEY. I would merely comment on that by saying that the National Park Service assured me that the 600 acres they contemplated acquiring under this bill was the last and final request it would have to make and that this would have given to the Park Service all of the land they needed to preserve the battlefield area.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, the Committee on Appropriations for the Department of the Interior brings to you today a bill that has had the careful consideration of the subcommittee under the chairmanship of Mr. KIRWAN, of Ohio, and Mr. JENSEN, of Iowa, the ranking minority member. The hearings, I believe, gave the membership of the committee pretty fair insight of the work being done by the Department of the Interior. The Department of the Interior and related agencies presented a Bureau of the Budget estimate for 1960 of over $491 million.

Our committee reduced this to $472 million, or a reduction of about 4 percent. This reduction is modest and one we believe the Department of the Interior can live with.

Mr. KIRWAN. Mr. Chairman, I yield 8 minutes to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, after considerable deliberation, and fully appreciative of the task confronting the committee to effectuate needed economies, I cannot accept the committee's decision to delete the sum of $1 million requested by the President for right-of-way acquisition for the uncompleted portion of the George Washington Memorial Parkway. It is my sincere belief that this action does not represent an economy, but rather it can only be considered a tragic loss to all the people of the United States that cannot be measured in terms of dollars.

At the appropriate time I shall offer an amendment restoring the President's request for right-of-way acquisition. I emphasize the words "right-of-way acquisition." This $1 million is to insure that this section of the Potomac shoreline, the last great natural scenic feature in the Washington metropolitan area, will still be available when construction money can be granted. If the House today upholds the action of the Appropriations Committee, then it is my belief that rising land values and the pressures of private development will destroy this 30-year dream since the ultimate cost will become prohibitive.

Twenty-nine years ago the Congress of the United States took official notice that the Capital of the Nation had outgrown the boundaries of the District of Columbia. Washington, D.C., had, in effect, spread to parts of Montgomery and Prince Georges Counties in Maryland and Arlington and Fairfax Counties in Virginia. If the capital was to continue to be a showplace worthy of the Nation it represents, some measure was required to assure that development in the adjacent counties did not grip the central city in a concrete and asphalt vise. To fill this need, the 71st Congress passed into law the so-called Capper-Cramton Act. What the Capper-Cramton Act said was this:

Because of proximity to the capital, the regions adjacent to Washington have responsibilities to the Nation not shared by other counties far removed from the Nation's capital. They owe it to the Nation at large to keep the capital area beautiful and to preserve the unique scenic, recreational, and historical features of the area.

If they are to meet these responsibilities—the act said, in effect—they will need help. The Nation as a whole therefore agrees to pay one-half the purchase price of lands needed for these purposes if the adjacent territories will pay the other half. The Nation then will develop these resources as required.

The one specific purchase and development program which the Capper-Cramton Act provided for was the creation of a memorial parkway along both shores of the Potomac River, from Mount Vernon to Great Falls on one side, from Fort Washington to Great Falls on the other. This parkway was not to be just another superhighway. It was to be a scenic route specially designed to preserve as much as possible of the shoreline of the Potomac for the enjoyment of all Americans who come to their capital and to link in a readily accessible manner the sites and monuments along the Potomac of national historical interest.

When the act passed the Congress in 1930, the Mount Vernon Memorial Highway from Arlington to Mount Vernon along the west bank of the river already was under construction. Upon its completion in 1932, it was incorporated into the parkway system, which became known as the George Washington Memorial Parkway. Today, 29 years later, some three-fourths of the parkway authorized by the Capper-Cramton Act either has been completed or is in process of construction. Only one segment, 7½ miles from Washington to Fort Washington in Prince Georges County, Md., remains totally unrealized.

The request for funds for the Prince Georges County segment has not been delayed because this section is any the less needed or desirable than the others. Indeed, the recent mass transportation survey for the National Capital region listed the parkway as an essential part of the area's road system. The delay comes from the fact that not until 2 years ago, in the face of indications that if the land soon was not purchased, private development would have pushed land costs to a prohibitive level, were Prince Georges County officials able to foresee their share of the costs. The Maryland House of Delegates authorized the county to enter into an indebtedness of $1 million as the bulk of the county's share for land acquisitions. At this point, in 1957, the National Capital Planning Commission asked Congress for the Federal share of the land costs. This request passed the House. But the Senate Appropriations Committee delayed it until the Interior and Insular Affairs Legislative Committee could study the proposal and determine if a project planned as long ago as 1930 still was advisable. By the time the Interior and Insular Affairs Committee had studied the project and endorsed it, it was too late for the proposal to be acted upon by the 84th Congress.

I would like to mention briefly the historical significance of the 7½-mile stretch to Fort Washington. First, Fort Washington itself, already federally owned and in the process of development, is one of the best examples extant of an early 19th century fort. It has been constructed, abandoned, and reconstructed several times and has almost a medieval atmosphere, with its drawbridge and moat. It is part of a 341-acre reservation that can provide unlimited recreational facilities.

Historic Harmony Hall and the ruins of Want Water, both dating from the early 18th century, are to be included in the proposed park. Washington frequently stopped to visit his friend, Colonel Lyles, at Want Water, on his way home from attending the Broad Creek Church nearby.

An excerpt from a letter which I received from the present owner of Harmony Hall very colorfully describes this general area and offers convincing evidence why we must not allow this rich historic region to be forever lost as a result of undesirable development. The excerpt reads as follows:

> This property is in the neighborhood closely associated with the life of George Washington. It is on the Maryland side of the Potomac. Directly across the river from Harmony Hall is Wellington, the home of Washington's secretary, Tobias Lear. It is situated on the original Mount Vernon estate.
>
> Washington ferried across the Potomac to the Maryland shore at Warburton Manor—now Fort Washington.
>
> Ancient Want Water adjoins Harmony Hall on the north. It was built before 1700 and was the home of Col. William M. Lyles, a personal friend and neighbor of Washington. It is listed in the Historic American Buildings Survey, as is Harmony Hall. Nearby is St. John's Church, which dates back to 1692. Washington frequently worshiped here. His pew is marked today with a silver plate along with that of Colonel Lyles.
>
> No part of the George Washington Memorial Parkway is more appropriate to the memory of Washington than the neighborhood of Broad Creek.

Without the completion of the Fort Washington Parkway, the lower Potomac project can never be completed. The largest natural open space around Washington is the broad Potomac. To take full advantage of that open space it is desirable to provide access to both sides at as many points as possible. Fort Washington, when its attractions are better known, will certainly become a powerful magnet for visitors from all parts of the country. The recreational values present in the area in question are sorely needed. Many opportunities for picnicking, hiking, bird watching, nature walks, boating, sports, and quiet enjoyment of rural scenery and woodlands will be provided. Americans are a nature-loving people. Each year thousands of young people are learning to use their eyes and ears with understanding as the bird and animal life, together with the tree and plant life, is brought to them through our national parks and forests.

The Potomac River is clearly one of our country's most famous, most scenic, most important rivers. I call upon the House today to complete the task begun 29 years ago. To do less would be a tragedy to be forever regretted by all the people of the United States.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, my experience of serving on this committee for the first time has been a particular pleasure. The programs and agencies covered in the bill do vitally concern all of America, but many are of immediate concern to certain geographical areas of the country more so than others, particularly the public lands areas.

In the consideration of this bill I have been more than impressed and cannot help but mention the familiarity, the interest, and concern that the chairman of this committee, the ranking Republican member, and all of the other members of the committee have shown. And, I have been particularly impressed with their understanding of the problems nationwide and the close watch which they have kept upon the activities of this particular department and its bureaus and related agencies. Being a bill for America, naturally there are many items that are left out in several districts that affect individual Members, and the same can be said and is true of the district which I represent. But, this is, I think, a time for restraint, restraint without interfering with vital programs, and this bill, I believe, fairly achieves that goal. I think that the fact that it is time for restraint also emphasizes the wiseness of the action of the committee in disallowing a major portion of the funds for acquiring additional land by the Park Service. The Park Service launched in 1955, with the help of this committee and many interested Members, the Mission 66 program. I would like to say that while serving as a member of the legislative committee I was continually concerned with the efforts to add to our national parks and with differentiating between that which was for local recreational needs or otherwise a local function and that which was truly national in scope. I would like to call the attention of the Members to page 469 of the hearings. It shows that on July 1, 1955, the the estimate for the development of our parks to put them in a state of good condition and make them adequate for 1966 as contemplated in Mission 66 was $459 million. It further shows that there have been added to that since that time projects not included in the original Mission 66 plan totaling almost $126 million, or additions equaling more than 25 percent of the original plan. So, I would emphasize that I think every Member of the Congress must, if we are ever going to bring our existing parks up to a minimum standard, exercise restraint in introducing or supporting proposals to add lands or new areas to the system. I certainly hope that the recommendation of the committee to curtail this land acquisition and to appropriate a large portion of this amount for urgently needed park improvements is not infringed upon. If we continue on this course of constant expansion of the park system, it has been well said, we will have something that we cannot take care of, and our parks will deteriorate to a similar or worse condition than they were in before Mission 66 was launched.

There is a particular problem upon which I believe I should comment. For a time, it appeared that the elk, one of the most magnificient of the North American game animals, would become

extinct. Through the cooperation of the State of Wyoming and the Fish and Wildlife Service of the Federal Government, this was prevented. A substantial elk herd has been built up in northeastern Wyoming in the areas around Yellowstone Park.

Hunters from all over the Nation draw for elk licenses and come to hunt in this area. The hunting season is in the fall and closes about the 15th of November. As hunting pressure is applied, elk are driven across the park boundaries into the protected area. They are trapped there by the snows which usually hit the high mountain passes before the hunting season closes, and are prevented from returning.

The Park Service contends that this has built up the herd in the park along the Lamar River to numbers in excess of what the range will carry. There is substantial dispute as to this and as to the number of elk actually in the Lamar herd. At any rate, in recent years the Park Service action has been to wait until the deep snow months, when the elk are down along the highway, and to shoot them, primarily from cars driving up and down the road. As this slaughter operation becomes known to the sportsmen and true conservationists of the Nation, I believe that they will object very violently and I think that they will be joined in their objections by the great majority of American citizens.

It is ridiculous that we should provide in this bill almost $17 million to the Bureau of Sport Fisheries and Wildlife for preservation and propagation of our fish and game, while another agency of government is carrying out a program such as this. It appears to be another case of the right hand not knowing what the left is doing.

A satisfactory solution must be found. Several possible solutions are available. One would be to feed the elk, such as is done at the elk refuge in Jackson Hole. As I am advised, the old Buffalo Ranch, right on the Lamar River, is capable of producing 1,000 tons of hay per year. Another possible solution would be to allow limited hunting in controlled areas along the borders of the park during the hunting season, so as to apply reverse pressure and keep the animals from being driven into the park; or to have the ranger crews do their hunting at this time of the year. Some people would say that this is breaching the time-honored covenant of not permitting hunting in the park. I can only say to them that it is not a question as to whether the hunting will be permitted, but one of whether it will be a sporting proposition or a slaughter operation. Another possible solution is to fence along the park boundary.

Undoubtedly there are other possible solutions. The thing is that the present situation is intolerable. I believe that the Park Service will devote its efforts to finding a solution. If one is not forthcoming, then I believe it is incumbent upon the Congress to consider the problem and to take appropriate action.

In the short time remaining available, I would like to comment on the overall aspects of this bill. The reductions made have been very modest. With regard to the Bureau of Land Management, Forest Service, which do a particularly fine job, the reductions have only been to take care of pay act adjustments. The bills in both instances provide for more funds than were appropriated in fiscal 1959 for these activities. As the hearings will show, we have been assured that the level of the program carried on in the fiscal year 1959 can be carried out in fiscal year 1960. The same is true of the Bureau of Mines, the U.S. Geological Survey and other vital agencies. This is what I think we must do in these days of budget stress. I believe it would be unbecoming, as much as we would like to have additional activities in these fields, to ask for additional money. I support this bill. It is a good bill, and the membership should see that it is passed without amendment.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I take this opportunity to ask either the chairman or the ranking Republican member of the committee whether or not there is anything in this bill for the Outdoor Recreation Resources Review Commission.

Mr. KIRWAN. That is not before us. That item will be submitted later.

Mr. JENSEN. Mr. Chairman, as the gentleman knows, I am sure, that item is represented by a budget request in the deficiency bill which will be considered tomorrow. In this bill there is considerable money for recreation projects in the different parks and services. We have many recreation activities, and funds for those purposes.

Mr. SAYLOR. Mr. Chairman, it seems strange that on June 26, 1957, the U.S. Senate unanimously passed the bill creating the National Outdoor Recreation Resources Review Commission and on June 16, 1958, under suspension of the rules with hardly a dissenting vote, the House passed and sent to the President a bill creating this Commission. Congress authorized the President to appoint a bipartisan commission, and directed that the Commission present its report not later than September 1, 1961.

The bill also authorized an appropriation of not more than $2,500,000 to carry out the purposes of the act, and such moneys as may be appropriated shall be available to the Commission until expended. There was the sum of $50,000 originally appropriated by this committee, but I notice that for fiscal 1960 there is nothing. This is an example of what so often happens when a commission is appointed by this Congress. The act creating the Commission has a termination date, the Commission is hampered by the lack of appropriations and cannot complete its work and must ask to be extended. Then in a very short time Members will rise and say that here is another example of a commission being appointed that does not terminate within the time originally established, and will oppose its extension. This Commission cannot do the work it was set up to do unless there is money appropriated to take care of its activities.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. I think the gentleman will find that the Outdoor Recreation Resources Commission, being set up as a separate commission, will be handled as an independent agency and will be incorporated in the independent offices bill. There was a request for $30,000 in addition to the $50,000 appropriated last year. That will come in the deficiency appropriation bill which is to be considered later in the week.

Mr. SAYLOR. That would be a deficiency for the current year, but there is nothing in here for next year. However I have been informed that there is nothing in the deficiency appropriation bill that we will consider tomorrow for this commission.

Mr. THOMSON of Wyoming. Next year it will be handled in the independent offices bill, because it is an independent commission.

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

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

Mr. JENSEN. I may say to the gentleman that the reason there is nothing in this bill for Outdoor Recreation Resources Review is the simple fact that the budget and the White House no doubt felt that it was necessary to put an item in the deficiency appropriation bill for fiscal 1959 and permit the Deficiency Subcommittee to operate on that item. But since the Deficiency Committee did not have all of the facts that were necessary to justify an appropriation for this purpose, I know the gentleman already is aware that there is no fund even in the Deficiency Committee bill.

Mr. SAYLOR. I am well aware there is nothing in the deficiency appropriation bill that will continue the work of this Commission and I hope to offer an amendment to cure that tomorrow.

Mr. JENSEN. The regular 1960 appropriation request for this item will be considered by the Independent Offices Committee in the regular bill for 1960.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all Members who so desire may be permitted to extend their remarks at this point in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. PFOST. Mr. Chairman, I would like to join with my colleagues in paying tribute to the Appropriations Committee for their careful and diligent study of the budget requests on the measure before us. I think their action on the appropriation for the Department of the Interior is the answer to those who are shouting to the country that the Congress is controlled by spenders. By increasing the funds for such self-liquidating items as forest roads and trails, the Committee is taking a realistic approach to Federal spending. Money

appropriated for forest roads is a sound investment which actually brings added revenue into the Treasury by stimulating timber sales through improved roads which reach into the timber-cutting areas.

By cutting out the administration's requested frills, and by careful, item-by-item scrutiny of the President's requests, the Appropriations Committee was able to increase such necessary items as money for forest access roads, allow the full request for timber sales, and yet they were able to cut $18,902,000 from the overall budget request.

I think the people of the country will appreciate this careful and studied appropriation of their money for essential Government services. It is a responsible and efficient way to control spending. It is budgetmaking in the best manner, without playing politics and without the meat-ax approach advocated by some in cutting Federal spending.

With this type of budgetmaking the 86th Congress will have a proud record to take to the people of the country, and the people will then know who has been responsible for the constantly increasing budgets over the past 6 years.

Mr. METCALF. Mr. Chairman, I am gratified that the Committee saw fit to vote increases of $2.8 million for expanding national forest timber sales and $2 million to maintain construction of forest roads and trails at the present level.

The budgets of the past few years have not permitted progress in timber sales. Montana national forests have an allowable cut of 825 million board feet. In the past 2 fiscal years, an average of only 47 percent, 377 million board feet, of the allowable cut has been sold. But the cut has averaged 457 million board feet. In other words, in the past 3 years, timber cut has exceeded sales by one-third of a billion board feet, and the sales have been at 47 percent of permissible levels.

The Committee wisely restored the administration $2 million cut in the appropriation for forest access roads. Instead of saving the taxpayers money, that cut would have cost them more than $2 million. Had it stood, the Forest Service would have stepped up road construction by timber purchasers—and the Treasury would have been out more than $2 million. When timber purchasers have to build these roads, public timber is sold in large blocks—too large for a small or medium-sized operator to handle. Then there is generally only one bid—at the appraised price, minus the estimated cost of the road.

The taxpayers stand to benefit, in cash on the timber, by having several bidders. They stand to benefit by having the main line road built under separate contract bid upon by roadbuilders; for experience shows that the roadbuilders generally offer to do the job for 10 to 20 percent less than the engineers' estimated cost. These large sales make it impossible for the smaller operators to secure timber. Since estimated cost of a road built by a timber operator is deducted from the price he pays for the timber, this means less money to the Treasury, and, in turn, less money for the rural school and road systems in the counties in which the forests are located. As you know, these counties share in the income from the national forests. In addition, road construction by timber purchasers is outside the control of Congress.

We lose all around when we don't appropriate the money for forest development roads. We lose millions of board feet of timber, deteriorating in inaccessible areas. We spend large sums, and risk the lives of parachuting firefighters, to control fires in these roadless areas. Smaller firms cannot buy timber if they are also burdened with expensive road construction, so they fold. The fewer the bidders, the lower the price the public gets for its timber. Road construction by the purchaser shuts out the road contractors, and the union labor they employ.

I call attention to another matter.

It is essential that funds be appropriated directly to the Fish and Wildlife Service for the investigation of projects in the vast water-resource program of the Federal Government and that under Federal license.

The change in this method of financing will not in itself cost the Federal Treasury one dime. It simply will represent a more orderly method of financing this important work.

This work is carried on under authority of the Fish and Wildlife Coordination Act. This act was strengthened by the Congress only last year when it enacted amendments supported by all national conservation organizations, the commercial fishing industry, and the Governors and fish and game directors of every one of the States.

Reductions made by the committee for this activity leaves the Fish and Wildlife Service with nowhere to turn to finance it in fiscal year 1960. The budgets of the Corps of Engineers and the Bureau of Reclamation have already been prepared, without provision for these transfers. Those budgets would have been higher by the amount of $836,400 if such provision had been made in them.

Unless provision for river basin studies is made here, there will be no river basin studies at all. No river basin studies here because the budget item is not allowed and no river basin studies under the Bureau of Reclamation and Corps of Engineers because this item is not budgeted for those agencies.

The Department of the Army itself is on record as favoring direct appropriations to the Fish and Wildlife Service.

The CHAIRMAN. 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 Department of the Interior and related agencies for the fiscal year ending June 30, 1960, namely.

Mr. KIRWAN. Mr. Chairman, inasmuch as there is relatively little controversy over the bill, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

Are there any amendments?

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

FOREST DISEASE RESEARCH WORK IN THE LAKE STATES REGION

Mr. Chairman, today I want to talk about a problem of utmost importance to the forests of Wisconsin and to other States of our country—the problem of combating the tree diseases that take such heavy toll of our timberlands each year. I want to tell you about the need for more forest disease research in the Lake States—research that will enable us to solve this problem.

We have in the continental United States 484 million acres of commercial forests with large additional areas in our newest States of Alaska and Hawaii. These forest lands support more than 500 billion cubic feet of timber of all sizes.

The impact of diseases on this valuable resource every year exceeds 5 billion cubic feet. It is difficult for me to comprehend that big a loss, or even to visualize that volume of timber. But, when this is translated into local terms and I find in my home State of Wisconsin that more timber probably is lost to diseases each year than is harvested by our own wood-using industries, that I can understand.

This loss in Wisconsin is caused mostly by just one forest tree disease, a canker-type disease of aspen. This disease is prevalent throughout Wisconsin, Michigan, and Minnesota where it alone kills almost as much timber as is consumed by the pulp and paper industry in that tristate area. This must mean that the forests in these Lake States could support twice as big a pulpwood industry if just this one disease could be controlled. Unfortunately this same disease is prevalent throughout the aspen forests of the East and is also found, I am told, in the Rocky Mountain forests. Scientists know the cause of aspen canker but have not yet been able to devote enough attention to it to work out a feasible control.

Most of our forest diseases seem to follow a pattern; either the same disease or a counterpart occurs on different tree species in different parts of the country. In the Lake States, for example, dwarf mistletoe causes a serious disease of our black spruce forests. Other species of this same parasitic plant slow down the growth—often as much as 50 percent—deform and kill various of the conifers in our forests of the West. As another example, I have learned that the heartwood of all species, conifers and hardwoods alike, is subject to decay. These heart rots, working away inside the tree, are inconspicuous but they slowly continue to deplete our available timber supply at the rate of over 3 billion cubic feet per year.

Still other uncontrolled diseases are found in all parts of our country. It is my understanding that many of these

diseases take on added significance as more and more thousands of acres of forest plantations come into being in all parts of our country. This is because of the greater capital investment in planted stands and the frequently more favorable disease environment created when large acreages are planted uniformly to a single kind of tree.

The newest disease to threaten our forests is one called maple blight that was observed for the first time in Wisconsin in 1957. So far, this disease has been found only in a spot or two. But, over the 10,000 acres involved, this disease has killed all of the sugar maples, saplings to mature trees, on an area aggregating about a thousand acres. Industrial users are understandably alarmed by this potential threat, for sugar maple is one of our most valuable timber species and is found on over 9 million acres of Lake States forests. Industrialists are so alarmed, in fact, that $24,000 has been contributed by them to get a cooperative industry, State, and Forest Service research project underway at once. Time has as yet been too short for the research workers to have discovered the cause of this disease.

These small research programs are a help but certainly are not the full answer to the continuing needs for forest disease research if an effective control program is to be developed. The main reason we lack means of lessening the terrific disease losses I have brought to your attention here is because research has not been financed adequately to permit effective work on the many disease problems confronting us. I direct your attention to the Forest Service budget item for forest disease research for fiscal year 1960 which is $740,000. This amount is distributed over a great many problems throughout the country and thus Federal funds are not available to match the efforts the States and private industry are putting into the work on a new disease like maple blight. I hope this committee will give further consideration to the present inadequacies of the forest disease research budget and increase it to a more realistic figure. In my judgment no better investment could be made than to strengthen the forest disease research work in the Lake States region.

I wonder if any distribution was made of the $740,000 appropriated in this bill, or whether the distribution will be made on the basis of a priority set up by the Forest Service in the Department of Agriculture.

Mr. KIRWAN. The committee allowed the budget money. Whatever they requested we gave them, the same as they got last year.

Mr. LAIRD. Then it will be used on the basis of a priority set up by the Forest Service?

Mr. KIRWAN. They understand where to spend it and how.

Mr. LANKFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 34, line 24, strike out "$2,286,000" and insert in lieu thereof $3,286,000; page 34, line 25, strike out "$62,000" and insert in lieu thereof $1,062,000; page 35, line 6, strike out "$50,000" and insert in lieu thereof $173,000.

Mr. LANKFORD. Mr. Chairman, the amendment just read simply restores the $1 million requested by the President for right-of-way acquisition for the uncompleted portion of the George Washington Memorial Parkway. This portion extends from the District of Columbia down to Fort Washington in Prince Georges County, Md., and is a total of 7½ miles in length. It was authorized by the so-called Capper-Cramton Act of 1930 and reaffirmed by the Senate Interior and Affairs Committee in the 84th Congress.

In the 85th Congress the President's request for funds was denied by the Appropriations Committee on the grounds that roads in the area in question are already adequate. I cannot accept this argument inasmuch as it was never intended to be a highway but a "road through a park" acutely needed for the over 7 million visitors who annually visit our Nation's Capital.

In this Congress the committee, while recognizing the desirability of the parkway, termed it a nonessential project and then entered into a discussion of possible ultimate costs. If we believe in parks and parkways—and Congress has repeatedly expressed its approval of the preservation of our marvelous outdoor sights and historic points of interest—then this must be deemed an essential project. For this is the Nation's parkway. It is a living monument to the first President, visioned and created to do him honor.

During the recent hearings, a question was raised as to what Congressman Cramton and Senator Capper would say if they were faced with the ultimate costs of the project. I am in receipt of a letter from Congressman Cramton, who at age 84 is at present a member of the Michigan House of Representatives. I would like at this point to read his letter in its entirety as it so feelingly and movingly portrays the case of the parkway.

HOUSE OF REPRESENTATIVES,
Lansing, Mich., February 17, 1959.

Hon. RICHARD LANKFORD,
Member of Congress,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: Having been largely responsible for passage of the so-called Capper-Cramton Act in 1930, I read with much interest your remarks in the RECORD February 5 concerning the George Washington Memorial Parkway. I am gratified to note that Maryland continues ready to do its part in the development of this most interesting, highly scenic and historically important parkway.

I still recall the very active and effective cooperation which the Federal Government received from the State of Maryland and local communities in our efforts at that time to extend Rock Creek Park, etc. I remember very satisfactory contacts at that time with Governor Ritchie, Senator Brooke Lee, and other important officials. For the Federal Government now to fail to do its part in the completion of this great project would be a tragedy forever to be regretted by American citizens who want their National Capital beautiful and interesting.

The so-called Capper-Cramton law was initiated and introduced by me in the House and after it passed the House was taken through the Senate by the leadership of Senator Capper. I very deeply hope that you may succeed in getting favorable action by the House Appropriations Committee and the House.

I am sending a copy of this letter to Hon. JAMES G. O'HARA, who has recently taken the place which I once occupied in the House, and to my friend, Senator HART, and also to Dr. Conrad L. Wirth, Director of National Park Services.

Sincerely yours,

LOUIS C. CRAMTON.

I urge the House to adopt my amendment and by so doing earn the gratitude of America and its generations to come.

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

Mr. LANKFORD. I am glad to yield to my distinguished colleague from Maryland.

Mr. FOLEY. This money that we are seeking to restore for the George Washington Memorial Parkway—to what extent will it change the President's budget? Is it in the budget or will it exceed the budget?

Mr. LANKFORD. It was in the request as submitted to the Committee on Appropriations.

Mr. FOLEY. Is it my understanding then that there would be no no change in the President's budget if the funds you are seeking to restore are restored?

Mr. LANKFORD. This is not to increase any request. This was requested by the President in his budget as sent to the Committee on Appropriations.

Mr. FOLEY. I thank my colleague.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. KIRWAN. Mr. Chairman, what the gentleman from Maryland said about the Potomac River and all the beauty down there, I agree with 100 percent. It is a beautiful site. But just this portion would cost the Federal taxpayers over $10 million.

When this parkway was authorized in 1930, the Members were assured during the floor debate that the entire project, both in Virginia and Maryland, would cost only $9 million. Already it has cost $20 million and it will cost over $50 million to complete. I wonder what Congressman Cramton and Senator Capper, sponsors of the bill, would say today if they were faced with this staggering figure for a scenic parkway?

Indian Head Highway adequately serves this area at the present time and it is planned to dualize it in the near future. In addition, a new freeway, is planned paralleling the Indian Head Highway.

The Federal Government now owns and maintains over 42,000 acres of park land in the vicinity of Washington. There are now over 400 acres at Fort Foote and Fort Washington, including about 3 miles of shoreline available to the public. The Government owns over 1,100 acres in Greenbelt Park over here in nearby Maryland and is developing this at a cost of over $3 million. Maryland also plans to come in for over $12 million to establish the C. & O. National Historical Park from here to Cumberland. We are now constructing the George Washington Memorial Parkway for Maryland from the District of Co-

lumbia to the Cabin John Bridge at a cost to the Federal taxpayer of $9,800,000.

The Federal Government has appropriated $1,500,000 to date for land for stream valley parks in nearby Maryland, and there is another $150,000 in this bill.

They say this is the only stretch left to complete the parkway from Mount Vernon to Great Falls on the Virginia side and from Great Falls to Fort Washington on the Maryland side. This is not true.

The parkway has not been built from the Cabin John Bridge to Great Falls on either side. Nor does Virginia want it built in this area. And it would cost another $10 million to build it on the Maryland side beyond the Cabin John Bridge. So what Maryland wants is really over $20 million. And the C. & O. Parkway she is after from Washington to Cumberland would cost another $13 million.

The portions of the parkway which are being built are justified because they are needed for transportation; that is to the CIA Building and the Cabin John Bridge on the Virginia side and from the District of Columbia to the Cabin John Bridge on the Maryland side. This Maryland stretch alone is now costing $10 million. These stretches tie in with the circumferential highway. No portions are being built which are purely for scenic purposes. That is what this stretch to Fort Washington is for.

New York pays billions in taxes, but cannot even get a reservoir. Ohio contributes $6 billion and does not have adequate flood control. Michigan is about bankrupt. Pennsylvania is raising taxes. There is difficulty in many States. Maryland is spending millions on roads. Let her spend the money and build her own highway.

When we started this debate today I asked you to do some real thinking about amendments. Here we are faced with this amendment for the George Washington Parkway to go down to Fort Washington. Let me read you something from a pamphlet put out by the Park Service:

> British war vessels, moving up the Potomac to cooperate with their land forces, reached Fort Washington on August 27th. Captain T. Dyson who commanded the position destroyed and abandoned the fort without offering resistance. The British fleet then sailed up the Potomac to Alexandria.

And that is the historic site they want us to spend $10 million on. I am thinking of a group of men under command of George Rogers Clark who captured Vincennes, Ind. They held their muskets up over their heads to keep them out of the water which was up to their necks. If it had not been for them we would probably still be the Thirteen Original States. There is only a small monument there to commemorate their great sacrifice.

Andrew Jackson has only a little monument to his memory and that of his brave men who went out in the swamps to stop the British.

Now here comes one of the wealthier States in the Union and wants $10 million to put in this scenic road to Fort Washington. I say this is one of those items we can certainly do without.

Mrs. BOLTON. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I ask the very careful attention of the Committee to this amendment because I think that very few Members who are opposing this item have the slightest idea of the consequences of possible negative action.

As the distinguished gentleman from Maryland [Mr. LANKFORD] has told us, the Capper-Cramton Act, creating the George Washington Memorial Highway, was indeed passed in 1930. This is not a Virginia highway nor a Maryland highway, Mr. Chairman; it is a national memorial to the first President of the United States which some 7 million people drive over each year.

With the National Capital situated on the Potomac River and Mr. Washington's home also on its banks, the Potomac cannot be considered less than a national waterway, even as the George Washington Memorial Highway is indeed a national memorial.

This Congress would do well to protect the banks of the Potomac and the highway itself from the encroachment of buildings which could not be built without the destruction of beautiful old trees. The distinguished Chairman of this Committee has spoken feelingly of the need to protect our trees and our rivers. I would remind you, Mr. Chairman, that it is God alone who can make a tree.

The amendment submitted by the distinguished Member from Maryland [Mr. LANKFORD] proposes to reinstate the sum of $1 million to be used for the acquisition of the land necessary for the construction of the last 7½ miles of the planned memorial highway. I submit that to be penny wise and pound foolish in this matter would be action not quite worthy of this House—to be greatly regretted at a future date.

I, therefore, hope that in its wisdom the House pass this amendment.

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, like everyone else, I dislike to oppose something that is of local interest, but I want to assure the membership of this House that we are not talking about any pennies. During general debate I pointed out that there was shown at page 469 of the hearings the increase in cost of the Mission 66 program since we embarked on the plan in 1955. To complete this program will require an additional $500 million. In the District of Columbia and the immediate environs in Maryland and Virginia, the cost to complete would be $135 million as shown by the table at page 513 of the hearings. Subtracting this from the $500 million, leaves $365 million planned for expenditure in the balance of the Nation. The amount for the area of the District represents over one-third of the amount we intend to spend in all the rest of the Nation. The estimate for the George Washington Memorial Parkway called for in the 1960 budget is $2,614,800 plus this $1 million for land acquisition. For this single item alone, to complete it would cost over $39 million after the 1960 fiscal year, so we are not dealing with pennies. This is something on which I think we should and must exercise restraint.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentlewoman from Ohio warned us not to be penny wise and pound foolish. I think she was right. But, she did not refer to the actual monetary aspects of this proposition. She referred to saving trees, which I think is proper and desirable. But, I think there is another slant that we ought to consider in connection with his particular amendment, and that is, what this undertaking is going to cost us in the long run. It is going to cost us a lot of money; I think we all know that. It has some highly desirable objectives; I think we all recognize that. I think if we follow on and be fair with ourselves, we should realize we are going to appropriate this money sooner or later. It is going to be done, gentlemen. This parkway should be built, and it will be built. The only question is when.

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

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

Mr. KIRWAN. Why not let the State do it? Maryland is not bothered with taxes like the rest of the States are.

Mr. POAGE. I was not greatly impressed with the argument that Maryland appears to run its business better than do some other States, that it should be penalized for doing so. My hat is off to any State that can run its business so that it does not have to look for additional money. I think they have done a pretty good job, and if they have so managed their affairs that they have a cash surplus, I do not think we ought to penalize them as a result.

Mr. KIRWAN. Just as soon as we dump the money over there, Maryland will be in the black. Why not treat them the same as the other States?

Mr. POAGE. I think they should be treated exactly as the other States. And I think we all recognize that we are going to build this road, this parkway, just exactly like we are going to go ahead and build the rest of these big improvements. We are going to do it. It may not be this year; it may not be next year; it may not be the next 5 years, but it is going to be done. We all want this Capital City to be the greatest in the world. The Federal Government is going to contribute half of the cost, somewhere down the line. Whether the gentleman feels we should do it or not, we are going to do it. I think every Member of this House knows that we are going to do it, and for my part I think we should do it, just as we promised. It will be a whole lot cheaper to do it right now than it will be to do it later. on. The costs of rights-of-way are going to increase tremendously as time goes on, even though only a part of the natural beauty which is now there remains to be purchased. I think that the lady from Ohio [Mrs. BOLTON] was right when she said "let us not be penny wise and pound foolish." We are going to pay

in pounds, gentlemen, somewhere down the line, unless we spend in pennies, or dollars, now.

The CHAIRMAN. The question is on the amendment submitted by the gentleman from Maryland [Mr. LANKFORD].

The amendment was rejected.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, the House tomorrow will probably be asked to consider a mutual security program supplemental appropriation for an item known as the Development Loan Fund. I think it is well that this matter should be brought to the attention of the House at this time so that Members may have an opportunity to do a bit of research relative to the suggestion which is being made to the effect that the action of the Appropriations Committee is disallowing the DLF supplemental request might be an invitation for another Pearl Harbor.

On July 2 of last year the House passed the Mutual Security Appropriations bill for the fiscal year 1959, and it then went to the other body. Fifty-three days later, or, to be exact, the night the Congress was adjourned sine die, we were informed from the other side of the "Hill" that the House Foreign Operations Appropriations Subcommittee members might come over for a conference. During the conference, in an effort to work out a reasonable compromise, the House conferees did agree to consideration this year of a possible supplemental request for MSP funds, but not specifically the DLF.

Thus far the Subcommittee on Appropriations which handled the mutual security program money bill has not had an opportunity to consider supplemental requests, because such requests now go to a Deficiency Appropriations Subcommittee. And there, according to the press, the DLF item has been, in the manner of the old railroadman's report to the stationmaster, "Off again, on again, gone again. Flannagan."

First, the subcommittee handling the request approved a figure of $150 million as a recommended supplemental appropriation to the DLF for fiscal 1959; then the figure was cut to $50 million; and later the subcommittee raised the recommendation to $100 million. However, when the bill reached the full Committee on Appropriations the DLF supplemental item was eliminated entirely. It is my view that the Deficiency Subcommittee's varied actions on the total to recommend, certainly indicate that there has been no real, definite justification or understanding as to actual additional needs.

I should like to state now, for the information of the committee, that on July 1 of last lear, at the start of the present fiscal year, a total of $15.6 billion was available in all categories of U.S. foreign aid. Furthermore, under the law, there can be transfers from one category into another, and from grants into loans, or loans into grants. Section 501 of the Mutual Security Act of 1954, as amended, provides that transfers into a category may be made by as much as 20 percent, with not more than 10 percent to be taken from any one category. Section 102 of the act provides for military assistance by either grant or loan, and section 105 provides for loans—unless otherwise specifically provided. So actually, either loans or grants can be made from practically any of the several categories of aid.

Mr. Chairman, I hope that the Members will go to the record for the facts. I am putting in the mail today for each Member of this House a certified copy of a memorandum showing the amount of funds available for the Development Loan program. I hope each Member will study these data, and will consider providing supplemental funds or withholding them, upon the basis of need as established, if such need can be established, and not upon the basis of political expediency.

Some public officials, including presidential aspirants, evidently would have us believe the Nation is literally in danger of being destroyed by another Pearl Harbor if we should endeavor to save for the taxpayers a few million dollars. These people, however, have not yet made a valid case to support their claims. Therefore, I ask you again to study the official record, and then reach your decisions accordingly.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am seriously concerned by the fact that there is before us in the Department of the Interior and related agencies appropriations for 1960 a recommendation for a cut in the cooperative tree planting program and no increase in the forest fire protection program. I had hoped that the subcommittee would see fit to recommend a material change in this picture.

It is difficult to understand why the administration is so anxious to save money at the expense of our State and private forests. Last year the administration recommended a cut in tree planting from $1,308,000 to $258,000 just after President Eisenhower and Secretary Benson posed for photographs planting a tree. The Congress appropriated $783,000. This year the administration recommended a cut from $783,000 to $290,000.

Now I recognize the fact that because of the soil bank program, which in itself is responsible for a great deal of tree planting, there are sound thinkers in the Congress and in the administration who feel that the program before you can safely be cut. This, however, is only a partial answer to the problem. There are many thousands of acres which are not eligible for planting under the soil bank program, and there are many, many small landowners whose landholdings are in most serious need of replanting who will be passed over if the action recommended in this bill is sustained.

During the past year the Department of Agriculture's Forest Service released the "Timber Resources for America's Future." Secretary Benson called it "The most complete appraisal of the timber situation ever made in the country." Speaking of tree planting this study says the Nation has 52 million nonproductive acres which must be planted if 11 percent of our commercial forest land is to produce timber crops again within a reasonable time.

With respect to protection from fire the "Timber Resources for America's Future" states that of the 673 million acres requiring protection in 1952, 82 million acres is not protected and further that 591 million acres has adequate protection only for the easy years. This study states further that efforts for prevention and control must be increased or we will experience heavy losses similar to those of the past which have included many tough years when we have sustained our heaviest losses. For example, I am thinking of a tough year—1952—when fire hit with such devastating effects in West Virginia, Kentucky, and Tennessee.

Also during the past year a study of the forest fire situation was made by the Battelle Institute of Columbus, Ohio. This study was called for by the administration. After a thorough investigation with an objective viewpoint the Battelle Institute recommends that the Federal Government provide a minimum of $30 million for the cooperative forest fire program. Yet the administration still recommends no increase in the present allotment of $10 million—the same figure it has recommended for 3 years although the States have increased their contribution from $33 million to $43 million.

I submit that these forestry items are of interest to Republicans and Democrats alike for forest resource management and protection knows no party lines. In fact about 30 Congressmen from both parties appeared before or wrote to the subcommittee which held hearings on these items and asked for the planting cut to be restored and for an increase in protection. I sincerely hope and am firmly convinced that reasonable increases will be made in these items in the Senate. When these increases are finally considered in conference committee meetings between the House and Senate I trust that they will be given favorable support.

In these days of missiles and rockets and space ships and billions for defense—all of which are urgently needed—it may seem to many that forestry is of minor importance and that forestry improvement is one of the things that can be postponed indefinitely. Some people might wish to join in the administration's efforts to cut tree planting and to avoid increasing our forest fire protection to the full authorization of $20 million with the idea that from one-half to ten and one-half million dollars saved here will help balance the budget. I urge that we look upon these items as investments rather than expenditures. Surely well planted and protected forests will provide future income. Forests are renewable resources. Why not take adequate steps to renew them for if well developed they will contribute much to national prosperity and strength.

Mr. KIRWAN. 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 pro tempore [Mr. McCORMACK] having assumed the chair, Mr. PRICE, 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. 5915) making appropriations for the Department of the Interior and related agencies 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. KIRWAN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. 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 pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

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

S. Con. Res. 13. Concurrent resolution to provide additional funds for special study by the Joint Economic Committee.

PAN AMERICAN GAMES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 214 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. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan-American games to be held in Chicago, Illinois. 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 Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 214 makes in order the consideration of H.R. 2575, authorizing an appropriation of $500,000 for the third pan-American games to be held in Chicago. This resolution provides for an open rule and 1 hour debate.

The bill authorizes the appropriation of $500,000 for the purpose of promoting and insuring the success of the pan-American games to be held in Chicago, Ill., August 27 through September 7, 1959. Funds appropriated under this authority shall be expended in the discretion of the organization sponsoring the games subject to such audit as may be prescribed by the Comptroller General of the United States.

The pan-American games are held every 4 years under the direction of the Pan American sports organization. The member countries are those countries of the Americas whose national Olympic committees are members of the International Olympic Association. At present about 25 countries and possessions are eligible for participation in the games. It is anticipated that 2,000 athletes will participate in the games, including competitions for both men and women.

Sports facilities of the Chicago area will be used, including Soldier Field and the athletic facilities of Northwestern, Loyola, Chicago, and DePaul Universities.

It is anticipated also that in conjunction with the games there will be a great cultural event known as the Festival of the Americas in which the outstanding scholars and artists of the Latin American countries will participate.

Plans for the games are as yet incomplete and precise budget estimates of the use of Federal funds are not yet available. It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority. The sponsors of the games must assume the balance between the allowance of $3 per day per athlete for food and quarters and the estimated actual cost of $10 per day. A substantial part of the funds authorized will be used to pay the difference between the moneys received from the competing countries and the actual cost of furnishing food, lodging and transportation.

The bringing together in friendly sport of 2,000 of tomorrow's leaders of the Western Hemisphere is desirable from the point of view of U.S. foreign policy. The Department of State has indicated its approval of support of the games under the sponsorship of the city of Chicago in such amount as Congress deems appropriate.

The Committee on Foreign Affairs believes that the success of the pan-American games in Chicago this year will make a substantial contribution to the maintenance and improvement of friendly relations between the United States and other countries and territories in the Western Hemisphere.

I urge the adoption of House Resolution 214.

Mr. ALLEN. Mr. Speaker, I do not know of any opposition to the rule, but I can imagine there is going to be considerable opposition to the bill itself.

Personally, I cannot conceive of anything better in the field of public relations than permitting 2,000 athletes, who are idols in the Western Hemisphere, to come up here, and they are idols, in my opinion, any of them. They are more effective in the field of public relations than any other group of individuals. They will be treated fine in Chicago. They will have a marvelous impression of the United States, and those athletes, those idols, will go back to their countries and talk about their experiences here. So I say to you, Mr. Speaker, I cannot conceive of anything more effective. However, there is one thing that seems to spell out all the trouble and that is the part on line 8 of the bill. I think the gentleman from Illinois [Mr. YATES], the author of this bill, should be advised of it. That is on line 8 where it says: "and shall be expended in the discretion of the organization sponsoring said games,".

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

Mr. ALLEN. I yield.

Mr. YATES. When general debate is concluded and the reading of the bill begins, an amendment will be offered to make the bill more specific in this respect. It will provide that the funds should be expended for lodging, food and transportation for participants and related personnel and shall be expended by the Department of State by way of advance or reimbursement to the organizations sponsoring said games subject to such controls and audit as may be prescribed by the Comptroller General of the United States. Any funds not expended under the said appropriation shall revert to the Treasury of the United States.

So this amendment will take care of that.

Mr. ALLEN. I thank the gentleman. I think the gentleman has taken care of that because some of us were wondering just what this organization you speak of is or who they are and how they are organized. I believe the gentleman has taken care of that question.

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

Mr. ALLEN. I yield.

Mr. GROSS. What is to prevent these athletic idols, as you call them, from coming to this country and participating without this bill? Is there anything to stop them?

Mr. ALLEN. They are coming.

Mr. GROSS. If we do not pass this bill, will they be barred from coming to this country?

Mr. ALLEN. I would say maybe not so many would come.

Mr. GROSS. Are they not interested in displaying their prowess unless subsidized by American taxpayers?

Mr. ALLEN. I would say that this is a good gesture and the money is well spent.

Mr. GROSS. I am glad the gentleman said this is just a gesture. I think it is, too—but it is an expensive gesture.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I have asked the gentleman from Illinois to yield to me, not because I am opposed to the adoption of this rule, but rather because I am opposed to the enactment of the legislation which the rule makes in order. About 2 years ago, if I remember correctly, or perhaps a little longer than that, we had this same sort of proposal,

but for a little more money, before the House to bring these same games to the city of Cleveland in the State of Ohio. We believed then, as we believe now, that if Cleveland was to act as the host city, a city in my own State, that the city should meet the expenses of holding these games there, rather than asking the taxpayers of the country to meet them. We opposed that legislation at the time it was up for passage, regardless of the fact that it did affect our own State of Ohio and that the games had been sponsored by one of our most prominent State officials. The authorization bill was opposed, but later the appropriation was rejected.

In my opinion, it seems to me this present legislation should not be enacted. I am perfectly willing for the great city of Chicago to have these pan-American games in their wonderful city. Right now we have the great city of Chicago asking the Republican National Committee to fix the city of Chicago as the site for the coming Republican National Convention, and offering to the Republican Party quite a handsome contribution in the way of funds, if it will just bring the delegates and the convention visitors to Chicago. It seems to me a matter of logic, especially in these days when we are having difficulty in balancing the budget, and when the taxes are so high, and we are running such great deficits in our Federal Treasury, that we should leave this very, very worthwhile endeavor of having these pan-American games in the the city of Chicago, and the financing of them, up to the very good and generous people of Chicago who, I am sure, will show the same interest in bringing these games to their fair city as they are now showing in attempting to bring the Republican National Convention there in 1960.

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

Mr. BROWN of Ohio. I yield.

Mr. JUDD. The gentleman will agree there is a great difference between this resolution and the resolution last year dealing with the proposed pan-American games in Cleveland because that resolution had in it $5 million for construction of a stadium and other facilities.

Mr. BROWN of Ohio. This bill is for $500,000.

Mr. JUDD. Those would be permanent improvements that naturally the people of Cleveland should pay for and not the Federal taxpayers. But does not the gentleman agree that the benefits of holding these games in Chicago will inure to the benefit of the whole United States and not just to Chicago?

Mr. BROWN of Ohio. I would certainly hope so, and I am sure they would inure especially to the benefit of Chicago.

Mr. JUDD. And Chicago is going to put a lot of its money into them.

Mr. BROWN of Ohio. I should think Chicago would be willing to help out the rest of the country, and make some contribution toward the good will which exists, and will exist, as a result of these games between the pan-American countries and the United States, by furnishing this $500,000. Chicago citizens are very able to collect money for different purposes and good causes; I am sure they can do it again in this particular case.

Mr. JUDD. But does not the gentleman feel that it will be of great benefit in all these countries of the Western Hemisphere to be shown by this act that the U.S. Government is behind this program and is participating wholeheartedly?

Mr. BROWN of Ohio. Yes; we can pass a resolution without an appropriation, saying we welcome the games coming to the United States, and thus show our good will; but when it comes to putting up the cold cash, the people who benefit, the State of Illinois and the city of Chicago, should pay the bill. As far as value to the community, or the benefit to the United States is concerned perhaps the Republican National Convention meeting in Chicago can contribute more to the welfare of America and the world than even the pan-American games.

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

Mr. BROWN of Ohio. I yield.

Mr. GROSS. I wonder if an amendment to the bill to provide that the $500,000 be provided from counterpart funds would meet with the approval of the gentleman from Minnesota who has helped create hundreds of millions of dollars of counterpart funds all over the world. I wonder if he would be for that?

Mr. BROWN of Ohio. I must say to the gentleman from Iowa that when we get involved in the intricacies of international finance, the way it has been complicated in recent years, I am lost.

Mr. JUDD. Of course, if the gentleman from Iowa can get the merchants and hotels of Chicago to accept foreign currency at its face value, I am sure the amount could be paid with counterpart funds.

Mr. GROSS. Why could they not be converted into U.S. currency, or even taken at face value?

Mr. JUDD. Because some of them are not convertible. If the people of Chicago will accept payment of their bills in the form of rupees, lire, yen, and so on, that would be fine.

Mr. GROSS. I am sure they would.

The SPEAKER pro tempore (Mr. McCORMACK). The question is on the resolution.

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

Mr. BURLESON. 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. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.

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. 2575, with Mr. GEORGE P. MILLER of California 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 Texas [Mr. BURLESON] will be recognized for 30 minutes, and the gentlewoman from Illinois [Mrs. CHURCH] for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this matter was before the House the latter part of the preceding session, at which time, as I recall, the record vote was 200-odd to 60 in favor of the bill.

I think we all understand pretty well the purpose of this legislation. It was reported unanimously by the Foreign Affairs Committee on two occasions. During the consideration of the bill there were a number of witnesses who appeared before the committee, including the author of the bill, the able and persuasive gentleman from Illinois (Mr. YATES). The value of this type of legislation is difficult to estimate, but if we are to remain in the world and as a part of it, whether it be in trade of various kinds, the cultural arts or athletics, we are overlooking one of the greatest opportunities to have friendly, competitive relation with our friends to the south.

Mr. Chairman, I feel very strongly that this legislation should be adopted. We are spending great sums of money for purposes much more doubtful than for these athletic games. At least it is to be spent in the United States and the good will it should generate should be valuable.

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

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

Mr. GROSS. The gentleman says that several witnesses were heard on this bill in hearings before the committee. May I ask the gentleman where I could obtain a copy of the printed hearings?

Mr. BURLESON. It was last year we had the hearings. That is what I intended to say, if I did not. As I recall, we had only several Representatives in the House before the committee; but last year we did have hearings.

Mr. GROSS. Then, as I understand it, this subject was given the once-over-lightly treatment in the committee this year. Is that correct?

Mr. BURLESON. It was not once over lightly last year. We went into it quite thoroughly.

Mr. GROSS. How about this year? There has been a change in the attitude of the people toward spending for unnecessary purposes.

Mr. BURLESON. The purpose of the legislation is the same this year as last year.

Mr. GROSS. That may be, but demands on the Public Treasury are apparently even more acute this year.

Mr. BURLESON. I do not know that it is any different this year from last year, or that it was any different the year before that. We are hearing a great deal more about economy this year than last, but conditions are not essentially different. Most of us are for economy in

places where it does not affect us, but I consider this an investment which should pay off in better relations. Not too good relations has cost this Nation a lot of money and will do so in the future unless we do something about it. This type of event is particularly important to our Latin American friends.

Mr. GROSS. I am glad to hear the gentleman say he thinks it is a good thing, but that does not answer the question as to the difference in the financial situation then and now. A year and a half ago we were not having nearly as much trouble selling Government bonds as we have had in the last few months.

Mr. BURLESON. There are many things which I favor postponing or rejecting, and I think my record for economy is about as good as anyone's in the House. I am very much concerned, as is my friend from Iowa, about the fiscal affairs of our country. This does not mean, however, that we can, even if we wished, withdraw into a shell of selfishness and seculsion in these matters of intercountry associations. It could be put off; we could ignore it, but I am not too sure at all that by ignoring it we are saving money.

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

Mr. BURLESON. I yield to the gentleman from Minnesota.

Mr. JUDD. Will not the gentleman from Texas confirm the fact that repeatedly we have had testimony before the Committee on Foreign Affairs that in some countries where we have made substantial contributions in food or in building powerplants or highways or even schools, we have not yet won the full understanding and good will that we hoped might come from those contributions, because sometimes the assistance was administered in a very efficient but rather rough way from the standpoint of the more easygoing tempo of the countries involved? Again and again the suggestion has been made—and sometimes it has been a strong criticism—that we have done very well with the tangible things; but we have often put too much of our money into things that you can see and not enough into the intangibles—such as building closer cultural relations, including the field of mutual interest with which this bill deals with—sports. Competitive individual and team sports are one of our most valuable American exports. Our athletes abroad and theirs who come here for contests or exhibitions are regarded as heroes. They have as great an influence upon the thinking and the attitudes of people around the world, particularly those already interested in sports, as anything that goes out from our country. Here is the kind of relatively inexpensive project that we have tended to underestimate. This bill gives the House an opportunity today to make a contribution, which in amount of money is very, very small, compared with other projects we are supporting; but which helps substantially in a field that the youth of Latin America are just as much interested in as are the youth of America, who oftentimes read first, not the report on a conference of the President with the Prime Minister of Britain, but rather the sports pages to see what happened the day before in basketball, hockey, or football. The bill authorizes a maximum of $500,000 to help make possible games that the youth of all the hemispheres are tremendously interested in, whereby great good will and a sense of closer relationship and fellowship can be created. Does not the gentleman agree?

Mr. BURLESON. I do agree with the gentleman. To say the least, this is something which takes place in our own country. The money will be spent in our own country. It will be spent in Chicago, and that, at least, is different than if it was spent some other place. So, I am influenced by that fact, also.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Ohio. I have asked the gentleman to yield so that I may correct any impression that I may have given to the effect that the authorization bill was defeated in the House. I am not sure whether I said that, or whether I simply made the statement in my previous remarks that the Ohio delegation, or most of us, opposed the bill. However, I have checked the record and find that the legislation did pass, the $5 million bill, I think on July 22, if I have the right date, or the 26th, and was signed into law, but that later the appropriation was rejected, and Ohio refused to go ahead with the proposition, and, therefore, the games were not held in Cleveland. So I will correct my previous remarks if I did, by error, infer that the bill was defeated.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the appropriation was defeated. The authorizing legislation was passed, but the appropriation was defeated.

Mr. BROWN of Ohio. I believe this explains the situation.

Mr. BURLESON. That is correct.

Mrs. CHURCH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the resolution which seeks an appropriation of $500,000 for certain specified purposes in connection with the pan-American games to be held in Chicago.

It is our dream that these games, carried on at a time when there is tension between ourselves and some of our neighbors in the Southern Hemisphere, will promote better understanding and the lasting friendship that arises from mutually shared interests.

Besides the athletic contests, Chicago is planning a collateral program of interchange in cultural achievement which will further add to our mutual knowledge and sympathy.

Never have the pan-American games been held in this country, although we have participated with our neighbors in these contests held in South America. The first pan-American games were held in Buenos Aires in 1951, and the second games were held in Mexico City in 1955. In each of these occasions, over 1,800 athletes participated. It is expected that more than 2,000 will take part in the games to be held in Chicago this August.

The bill calls, as stated, for $500,000 to be used solely toward the expenses of the participants from Latin American countries who otherwise would be deprived of this opportunity to intermingle with their neighbors. Whereas it might be argued that all participating countries should meet the expense of their own representatives, it can be said with equal force that this program is a valuable adjunct to the exchange of persons program which has proved to have value far beyond the mere monetary consideration provided.

I would point out with pride that the city of Chicago is able to provide and has provided gladly for the expenses involved in carrying on these games in Chicago. The necessary stadium already exists and the local community is gladly assuming and paying for the privilege of being host to these games. The city, in other words, has gone beyond the second mile in meeting the financial responsibility for that share of the expense of the program which can logically be called its own.

The main purpose of the bill today, I repeat, is to make it possible for the delegates to come who otherwise, because of financial hardship, would be deprived of the privilege of joining in this great demonstration of pan-American prowess and good will. It is not necessary to re-stress the importance of placing new emphasis on our spirit of neighborliness with our friends to the south in this hemisphere. It is our firm belief that the fellowship of these games and the better knowledge that will be spread of each other, not only among participants but among the huge audiences already anticipating the occasion, will go far toward building mutual respect and lasting good will.

The support for this measure was unanimous and completely bipartisan in our Committee on Foreign Affairs. As I said last year at the time when the House passed this measure—which unfortunately did not come up for a vote in the Senate before adjournment—it is not often that Chicago comes in and asks for cooperation of this kind. The amount we are asking is only $500,000. With this small appropriation, it will be possible for the great Midwest, which I always hold to be the heart of America and which is composed of thousands of happy Americans whose roots are to be found all over the world, will be able to welcome athletes and other representatives from Latin America in mutual exchange of customs, capacities, and understanding. Even though I belong to the group that holds tight the Federal purse strings, wherever soundly possible, I urge the House to pass this bill.

Mr. DOOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from New York.

Mr. DOOLEY. I rise to commend the gentle lady from Illinois on her astute evaluation and analysis of the proposed legislation and her conclusion as to what it will do if enacted to further better

understanding and better relationships with the pan-American nations.

Ever since Pierre de Coubertin reinstituted the Olympic games in 1896, international athletic contests have been a great source of better understanding among the people of competing nations.

The pan-American games are in effect a miniature or hemispheric Olympics and they will provide a wonderful opportunity for establishing rapport between the United States and the nations of South and Central America, as well as Canada.

The sum of $500,000 is very little to ask the host nation to provide in order to help with the transportation and living costs of the visiting athletes. Chicago, where the games will be held, has already promised to provide facilities which will cost them over a million dollars to refurbish in time for the games.

The episode between South Americans and our own Vice President a few months ago pointed up with pcignant severity the need for better understanding among the peoples of this hemisphere.

When our great athletes, like the sprinter, Davis, and the weight lifter, George Anderson, traveled abroad they were welcomed as conquering heroes by the sports-loving people of other nations and it appears to me to be a certainty that the United States by demonstrating through its athletes the true significance of good sportsmanship can do a lot to convince other nations of our genuine good will, fairmindedness, and desire for friendship.

Mrs. CHURCH. I thank the gentleman. I hope that he and all the other Members of the House will come out to Chicago and share with us the benefit of the games.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Iowa.

Mr. GROSS. It seems to me it was only about 2 weeks ago, on another afternoon, that the House approved a bill containing authorizing language which eventually will call for the expenditure of $545,000. Does not the gentlewoman think that Chicago is coming to the fountain pretty regularly these days?

Mrs. CHURCH. If the gentleman's memory is good, and I know it is, he will recall that on that afternoon I pointed out that the benefits from that particular appropriation would not only affect the city of Chicago but indeed would affect the whole area around the Great Lakes and the whole area to the south adjacent to the Mississippi Waterway. So I think if the gentleman will divide the former amount among the people to be benefited by that earlier authorization, he will find that Chicago would have just a small share.

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

Mr. YATES. Mr. Chairman, there is little to be added after the eloquent address of the gentlewoman from Illinois. Certainly it needs no effort on my part to persuade any group of Americans as to the harmonizing effect of sports. We are all aware of how it builds up friendly relations between those who are participating. I need say little as to the standing in the community of the athletes of each of the countries. They are respected and esteemed. If such persuasion were needed, I point to this morning's Washington Post, to an article that appears in the sporting section, which describes the reception that was accorded to Alex Olmedo, the great Peruvian tennis player, when he returned to Peru:

The headline reads: "National Hero Olmedo Returns to Peru and Fantastic Reception."

Thousands upon thousands of people were at the airport to greet this national hero and to pay homage to him and to his fellow members on the U.S. Davis Cup team. That is how good athletes are regarded in their countries.

This is a simple bill but it is a far-reaching one. Its purpose is to foster warm relations between the United States of America and our neighboring countries to the south and Canada as well. Participating in these games will be approximately 26 countries.

Why is this appropriation needed?

The reason is twofold: One because Chicago is so far away from many countries in South and Central America. It is almost the most northern place where this contest might be held. A number of the countries in South America will find it difficult to raise sufficient funds to pay the transportation for their athletes. Secondly, the committees which are sending these athletic delegations are allotting only $3 per day for the food and for the lodging for each of the athletes. Those of us who live in urban communities know how unrealistic this allotment is. I would not have you believe, as has been implied here, that Chicago is going to depend entirely upon the largess of the Federal Government for supporting this great event. The city of Chicago itself is raising $500,000 by private subscription to pay the expenses of the games and, Mr. Chairman, the city of Chicago will expend over $2 million in connection with these games in organizing and constructing facilities and in payment of other costs.

Mr. Chairman, we need not point out how sensitive are our relations with the countries of South America. We need only to remember last year when our Vice President visited South America to know that our relations with our Latin American neighbors needs understanding and strengthening. When Dr. Milton Eisenhower returned from his visit to South America, he reported to the President as follows:

> The American Republics are uniquely important to one another. Our economic independence is immense; our political interdependence in a threatened world is notable; our cultural interdependence is growing rapidly; and our shared aspirations for freedom, independence, peace with justice, and rising levels of human well-being assure that the cooperative processes in the community of nations can work here.

Mr. Chairman, this is one of the finest cooperative endeavors that we can possibly organize to bring the peoples of the Americas together sharing in a series of competitive sports contests.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. CURTIS of Missouri. I do not believe there is any question on the part of those who have been asking questions about this as to the value of the pan-American games or the value of the Olympic games, and so forth. I think most Americans agree, and I certainly agree, that these games are of tremendous value. There is one issue involved: Does it need Federal money? In other words, these things have been done before and they have been done for many years and they have been very beneficial and they have been done without the use of Federal funds. So the sole question is this question of the Federal funds. I would like to ask these two questions: First. Many of these things actually make money. Many of these things are moneymakers and I presume that the city of Chicago and other communities that have promoted world fairs and other such things expect to make some money out of it. How much money will Chicago make out of this, or let us put it this way, if there happens to be money made out of it—is there any way the Federal Government can be reimbursed?

Mr. YATES. The money will first go toward the payment of expenses. Let me say, as I pointed out during the debate on the rule, that money will be expended by the Department of State pursuant to controls which will be established by the Comptroller General of the United States.

Mr. CURTIS of Missouri. No; I am talking about repayments now, in the event that money is made out of this.

Mr. YATES. I do not know the answer to the gentleman's question but I would assume that if the funds that are derived from the games are sufficient to pay for the expenses of the games, they would be used before Federal funds were used. I, too, would favor repayment of expenses out of such moneys before the Federal Government is called upon to make any expenditure.

Mr. CURTIS of Missouri. I thank the gentleman. I have one other question. The gentleman is a member of the Committee on Appropriations and that is one reason I ask him the question. Why is it not possible to use foreign currency generated, for example, under Public Law 480 which exists in many of these countries to pay for these travel expenses?

Mr. YATES. It may be possible to do that. I am under the impression, however, that most of the funds will have to be expended in the United States where foreign currencies cannot be used for lodging and for food. It may be that part of the funds of such currencies could be used for transportation.

Mr. CURTIS of Missouri. Perhaps, if that could be done, the people of Chicago would take those funds and encourage the people in Chicago to visit these countries down there and, thus, they would be getting a further benefit.

Mr. YATES. I would say that this could very well be one of the results of the games, to foster understanding and

friendliness between the countries so that all will want to visit with each other even more.

Mr. CURTIS of Missouri. I thank the gentleman.

Mrs. CHURCH. Mr. Chairman, I yield such time as he may need to the distinguished gentleman from Illinois [Mr. CHIPERFIELD].

(Mr. CHIPERFIELD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CHIPERFIELD. Mr. Chairman, the pan-American games to be held in Chicago from August 27 to September 7, 1959, serve to provide the furtherance of understanding and friendship between the peoples of the Americas. The bringing together of some 2,000 young athletes from all the countries of the Western Hemisphere to engage in friendly competition in the heart of mid-United States is an enormous project undertaken by the city of Chicago. The city, serving as host for the games, becomes the United States in the eyes of thousands of visitors and participants. Nothing will be left undone to make this event the greatest in the history of Chicago.

The pan-American games are held every 4 years under the direction of the Pan American Sports Organization. The member countries are those countries of the Americas whose National Olympic Committees are members of the International Olympic Association.

Previous games were held in Buenos Aires in 1951 and in Mexico City in 1955. Approximately 1,800 athletes participated in the prior games. It is anticipated that 2,000 athletes will participate in Chicago.

Twenty sports are listed; in seven of them there will be competition for both men and women. All the sports facilities of the Chicago area will be used.

In addition, Chicago plans a month-long Festival of the Americas. Music and cultural activities will be carried on during the festival.

The people of Chicago are to be congratulated for their efforts to cement more friendly relations with our Latin American friends.

Mrs. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I certainly concur in what has been said by practically every speaker on this bill so far, as to the merits of the games or the desirability that they be held in the United States; nevertheless, I think there are a few questions that members of the committee properly be informed about before being asked to vote on this particular legislation.

I wonder if the author of the bill, my friend from Illinois, could tell me whether or not I am correct in saying that there is no money in the Federal budget for this amount at this particular time.

Mr. YATES. The gentleman is correct; there is no money in the budget at this time.

Mr. BENTLEY. Can the gentleman also tell whether or not it is correct that the Department of State while endorsing the games being held in Chicago does not commit itself to any specific amount?

Mr. YATES. That is correct.

Mr. BENTLEY. The gentleman will also notice that on page 2 of the report the statement is made:

> Plans for the games are as yet incomplete and precise budget estimates of the use of Federal funds are not yet available.

In view of the fact that the games are scheduled to start in about 5 months I am wondering whether plans have advanced any further than they were at the time of the preparation of the report to the point where we know whether it will be $500,000 spread amongst two thousand athletes, or about $250 per athlete?

Mr. YATES. The reason for that statement in the report is the fact that the number of athletes who will compete depends in very great measure on whether or not the Congress of the United States passes this legislation. Part of the money will have to be used for transportation as well as for taking care of athletes while they are in the United States. If this legislation is passed they will have something definite to figure on and then can give a more positive estimate.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mrs. CHURCH. I would like to point out that following the statement which the gentleman has quoted on the second page of the report this sentence appears:

> It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority.

Certainly, before the appropriation is finally made, full figures and facts on the proposed program will be presented to the Appropriations Committee which will certainly scan such figures and facts with their usual care.

Mr. BENTLEY. Certainly I know the Appropriations Committee will also have to act on this, but the legislative committee should not abdicate its responsibility to the Appropriations Committee. I think we should be able to find out as much as we can just what this money is to be used for.

Mr. YATES. The gentleman is correct. As I pointed out, we cannot be more specific at this time for the reason that we do not know how many athletes will come previous to the passage of this legislation.

Mr. BENTLEY. Suppose we authorize $500,000; does that mean that 2,000 athletes will come, or how will the number be determined?

Mr. YATES. It means that approximately that number will come.

Mr. BENTLEY. Then you will have to arrive at a specific number and justify your request. Knowing what number will come it can easily be ascertained how much you will have to pay out, and the difference between what they are allowed under the Pan American Rules Committee's allowances and their actual expenses will give an idea of the cost.

Mr. YATES. I am informed by the Chicago committee that the estimated cost is $10 a day. The amount allowed to the athletes by the respective countries is $3 a day. The difference will be $7 per athlete per day.

Mr. BENTLEY. Am I correct in understanding that these games are actually being sponsored by the city of Chicago?

Mr. YATES. Yes, they are sponsored by a not-for-profit organization known as Pan American Games, Inc., which is the organization helping to organize and run the games for the city of Chicago.

Mr. BENTLEY. And it is an official organization, an official creature of the city of Chicago.

Mr. YATES. It is not an official organization, but it is not-for-profit organization and is the organization the city is using for this purpose.

Mr. BENTLEY. Are the deficits to be made good to the city of Chicago or to this organization?

Mr. YATES. To this organization under the direction and control of the Comtproller General of the United States.

Mr. BENTLEY. But the city has no responsibility for its own debt to see that the games are properly financed? The city has no financial responsibility as official host to those games?

Mr. YATES. I do not know the answer to that question, but I do know that this organization is subject to the control of the city of Chicago. The mayor's office will have some supervision over the expenditures.

Mr. BENTLEY. The gentleman mentioned a moment ago that the city of Chicago will spend $2 million on these games. Would the gentleman be able to give a breakdown of where that money is being spent by the city?

Mr. YATES. The gentleman can give you a rough breakdown as to where the money is to be sent. It will be spent in the building of swimming pools, in conditioning running tracks, in rehabilitating rifle ranges, in conditioning all of the necessary facilities, providing maintenance and employees and various facilities for that purpose. Many facilities will be used; the White Sox baseball field will be used, the Cubs baseball field, high school stadiums, and many other installations will be used. There will be roughly about 20 different organizations that will contribute their facilities. They will be paying the expenses of the operation of their facilities during the time the games are in progress.

Mr. BENTLEY. Is the city of Chicago building any private lodgings for these people?

Mr. YATES. To the best of my knowledge, no. The city of Chicago is raising a half million dollars, part of which or most of which, I think, will go toward payment of the expenses of lodging. I may say to the gentleman that we have sufficient facilities to house the participants in Chicago and also to take care of the delegates to the Republican National Convention if it comes to Chicago.

Mr. BENTLEY. But not at the expense of the participants, but at the expense of the Department of State?

Mr. YATES. Yes.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am grateful to the gentleman from Iowa for asking the question if there has been any change in the last year to justify the pending resolution. I can inform the gentleman from Iowa that there has been. During the last year our public relations with the people of Latin America have worsened. We all are concerned by growing expressions of anti-American sentiments in countries of this hemisphere where we wish to have, as indeed for our security we need to have, our best and truest of all friends. During the last year the Communist drive to attract the young people of Latin America to visit the Soviet Union on tours financed by the Soviet has been intensified. I think the members of the Committee on Foreign Affairs had that very much in mind when they voted unanimously to report favorably this resolution.

I do not know of anything that the city of Chicago can gain from the expenditure of this money that is not shared in intensified measure by every State and by every person in our United States. We can have no security for our country unless there is a real hemispheric solidarity, a solidarity that is based, not upon military missions and physical things alone, but most of all upon the good will and the neighborly understanding that result when the approach is to the minds and hearts of men. Chicago, at her own expense is making plans for such an approach on an unprecedented scale. In connection with the holding of the pan-American games, which will put in spirited but friendly competition the athletic youth of the continent, Chicago is making elaborate plans for a Festival of the Americas to bring to our country the music, the drama, the dance, the literature, and the art of our Latin neighbors in their highest expression as interpreted by the great musicians, the great artists, the great poets, the great men and women in the Latin American cultural and artistic world. These are the undertakings, Mr. Chairman, that bring together the minds and hearts of peoples.

What has Chicago to gain that is not equally the gain of every other city, of every village and town, of every American family home when by reaching into the hearts and minds of our Latin neighbors we have built the enduring foundations of a hemisphere accord that will strengthen our security and encourage an ever-growing flow of commerce beneficial both to ourselves and to our neighbors?

Strictly on a business basis, and by the approved rules of the public relations departments of our largest corporations, the investment of $500,000 to help defray the expenses of bringing several thousand athletes, the pick of the crop in the countries to the south, to the pan-American games is the best investment the United States possibly could make at this time. For one person who reads the editorial page of a newspaper thousands read the sports pages. An athlete, who is an idol in his own country, can be our very best ambassador of good will on his return and, as the sporting pages are so much more widely read than the editorial pages, we can be sure he will get his message over.

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

Mr. O'HARA of Illinois. Certainly, I will be delighted to yield to my dear friend from Iowa.

Mr. GROSS. As I understand, there are athletes coming down from Canada to participate in these games. Are we going to take care of their expenses, when they have a sounder dollar than we have?

Mr. O'HARA of Illinois. I do not know why the gentleman would wish to discriminate against Canadians.

Mr. GROSS. Well, I do not. I am just asking the question.

Mr. O'HARA of Illinois. I am not discriminating against any of our hemispheric neighbors. That is not in the spirit of this resolution. To the contrary, its purpose is to prevent discrimination against the athletes from any country on the American Hemispheres. If his country cannot or for some reason will not bear his full expense of coming to the games he is not by that circumstance to be debarred from the games. I can think of nothing more in keeping with the American spirit of fairplay.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Of course I yield to the gentleman representing the district where I was born.

Mr. HOFFMAN of Michigan. We are neighbors, are we not?

Mr. O'HARA of Illinois. Not only that; we have much in common and the good sense not to let conflicting politics and philosophies mix up friendship.

Mr. HOFFMAN of Michigan. Yes, a great deal. I go to Canada ever year when I have the money, to spread good will, and every year they make me spend 10 cents on the dollar to equalize the thing. Do you not think that is spreading good will?

Mr. O'HARA of Illinois. If the gentleman is willing to spread his wealth among the people of Canada, he is to be commended. The gentleman possibly remembers that Canada lined up with Michigan on Lake Michigan water diversion and gratitude is one of my friend's many virtues.

Mr. HOFFMAN of Michigan. No; I cannot help it. I do not part with it willingly.

Mr. O'HARA of Illinois. Mr. Chairman, I hope that this resolution is adopted by the House by unanimous vote. There was not a voice raised or a vote cast against it in the Committee on Foreign Affairs. I cannot conceive of any person in this Congress who does not realize the necessity of mending our hemispheric relations. By all means we must reach out to bring the peoples of this hemisphere into the fold of understanding with us. If we do not, no matter what we may build up in military might, we will have no real security either on this hemisphere or in the world at large.

Mrs. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I want to thank the gentleman from Illinois for yielding me 5 minutes. Make no mistake about it, this bill is a blank check, and it is so stated in the report.

> Plans for the games are as yet incomplete, and precise budget estimates of the use of Federal funds are not yet available.

And so forth and so on. Seldom do we get a bill accompanied by a report which is completely a blank check. Here we are called upon to spend $500,000 as a blank-check proposition.

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

Mr. GROSS. Briefly.

Mr. YATES. In answer to what the gentleman has said, let me say that frequently an authorization bill is passed leaving it to the Committee on Appropriations to appropriate the exact amount that should be made available.

Mr. GROSS. On top of that, the amendment which the gentleman from Illinois says he is going to offer, bringing the State Department into this thing, does not enhance the aroma of it a bit so far as I am concerned.

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

Mr. GROSS. Very briefly. Do not take all of my time.

Mr. YATES. This is addressed to the gentleman from Illinois. The original bill provided that the money be paid directly to a private organization rather than to a Government agency. For that reason the State Department has been brought into the picture for the purpose of controlling the expenditures.

Mr. GROSS. As I look at this proposition, it provides for subsidizing 2,000 athletes. The differential as between the $3 they are supposed to put up and the $10 that Chicago wants to take care of them is a difference of $7, and 7 times 2,000 is $14,000, if my arithmetic is correct. If my further computation is correct, they are to be in Chicago for 12 days, from August 27 to September 7, and multiplying $14,000 by 12 days we get $168,000.

Mr. YATES. May I say to the gentleman that the time period is 20 days, because you have a period of preliminaries to the actual games themselves.

Mr. GROSS. So we have $168,000. That is the best figure that I can get on the basis of the report. You could add a few days either before or after, to get them out of the country or for the preliminaries, as the gentleman calls them; but you would still have quite a lot of surplus Federal cash.

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

Mr. GROSS. Yes.

Mr. YATES. As I compute the formula it would be the differential of $7 per day, as the gentleman has pointed out, for 2,000 athletes, over a period of 20 days.

Mr. GROSS. Mr. Chairman, let me ask the gentleman this question. I notice that athletes are to come from the Dominican Republic; is that correct?

Mr. YATES. That is correct.

Mr. GROSS. What business do we have subsidizing athletes from the Dominican Republic when the son of the President of that country is able to buy Jaguars, mink coats, and what-have-you for his American sweethearts?

Mr. YATES. May I say that the Dominican Republic will probably not be subsidized, because it has sufficient money to pay for its athletes who are coming here.

Mr. GROSS. Are there other countries that do not have to be subsidized? If so, please tell me about it.

Mr. YATES. Yes; I would say that Canada's athletes do not have to be subsidized. I would say that where the countries cannot pay for the transportation, food, and lodging for the athletes, they will be subsidized.

Mr. GROSS. I can only see $168,000 based upon the gentleman's own figures, and if you are going to eliminate countries that do not need to be subsidized, you do not need even that much money.

Mr. YATES. A system of controls and audits will be established by the Comptroller General of the United States to make sure that none of this money will be spent unnecessarily.

Mr. GROSS. Let us get that into this bill.

Mr. YATES. I have an amendment at the Clerk's desk now.

Mr. GROSS. I was not referring to the gentleman's amendment. Let us get those eliminations of countries into the bill, so that we will know what we are doing.

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

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Am I to understand from the statement of the gentleman from Illinois [Mr. YATES] that this is to be on a needs-test basis, that there is to be discrimination between countries as to who will be entitled to benefit?

Mr. GROSS. I shall let the gentleman from Illinois answer that.

Mr. YATES. I do not think the question deserves any answer.

Mr. JOHANSEN. Mr. Chairman, just a minute——

Mr. YATES. The gentleman asked me if I would answer it, and I shall answer it. I think the distortions in the gentleman's remarks are sufficiently clear in themselves as not to warrant an answer.

Mr. JOHANSEN. May I say that there were no distortions in my statement, and the gentleman well knows it.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I am more intrigued now than I was when I first heard the bill read. I do not want to suggest a point of view here in opposition to this, because Minneapolis just recently, during the past year, was host to one of the international organizations, the World Health Organization, which brought great friendliness and educational attractions to the State of Minnesota in their stay of 2 weeks there. But I am very much confused here, and I would like to ask the chairman of of committee a couple of questions. This concerns not only the field of competitive athletics, but the matter of expositions and other cultural activities. I have an idea that the State Department makes all of these arrangements for these entries into the United States. Then I think I may assume that the State Department gives publicity to the competing cities who are in quest of these contests or conventions or expositions.

Then, if history repeats itself, there will be a Member of the House from the State which is seeking these athletic contests who introduces a bill. That bill, I suppose, generates out of some civic organization. I remember the case of Squaw Valley in California, which the gentleman from California [Mr. SISK] sponsored, and the Cleveland Games, which was sponsored under a bill introduced by the gentleman from Ohio [Mr. VANIK].

In this case, the gentleman from Illinois has filed a bill. I wonder where these bills generate, and if the State Department is promoting these exhibitions or contests why the Congress does not know something about it.

Mr. YATES. Mr. Chairman, will the gentleman yield for an answer as far as this bill is concerned?

Mr. WIER. I yield.

Mr. YATES. This bill did not come from the State Department. This bill was filed upon the request of the administration of the city of Chicago. Mayor Daley asked me whether I would file this bill because he said we needed help to put across the pan-American games. I said that I would be glad to do it.

Mr. WIER. I am thoroughly familiar with that kind of policy. I remember 2 years ago Congressman JUDD, and the two Senators from Minnesota brought in a resolution, because there was some competition by larger cities to have this World Health Organization meet in some other city. We had to provide a guarantee in the city of Minneapolis.

I expect to vote for this bill, but I would like to ask some money so that we could have the American Legion's National Convention in Minneapolis.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. WIER] has expired.

Mrs. CHURCH. I have no further requests for time, Mr. Chairman.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I should like to associate myself with the remarks of those people who want the pan-American games in Chicago and in America for the good it can do for international understanding.

Mr. Chairman, I had the great good fortune to be in Moscow, Russia, at the International Youth Festival in 1957, for a week. I saw the tremendous propaganda value that the Soviet Union has been able to gain from these International Youth Festivals. It was not only a matter of sports, it is a matter of music, speaking, many of the arts and sciences, also.

Each day's winner from all over the world would have his picture big and bold, and I think they printed many editions each day just so each one who had won an event would have an opportunity to see his picture on the front page of a Moscow paper. They even put out special papers. Each of these newspapers went home to the various countries from which these people had come. Each youth who had received a writeup in these newspapers went home with a very warm feeling toward Moscow. Not only did these newspapers contain pictures of the contest winners, they also contained much propaganda about the friendly intentions and peaceful desires of the U.S.S.R., no matter how untrue it was.

We can take some lessons in America from these master propagandists behind the Iron Curtain. Forty-five hundred young people from more than 140 countries left Moscow, warmed and pleased by what they found and the generosity they enjoyed from a highly subsidized Russian propaganda barrage.

Mr. Chairman, the whole of the United States profits by these pan-American games. Yes, even the whole free world enjoys a feeling of peaceful unity when America leads in the cause of peaceful understanding among our young people of the free world.

Mr. Chairman, when Mr. NIXON visited South America last year, as a representative of our country, we certainly had a demonstration that we have much work to do in the cause of international understanding. We are quibbling about $500,000 which will be used to sell Americana to the world.

I believe it only right that the U.S. Government endorse these pan-American games with whatever is needed within reason, to assure their complete success.

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

Mr. MURPHY. Mr. Chairman, for many years before I came to Congress I was associated with the municipal government of the city of Chicago and during the years have been very close to the Honorable Richard J. Daley, now the mayor of Chicago. It is no exaggeration to say that Mayor Daley is one of the outstanding chief executives of a large city of all times. What he has accomplished for Chicago during the last 4 years is the talk of the Nation and has been the subject of much favorable comment in magazines and periodicals of national prestige and circulation.

I say this now so that my colleagues in consideration of the pending legislation can fully appraise the importance to our country of the pan-American games in Chicago. Mayor Daley is putting the full weight of his dynamic drive behind these games to bring into close understanding the peoples of the Latin countries and our own people.

It is because of his intense interest that Chicago is planning, in connection with the pan-American games, a series of events extending over a considerable period of time that will bring to the American people, on a scale hitherto unapproached, the song, the literature, the art and the drama of our Latin neighbors.

Into this undertaking, which is calculated to make a tremendous contribution to hemispheric understanding, the people of Chicago are expanding large sums of money. Not one cent of the appropriation authorized by this resolution will go to bear any part of the great expense. The money authorized by this resolution will all go to defraying the traveling expense and part of the living expenses of the athletes from Latin America. The people of Chicago will bear all the rest of the bill. In voting for this resolution my colleagues will, in effect, be placing their stamp of approval on the great and patriotic work that Mayor Daley is doing for all of America in binding in affection and understanding our people with our Latin American neighbors.

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

Mr. PUCINSKI. Mr. Chairman, I rise in support of this legislation which would provide $500,000 to the city of Chicago as the Federal Government's share of financing the pan-American games this summer.

During the course of our proceedings in this body, we have heard much about how the United States can best effect better understanding between our own country and our South American neighbors. I can think of no greater contribution that this Nation can make toward hemispheric solidarity than through the promotion of this great sport activity which will be held in the city of Chicago this summer.

Chicago's reputation as a host city of the Nation has been established over the years. We know—and those Members of the House participating in this discussion know—that Chicago has a long tradition of hospitality and cordial treatment to all of its visitors. The pan-American games will attract more than 2,000 top athletes from the South American countries. We are asking for this $500,000 to help take care of these athletes during their stay in Chicago. There is little question that this money will help us encourage 2,000 South American athletes to be ambassadors of good will for the United States when they return to their respective home communities.

We all showed deep concern at the unfortunate incidents which greeted Vice President NIXON's recent tour through South America. There can be no question in our mind that a great deal of missionary work needs to be done if we are to preserve the traditional good friendship between the United States and South America. I am confident that the enthusiasm generated by the pan-American games in Chicago, and by those reading about the games throughout South America, will go a long way in solidifying our traditional friendship.

The city of Chicago, in the interest of hemispheric solidarity, is carrying most of the brunt of all expenses involved in putting on this spectacular sporting event. The businessmen of Chicago are contributing thousands upon thousands of dollars to make sure that the young South American athletes and other visitors from South American nations who will come to Chicago to observe the games, carry back with them nothing but the most pleasant and favorable memories. But the cost of an enterprise like this, as you can all well imagine, is staggering, and it is because the entire United States will benefit from the good will generated by these games that we call upon the Congress of the United States today to approve this appropriation as a supplement to our own local effort.

I can assure you, gentlemen, that this Nation could not spend its money more wisely than in promoting this very worthwhile international competition between our own country and our South American neighbors. It is for this reason that I urge we approve this appropriation and let the great mayor of Chicago, Richard J. Daley, and his staff proceed with their plans for a most effective hemispheric good will project.

I can assure you that the investment we make today in these pan-American games will yield dividends which could not be evaluated in terms of dollars and cents. This is a project that will strengthen the State Department's position in South America and will develop a greater respect by our South American friends for the United States.

I urge sincerely adoption of this measure.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks as this point in the RECORD.

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

There was no objection.

Mr. MORGAN. Mr. Chairman, I rise in support of bill H.R. 2575, of which the distinguished gentleman from Illinois is the author. This bill is identical with a bill which was passed by the House but which failed to pass the Senate during the final days of the last session.

This bill authorizes an appropriation of $500,000 for the purpose of promoting and insuring the success of the pan-American games to be held at Chicago, Ill., August 27 through September 7, 1959. The pan-American games are similar to the Olympic games, except that only nations of the Western Hemisphere participate. They have been held twice before: in Buenos Aires in 1951 and in Mexico City in 1955. The Governments of Argentina and Mexico provided substantial financial support in the organization of the games in their capitals. The games to be held in Chicago will be the first to be held in the United States.

The pan-American games are held every 4 years under the direction of the Pan American Sports Organization. The member countries are those whose national Olympic committees are members of the International Olympic Association.

At the present time, countries and possessions eligible for participation in the games are: Argentina, Bahamas, Bermuda, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Dutch West Indies, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Uruguay, and Venezuela. The committee has been informed that it is probable that before the games take place, other eligible countries will be added to the list.

None of the funds authorized in this bill will be used to finance the building in Chicago of facilities which will be available for the recreational use of the city of Chicago after the games. The games program includes 20 sports, in 7 of which there will be competitions for both men and women. Sports facilities of the Chicago area will be used, including Soldier Field and the athletic facilities of Northwestern, Loyola, Chicago, and De Paul Universities.

The committee is informed that approximately 2,000 athletes will participate in the games. The Pan American Sports Organization, under whose leadership the games are held, prescribes that the competing countries shall pay to the sponsors of the games $3 per day per athlete for food and quarters. It is recognized that this allowance will be inadequate and it is estimated that the actual cost will be $10 per day. The balance of this cost must be assumed by the sponsors of the games. A substantial part of the funds authorized will be used to pay the difference between the moneys received from the competing countries and the actual cost of furnishing food, lodging and transportation. It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority.

President Eisenhower has recognized the pan-American games as a "clear opportunity to enhance our good relations with our neighbors in the hemisphere."

The State Department has approved this measure, and I urge its passage because I believe it will make a substantial contribution to the improvement of friendly relations between the United States and other countries and territories in the Western Hemisphere.

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 it is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $500,000 for the Third Pan American Games (1959). The said appropriation shall be available for the purpose of promoting and insuring the success of the III Pan American Games to be held at Chicago, Illinois, and shall be expended in the discretion of the organization sponsoring said games, subject to such audit as may be prescribed by the Comptroller General of the United States.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Strike out lines 6 to 11 inclusive, and insert the following: "The said appropriation shall be available for the purpose of promoting and insuring the success of the III Pan American Games to be held at Chicago, Illinois, by providing funds for lodging, food, and transportation for participants and related personnel, and shall be expended by the Department of State, by way of advance or reimbursement to the organization sponsoring said games, subject to such controls and audit as may be prescribed by the Comptroller General of the United States. Any funds not expended under said appropriation shall revert to the Treasury of the United States."

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

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

Mr. MORGAN. We feel that the amendment would strengthen the bill. The committee has no objection to it.

Mr. YATES. I thank the gentleman.

Mrs. CHURCH. Mr. Chairman, we have no objection to the amendment.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to address my remarks to the gentleman from Illinois. Before I do so, may I say that of course I have no quarrel with his supporting this bill. I understand his reasons for doing it and respect him for it. I am disturbed seriously, however, about this bill. I hope the gentleman attributes to me no desire to distort my understanding of the gentleman's statement.

It was my understanding from what the gentleman said, and I ask this not in any quarrelsome way, but in order to clarify the picture, that there is to be a discretionary authority vested somewhere on the basis of which certain countries or their representatives in these games might be determined to be eligible for funds from this money that we propose to vote and others not. I wonder if the gentleman would clarify that?

Mr. YATES. I would say to the gentleman that I anticipate that there will be such discretionary authority. I assume that there will be countries such as Canada which will not seek any of these funds that are proposed to be made available under this authorization. There will be other countries that will want to send their athletes to Chicago which do not have sufficient funds to do so and that is the reason for this authorization.

Mr. JOHANSEN. May I ask the gentleman whether he sees any danger in the exercise of discretion based on the judgment of the sponsoring committee or whoever it is that has the authority. Does the gentleman see some danger that ill will might be created or that jealousies might be created because some receive and others do not receive?

Mr. YATES. I would say to the gentleman I would think such a possibility exists, but not to a greater extent than exists under the present student exchange programs which are in existence between the United States and most of the countries of the world under which applications for scholarships are made to our country. The question as to eligibility then has to be determined and requires the exercise of discretion.

Mr. JOHANSEN. Could the difference possibly be, however, that the decision with respect to these scholarships or exchange grants are made by responsible representatives of the Federal Government whereas this is a decision the authority for which is vested in a non-Federal group or committee?

Mr. YATES. I would say to the gentleman the initial decision is made by the country which will send its athletes. If it does not have sufficient funds, it will apply to the organization which is sponsoring the games and then in consultation with the Department of State, that organization will review the application.

Mr. JOHANSEN. May I ask the gentleman one other question. I was called off the floor at the time this question was asked. Is it my understanding that this is the first time in the history of these games that a request for funds has been made?

Mr. YATES. The answer to that question is—yes, for the reason that this is the first time these games are being held in the United States. But, this is no precedent, may I say to the gentleman inasmuch as this Congress previously voted $4 million in funds to the organization handling the Olympic games in the State of California for the construction of a stadium at Squaw Valley and for the operating expenses of the games.

Mr. JOHANSEN. Of course, I do not accept that as binding on the gentleman from Michigan as a precedent.

Mr. YATES. I would agree. I would not want to bind the gentleman by that precedent.

Mr. JOHANSEN. I understand that. But, let me just make this observation. Mr. Chairman, it is a source of tremendous disturbance and concern to me that the sum of $500,000 is now regarded, and I think I use the word exactly as it was used on the floor, as being infinitesimal. Maybe, Mr. Chairman, that is what is wrong with the state of the finances and credit of the United States.

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

Mr. JOHANSEN. I yield.

Mr. GARY. Is it not true that the operation of these games is handled by an international committee just as the Olympic games are handled by the Pan American Sports organization?

Mr. YATES. That is true. The Pan American Sports organization is a part of the International Pan American games.

Mr. GARY. And they are held periodically in various countries; are they not?

Mr. YATES. They have been held for 4 years. The first of these games was held in Buenos Aires in 1951. The second was held in Mexico City in 1955. This is the first time the United States will be acting as host and we are presenting this bill because we want these games to be a valuable and never-to-be-forgotten experience for those who participate from other countries.

Mr. GARY. I will say to the gentleman that I think these games will prove to be such an experience, and I think this is one instance in which we can create some very good will for America by participating in this international competition at this time.

Mr. YATES. I thank the gentleman.

Mr. GARY. If we have anything in America, that we can be proud of, it is our sportsmanship and if we exhibit proper sportsmanship in these games and in the matter of arranging for these games to be held in our country, it seems to me that they will have a great effect among the nations of the world.

Mr. YATES. I agree with the gentleman. I thank the gentleman for his views.

Mr. BENTLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems that all of us are pretty much agreed upon the merit of holding the games and of holding them in the United States, the host country; nevertheless, there seems to be some concern over the fact that inasmuch as they are being held in the city of Chicago, that said city has not apparently done all it could to finance the games, and there seems to be some question of doubt in people's minds as to whether or not the city of Chicago might not be able to relieve the Federal Government of the responsibility of these expenses which we are debating this afternoon.

So I am wondering if my friend from Illinois—I see he is already on his feet—will tell us what the city is doing from that very standpoint of municipal funds and also from the standpoint of private contributions to the nonprofit organization of which the gentleman spoke a few moments ago, and why the city of Chicago or its citizens do not feel that they can undertake the entire financial burden of the expense of these games?

Mr. YATES. May I say to the gentleman that the people of the city are willing to assume the entire financial burden in connection with these games. It may be, may I say to the gentleman, that this Federal contribution may not be necessary. The Federal contribution is for the purpose of making sure the games will be a success in the event the funds are needed.

Secondly, in response to the gentleman's question, the city of Chicago is now engaged in laying out the actual physical facilities—and it is a tremendous program—which are necessary in order to hold the games. For example, the stadium at Soldiers' Park is now the scene of a great deal of activity in building up the running track. The cost of making this running track conform to the Olympic standards will be approximately $100,000.

Third, the city is constructing an Olympic swimming pool. The cost of the swimming pool, built in accordance with Olympic standards will be around $75,000. And other stadiums and other facilities are being prepared and brought into condition, being rehabilitated and renovated, at a total cost, as I told the gentleman, of approximately $2 million.

Then the citizens of the city of Chicago are at present engaged in a fund-raising campaign, and they hope to receive approximately $6 million or more. That assures the success of the games.

Mr. BENTLEY. I thank the gentleman. I have asked these questions because I felt that the record of this debate should show exactly what the city of Chicago and the people of Chicago are doing and may be prepared to do further in this connection.

Now, would I be correct in saying that if the people of Chicago through private sources and voluntary subscriptions are able to raise this larger amount of money, then it is anticipated that part at least of this Federal appropriation will be returned to the Treasury.

Mr. YATES. Yes; I would say to the gentleman that is true, because the gentleman knows my amendment states that any funds not expended will be returned to the Treasury. We are confident they will be able to raise the funds but we need this Federal fund as a backlog to take care of the expenses of the games.

Mr. BENTLEY. May I assume that some of these neighboring countries might be a little reluctant to come to the games if they felt they had to depend on money that was being raised locally, and that the Federal authorization and appropriation is to give them the assurance that the money will be forthcoming to meet the expenses regardless of what may or may not be done in Chicago.

Mr. YATES. I would accept the gentleman's statement as being proper.

Mr. BENTLEY. Mr. Chairman, I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the amendment offered by the gentleman from Illinois [Mr. YATES], writes "transportation" very definitely into this bill. The report emphasizes food and quarters; the gentleman's amendment writes "transportation" in as well.

Mr. YATES. As I remember the report—and I suggest the gentleman look at the report.

Mr. GROSS. I have read the committee report. Transportation is mentioned but given a kind of a once-over-lightly treatment. You emphasize the differential as between $3 and $10 a day as applying to food and quarters. Now you put transportation into it by virtue of your amendment along with food and quarters.

Mr. YATES. May I say to the gentleman from Iowa that the original bill provided for transportation as well, because the original bill did not have food, lodging, or transportation in it; it merely provided a guarantee by Congress.

Mr. GROSS. Yes, it was wide open on its face.

Mr. YATES. That is correct.

Mr. GROSS. So is this.

Mr. YATES. I take it the gentleman is in favor of my amendment.

Mr. GROSS. You simply give it a little window dressing to make it a little more palatable. I do not think it means anything and the gentleman cannot convince me otherwise.

Mr. YATES. The State Department is a public agency and the amendment recognizes the suggestion of a number of Members that funds of this sort should not be paid directly to a private organization.

Mr. GROSS. What is the magic of this $3 figure on the part of these foreign countries? Is $3 all they can contribute toward sending their athletes to this country?

Mr. YATES. I may say to the gentleman that is the amount that has been established by the Pan-American committee of each of the countries as being the amount to be provided. It may be that the countries will provide more funds for their athletes and for their participants than the $3, in which case it would not be necessary to use the Federal contribution. I will say to the gentleman that the Federal contribution is only to assure that the games will be a success, and I think it is essential that they shall be a success.

Mr. GROSS. There was a meeting of minds in these South American and Central American countries, that $3 was all they could pay?

Mr. YATES. The gentleman's imagination is running rampant now.

Mr. GROSS. All right, where did you get the $3 figure?

Mr. YATES. I will say to the gentleman that the Pan American Games Association was the one that established this figure.

Mr. GROSS. Well, then, there was a meeting of the minds and they said that "All we can put up is $3 a head."

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

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. BENTLEY. I think I can offer a possible explanation of the $3 figure. It is a permanent figure provided for the games wherever they may be held. Considering the fact they may be held and will be held in many other Latin American and Central American countries besides their own, the $3 figure was based on living costs in those countries at the time the games were held and has no relationship whatsoever to the living costs of our own country.

Mr. GROSS. How about the expenses of our athletes in South America last year?

Mr. BENTLEY. I would not have the slightest idea, but I would imagine our Government put up $3, and the rest may have been raised by private subscription. I am guessing on that because I do not know.

Mr. GROSS. The gentleman is not saying that the South and Central American countries put up the difference; is he?

Mr. BENTLEY. I would not have the slightest information on that. I may tell the gentleman one thing: On the basis of a little arithmetic I find that the differential of $7 a day for 20 days gives $140, times 2,000 athletes, will give a total amount of $280,000, and subtracting that from $500,000 there would be left $220,000 for transportation costs.

Mr. GROSS. The only difference is that I figured 12 days, the period during which the report says this meeting is to be held, August 27 to September 7. I use 12 days, you use 20. They are still asking for plenty, are they not?

Mr. BENTLEY. Yes; that is a lot of money.

Mr. GROSS. I think so too, and I am against the bill. I do not care how many track meets are held in Chicago as long as Chicago pays the bills. I do care when the taxpayers of Iowa and the rest of the Nation are called on to pay the freight. I opposed the bill to raid the Treasury to stage this athletic event in Cleveland, Ohio, and I oppose it now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GEORGE P. MILLER, of California, 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. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games, to be held in Chicago, Ill., pursuant to House Resolution 214, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was 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 question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken and there were—yeas 258, nays 108, not voting 68, as follows:

[Roll No. 22]

YEAS—258

Adair	Breeding	Dawson
Addonizio	Brewster	Denton
Albert	Brooks, La.	Derwinski
Alford	Brooks, Tex.	Dixon
Allen	Brown, Ga.	Donohue
Anderson, Mont.	Brown, Mo.	Dooley
Andrews	Burdick	Dorn, N.Y.
Anfuso	Burke, Ky.	Dorn, S.C.
Arends	Burke, Mass.	Doyle
Ashley	Burleson	Dulski
Ayres	Byrne, Pa.	Durham
Bailey	Canfield	Dwyer
Baldwin	Cannon	Edmondson
Baring	Casey	Elliott
Barr	Celler	Everett
Beckworth	Chenoweth	Evins
Bennett, Fla.	Chiperfield	Fallon
Bentley	Church	Fascell
Blatnik	Clark	Feighan
Boggs	Coad	Fenton
Boland	Cohelan	Fisher
Bolling	Collier	Flood
Bolton	Cook	Flynn
Bonner	Cooley	Fogarty
Bowles	Corbett	Foley
Boyle	Cramer	Forand
Brademas	Daddario	Forrester
Bray	Daniels	Frazier
	Davis, Tenn.	Friedel

Fulton
Gallagher
Gary
Gathings
Gavin
George
Granahan
Gray
Green, Oreg.
Griffiths
Gubser
Hagen
Halleck
Hardy
Hargis
Harmon
Harris
Harrison
Hays
Hébert
Hechler
Hogan
Holifield
Holtzman
Huddleston
Hull
Ikard
Irwin
Jackson
Jennings
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Judd
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kelly
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kluczynski
Kowalski
Landrum
Lane
Langen
Lankford
Lesinksi
Libonati
Lindsay
McCormack
McFall
McGinley
McGovern
McSween
Machrowicz
Mack, Ill.
Madden
Mahon
Mailliard
Marshall
Matthews
May
Meader
Merrow
Metcalf
Meyer
Michel
Miller, Clement W.
Miller, George P.
Mills
Mitchell
Monagan
Montoya
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Moss
Moulder
Murphy
Natcher
Nelsen
Nix
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Neill
Oliver
Passman
Patman
Pelly
Perkins
Pfost
Pilcher
Pirnie
Poage
Powell
Preston
Price
Prokop
Pucinski
Quie
Quigley
Rabaut
Rains
Randall
Reece, Tenn.
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Saund
Saylor
Selden
Sheppard
Shipley
Short
Simpson, Pa.
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Staggers
Steed
Stratton
Stubblefield
Sullivan
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Toll
Trimble
Udall
Ullman
Vanik
Van Zandt
Vinson
Wainwright
Wallhauser
Walter
Wampler
Watts
Weis
Widnall
Wier
Willis
Wilson
Wolf
Wright
Yates
Young
Zablocki

NAYS—108

Abbitt
Abernethy
Alexander
Alger
Andersen, Minn.
Ashmore
Auchincloss
Avery
Bates
Baumhart
Belcher
Bennett, Mich.
Berry
Betts
Blitch
Bosch
Bow
Brock
Broomfield
Brown, Ohio
Budge
Bush
Byrnes, Wis.
Cederberg
Chamberlain
Chelf
Colmer
Conte
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Ga.
Derounian
Devine
Dingell
Dowdy
Downing
Ford
Fountain
Glenn
Grant
Griffin
Gross
Haley
Henderson
Herlong
Hess
Hiestand
Hoeven
Holt
Jensen
Johansen
Jonas
Jones, Mo.
Kilburn
Kitchin
Knox
Laird
Latta
Levering
Lipscomb
McCulloch
McIntire
McMillan
Macdonald
Mason
Miller, N.Y.
Milliken
Minshall
Moeller
Moore
Mumma
Murray
Norblad
O'Konski
Ostertag
Poff
Ray
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robison
Rogers, Tex.
Schenck
Scherer
Schwengel
Scott
Siler
Simpson, Ill.
Smith, Calif.
Smith, Kans.
Smith, Va.
Springer
Taber
Teague, Calif.
Thomson, Wyo.
Tollefson
Tuck
Utt
Van Pelt
Weaver
Westland
Wharton
Whitener
Whitten
Younger

NOT VOTING—68

Aspinall
Baker
Barden
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Becker
Boykin
Broyhill
Buckley
Cahill
Carnahan
Carter
Coffin
Delaney
Dent
Diggs
Dollinger
Farbstein
Fino
Flynt
Frelinghuysen
Garmatz
Giaimo
Green, Pa.
Hall
Halpern
Healey
Hemphill
Hoffman, Ill.
Hoffman, Mich.
Holland
Horan
Hosmer
Jarman
Jones, Ala.
Kee
Keith
Keogh
Lafore
Lennon
Loser
McDonough
McDowell
Mack, Wash.
Magnuson
Martin
Morrison
Multer
Osmers
Philbin
Pillion
Polk
Porter
Riley
St. George
Santangelo
Shelley
Sikes
Taylor
Teague, Tex.
Teller
Thompson, N.J.
Williams
Winstead
Withrow
Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Winstead against.

Mr. Morrison for, with Mr. Williams against.

Mr. Multer for, with Mr. Hoffman of Michigan against.

Mr. Hoffman of Illinois for, with Mr. Bass of New Hampshire against.

Mr. Buckley for, with Mr. Hosmer against.

Mr. Garmatz for, with Mr. Keith against.

Mr. Carnahan for, with Mr. Osmers against.

Mr. Green of Pennsylvania for, with Mr. Fino against.

Mr. Barrett for, with Mr. Lafore against.

Mr. Giaimo for, with Mr. Becker against.

Mr. Dollinger for, with Mr. Barry against.

Mr. Dent for, with Mr. Hall against.

Mr. Santangelo for, with Mr. Broyhill against.

Mr. Healey for, with Mr. Halpern against.

Mr. Delaney for, with Mr. Hemphill against.

Mr. Farbstein for, with Mr. Riley against.

Mr. Zelenko for, with Mr. Bass of Tennessee against.

Mr. Aspinall for, with Mr. Borden against.

Until further notice:

Mr. Jones of Alabama with Mr. Taylor.

Mr. Lennon with Mr. Martin.

Mr. Loser with Mr. Baker.

Mr. Boykin with Mr. Withrow.

Mr. Shelley with Mrs. St. George.

Mr. Thompson of New Jersey with Mr. Frelinghuysen.

Mr. Carter with Mr. Pillion.

Mr. Porter with Mr. Horan.

Mr. Polk with Mr. McDonough.

Mr. Philbin with Mr. Mack of Washington.

Mr. Sikes with Mr. Cahill.

Messrs. ABERNETHY and RHODES of Arizona changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DESIGNATION OF APRIL 14, 1959, AS PAN-AMERICAN DAY

Mr. SELDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 220.

The Clerk read as follows:

Resolved, That the House of Representatives hereby designates Tuesday, April 14, 1959, for the celebration of Pan-American Day, on which day remarks appropriate to such occasion may occur.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING JOINT ECONOMIC COMMITTEE TO CONDUCT CERTAIN STUDIES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 13.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Economic Committee, or any duly authorized subcommittee thereof, as authorized by the Employment Act of 1946, as amended, is authorized and directed to conduct a full and complete study of and investigation into the problems of providing maximum employment and an adequate rate of economic growth, as well as maintaining price stability and preventing inflation, including, among others, the following subjects:

(1) Historical and comparative rates of unemployment, production, and prices;

(2) Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

(3) The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

(4) The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

(5) The effect of governmental expenditures, taxation, and budgetary surpluses deficits and of monetary and debt management policies upon price levels, production, and employment;

(6) International influences affecting prices, production, trade, and employment; and

(7) Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, an adequate rate of growth, and substantial stability of the price level.

SEC. 2. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized through January 31, 1960, (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearing, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 3. The joint committee shall from time to time report its findings and recommendations to the Senate and the House of Representatives and shall make its final report at the earliest practicable date but not later than January 31, 1960.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $200,000, through January 31, 1960, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, there is so much confusion and noise in the Chamber that I could not tell what the price of this is going to be. Can the gentleman tell

me what this is going to cost, and a little more about it?

Mr. PATMAN. Yes; I shall be very glad to inform the gentleman. This resolution comes to the House not only with the unanimous approval of the eight Members of the U.S. Senate and the eight Members of the House of Representatives, but it also passed the Senate this afternoon unanimously. There is no objection to it. It provides for $200,000 out of the Senate funds.

Mr. GROSS. Two hundred thousand dollars out of the funds of the other body?

Mr. PATMAN. Of the other body, yes.

Mr. GROSS. Well, I guess I can accept that.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNITY FACILITIES

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. KILBURN. Mr. Speaker, a new, needless billion-dollar-budget-busting assault is to be made on the Treasury of the United States. Under this new proposal of the spenders, announced today in the form of a community facilities bill, the Federal Government would be called upon to make $1 billion of long-term loans to municipalities at an interest rate of 2⅞ percent. This very day the Treasury of the United States is offering in the market $500 million of 10-year bonds at a 4 percent interest rate, and $1.5 billion of 4-year notes at a 4 percent interest rate. Borrowing at 4 percent to relend at 2⅞ percent is a sure way to go broke.

A press release in connection with the proposal states "already many of our cities are in serious financial straits." Only last week some Democrat Members on the floor of the House were contending that the Federal Government itself was in serious financial straits. If this is a sample of the legislation to be proposed by the spenders I can assure you that Federal finances will be placed in serious financial straits. This new proposal of the spenders establishes a new high in abandoning sound fiscal responsibility in Federal finances.

Certain facts stand out clearly:

First. The $7.4 billion of municipal financing in the private market last year was the greatest year's total of such financing for any year in our history. Currently the private market can, and easily does provide the funds for needed municipal financing.

Second. Most municipalities because of their privilege of selling tax-exempt securities can finance at a lower rate than can the Federal Government which must sell its own securities on a taxable basis. Even today most municipalities can finance under the 4 percent rate which the Government is currently paying on its new borrowings. For instance, last Monday the Dow-Jones yield index for 20 representative State and city bonds stood at 3.31 percent. That was the average interest cost at which representative municipal credit was selling in the private market.

Third. The proposed 2⅞ percent Federal loan rate is under the market today for the rate which most municipalities would have to pay. All that will happen is that municipalities will substitute Federal financing for the private financing they could readily do at reasonable rates in the private market.

Fourth. The substitution of Federal financing for private financing will not create any additional jobs. In the absence of Federal financing the projects would be built anyway with financing obtained from the private market.

I am amazed to learn that hearings are actually contemplated on this bill. It is high time the savers, and they are most of the American people, rise up against such unsound and unneeded billions for boodle proposals as this one. This Congress must be responsible with Federal finances.

ANTITRUST LITIGATION—A MATTER OF PUBLIC INTEREST

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last year I introduced in the House H.R. 427, a bill to provide that 30 days before becoming final, the terms of all antitrust consent judgments or orders should be published in the Federal Register in order to give those who might be affected by such judgment or order the opportunity to file objections with the court or the Federal Trade Commission, as the case may be.

I am again introducing a similar bill for the reason that the best legal minds in the country have agreed that such a measure is necessary and would be highly meritorious. During the 1957 Judicial Conference of the United States such a bill was endorsed. The Judicial Conference is under the chairmanship of the Chief Justice and is composed of the chief judge of each U.S. Court of Appeals, a district judge from each of the 11 circuits, and the Chief Judge of the Court of Claims. Thus, the Conference provides a group representative of the Federal judiciary from all of the geographical areas of the country, whose experience enables them to comment authoritatively and effectively on practices and procedures in the U.S. courts.

The Judicial Conference gave its unequivocal endorsement to the bill and stated that it "would be very salutary." I refer to its 1957 report, pages 40–41.

During the last session of Congress, the Senate Small Business Committee, in its Report No. 1885, also urged that a similar measure be enacted. The House Small Business Committee, in its final report—House Report No. 2718, page 109—stated that H.R. 427 would be "an aid for the insurance of propriety of terms and provisions in consent orders and decrees."

It is not necessary, I am sure, to direct attention to the fact that a consent judgment is exactly what its name implies. It is arrived at by consent of both the particular defendant involved and Government counsel and stems from proposals and counterproposals. In short, it is the result of an "off the record" agreement.

Although consent decrees or consent judgments bind all parties and estop future de novo proceedings involving the matter covered, their provisions do not receive judicial scrutiny. It is a fact that in many antitrust proceedings consent decrees have been entered at the same time complaints were filed. It, therefore, seems clear that consent procedure permits no conclusion for independent court determination. From this lack of judicial scrutiny stems the need for corrective legislation, particularly in view of the fact that very many antitrust matters are settled by means of such consent actions. Just how prevalent this method of settlement has now become may be gaged from the records of the Department of Justice for the year 1957, which revealed that the Antitrust Division terminated by consent decrees 83 percent of all antitrust cases instituted—see eighth annual report, Senate Small Business Committee, page 38. However, during the period covering the years 1935 to 1955, only 72 percent of the Government's civil cases ended by negotiated settlements—Report, Attorney General, National Committee To Study Antitrust Laws, page 360.

Injury to any competitive business resulting from violation of any of the antitrust laws is an injury to competition and contrary to public policy. Unfortunately, it is an incontrovertible fact that in very important antitrust litigation, where sharp bargaining takes place, judgments and decrees arrived at by consent of the parties to the proceedings, are sometimes entered providing for less relief than was originally prayed for in the complaint. As a result, the impact of such consent orders upon the public generally and upon those segments of the economy that might be adversely affected thereby are usually overlooked. A striking example of this can be found in the consent judgment entered in the comparative recent case of United States against American Telephone & Telegraph Co.

The impact of consent decrees or judgments on antitrust enforcement through the medium of private litigation must be considered. Such judgments and decrees are, by statutory exception, not considered as prima facie evidence of antitrust violations which aggrieved and injured plaintiffs may introduce in private civil cases for damages.

Settlement of any antitrust litigation is a matter involving the public interest

and should not be a simple case of bargaining between the Department of Justice and a defendant, since the antitrust laws are correctly described as a charter for economic freedom.

It seems to me that the only way to adequately protect the interest of those who might be either directly or indirectly affected by consent procedure is to provide that any such court judgment or order issued by the Federal Trade Commission, under the provisions of antitrust laws or the Federal Trade Commission Act, should not become final for a period of 30 days. During that time these decrees and orders would be open for inspection by the public, and any person who may perhaps be aggrieved by any such proposed decree, judgment, or order, may then have an opportunity to voice his objection and have it considered by the court or the Federal Trade Commission.

It is for these reasons that I have today again introduced a similar measure which I urge be adopted and enacted into law in order to provide what seems to be a matter of elemental justice for those who might be affected. Indeed, it seems to be a matter, not only involving the parties directly concerned, but also one very much in the public interest. I, therefore, strongly urge its prompt passage.

FOREIGN TRADE POLICIES

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, the advocates, in the Congress, of our foreign trade policies received a rather severe jolt some days ago when Secretary Strauss, of the Commerce Department, broke the sad news to "one world" sympathizers that the U.S. export trade for the calendar year 1958 had dropped from approximately $20 billion in 1957 to $16½ billion for 1958.

The Secretary's efforts to explain why this great loss in our exports is easily the greatest sleight-of-hand performance in the National Capital in recent years.

After charging most of this export depreciation to the vicissitudes of international trade, he admitted that our nonmilitary exports had dropped on an average of better than 15 percent. I quote from the Secretary's recent Bulletin 3397–2–USCOMM–DC:

> The U.S. export decline far exceeded that in the exports of other industrial countries which showed little decrease. The U.S. decline, however, reflected sharp drops recorded in industrial materials and foodstuffs which bulk relatively large in U.S. export trade.

It is true that 1958 export total was slightly abnormal due to the Suez crisis, which required diversion of U.S. oil supplies to Europe. With the Suez Canal presently in operation, we face a further sharp drop in oil exports in 1959. We also face the possibility of a further sharp drop now that West Germany has set up tariffs to bar American shipments of soft coal.

The surplus of coal in both Germany and England, and in other nations belonging to the Common Market, means that there will be little, if any, volume of soft coal exports in 1959 and future years.

The Secretary more or less ignored the fact that a goodly portion of these declining exports were agricultural products, particularly cotton, where a two-price program giving a 20 percent break to foreign processors of American raw cotton failed to check the decline in cotton exports.

The situation, particularly in cotton exports, should be a deterrent to the State Department's grandiose scheme to stop the "squawking" of Dictator Nasser by building the Aswan Dam on the Nile River, which would irrigate 2 million acres of the world's finest long fiber cotton land.

This wild-eyed plan to have the American farmer-taxpayer foot the bill for this half-billion-dollar project, which would eventually destroy the American cotton export industry, is just another one of the vagaries of our complicated international trade policy which today is supported by certain "sacred cows" that are presently milching the American taxpayers.

The loss in American export trade has been on a worldwide level. Exports to our Canadian neighbors to the North are off 12½ percent. While the drop in trade volume with our Latin neighbors to the South has not been as great as the drop in Canadian shipments, the loss has been material, and I charge here and now that our unstable economy in great areas of chronic unemployment is due to our unfair and discriminatory trade policies.

One of these "sacred cows"—the big oil lobby—was deflated somewhat by the President's recent order fixing mandatory quotas on oil and oil products. It is amusing to listen to the "squawks" of some of their handpicked mouthpieces in the other body who are trying to start a backfire that will force the President to rescind his mandatory quota order.

It is a rarity, indeed, Mr. Speaker, for me to take the well of the House to comment favorably on any action taken by the present Republican administration. I think the President's action was a courageous one. The Congress, when it extended our Reciprocal Trade Act in the 85th Congress, gave the President the express authority to impose mandatory quotas. His action was his desire to carry out the mandate of the Congress. It will be interesting to note if he follows through on this policy and imposes a mandatory restraint on other imports that not only threaten the national security but our economic stability.

It is my intention, Mr. Speaker, during the life of the 86th Congress, to deflate some other sacred cows. I have in mind at present the total disregard by the administration of our Buy American Act. I deplore the nationwide indifference that has resulted in nullifying this necessary legislation. A continuation of this indifference would indicate that we also repeal the Full Employment Act of 1946.

The visit of Prime Minister Macmillan to Washington for conferences with President Eisenhower was not solely in the interest of arranging a summit conference to discuss the Berlin situation. It develops that the Prime Minister wants to remain in Washington a few days to discuss trade relations.

Mr. Macmillan seems to be perturbed over the possibility that British concerns will lose the remunerative contracts they have been receiving from the TVA, Army Engineers, Atomic Energy Commission, and other quasi-Federal bureaus.

This, Mr. Speaker, is a subject I referred to in a speech on the floor of the House on February 17 and designated it as one of the sacred cows supporting an international trade policy that will spell disaster to the American economy.

I mention the loan fund section of our mutual aid program as a contrast to the loan provisions of the distressed areas bill which President Eisenhower vetoed during the last session of the Congress. It is refreshing to note that the Congress can exercise a veto of its own by striking out certain Presidential recommendations that appear to discriminate against the public welfare.

ECONOMIC EXPANSION WITHOUT INFLATION

The SPEAKER pro tempore. Under previous order of the House the gentleman from Colorado [Mr. JOHNSON] is recognized for 60 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, I think there is general agreement that one of the most important issues facing this Congress and the American people at this time is how to secure adequate economic expansion without inflation.

I have three reasons for wanting to bring to the attention of the House my views on this very important question.

The first is, of course, the persistent concern about inflation, which I believe sincerely motivates Members on both sides of the aisle, and motivates the administration quite as much as it does the Congress. The concern for inflation has been most effectively expressed, however, in only two areas: the first is, of course, the administration's zealous concern to balance the budget. This opposition to certain appropriations, and the President's desire for certain tax increases, merely reflect a belief that somehow a balanced budget will be an important part of an anti-inflation program.

The second course of action being used by the administration in the battle against inflation is the monetary course. Very recently we have been reminded of the administration's willingness to pursue a hard money policy no matter how many other interests suffer. Thus we have raised interest rates on GI loans; we are reporting out a housing bill which has higher interest rates in it, and we are practically on notice that we may have to raise the maximum interest rate on Government bonds.

These courses of action also assume that high interest rates can somehow effectively stop inflation.

The second basic and persistent concern is that of unemployment. There are a number of measures pending before the Congress which are attempts to deal with some part of the problem.

The Banking and Currency Committee will shortly be reporting a distressed areas bill. The House has already passed a moderate unemployment compensation measure. There may also be public works legislation.

But the most important and persistent concern I have is with the impact of our economy on our foreign policy position. For we must seek to build and maintain peace in the world as well as prosperity here at home. Persistent unemployment is driving many people into attacks on our whole structure of international cooperation, especially in the fields of trade. The demand that we impose various restrictions against imports; that we impose quotas on certain foreign products; the demands for stronger buy American legislation; the attacks on TVA for having purchased a foreign generator; the attack on our foreign aid funds—these all show the effects of the current economic condition upon our foreign policy position.

Those who are concerned about unemployment at home become somewhat calloused or indifferent to the impact of domestic protectionism on foreign countries. As somebody said, when you step on your neighbor's toe, you do not feel the hurt.

Mr. Speaker, I believe it is very important to alert the country to the consequences of this drift. Only a handful of present Members of the Congress were here when the Nation tried the Smoot-Hawley Tariff Act. You know that extreme protectionism does not solve our problems, even though you understand the temptation to use such measures in defense of domestic industry.

It is my belief, Mr. Speaker, that if we fail to pursue vigorously adequate economic expansion without inflation, we will see further assaults on America's mutual assistance program; we will see growing attacks upon the whole United Nations structure; we will see a new isolationism in the United States.

I believe it is desperately important for the administration and the American people to recognize that a liberal foreign policy which seeks to build peace ultimately depends upon a strong and healthy domestic economy.

It is for these reasons, Mr. Speaker, that as an economist I rise to discuss how to secure economic expansion without inflation.

Mr. Speaker, the situation facing the Nation is no secret. The reports of our income, employment and unemployment are matters of general public knowledge. The Council of Economic Advisers prepares for the Joint Economic Committee a monthly report entitled "Economic Indicators," which makes it easy for the members to follow developments currently.

Not only is the budget of the country out of balance, it is apparent that the economy is out of balance. We have a growing population, a growing labor force, and growing productivity, and these require adequate economic growth if we are to maintain economic health.

Turning to page 11 of the Indicators, we find in the last 6 years the labor force has grown by about 5 million or from 66 million to 71 million. However, the employed labor force has increased by only about 2 million, and the unemployed labor force has increased by almost 3 million. There were less than 2 million unemployed in 1952; there are nearly 5 million unemployed today. In percentage terms there were 3 percent unemployed in 1952; there are 7 percent unemployed today.

Everyone recognizes that in a dynamic economy some unemployment is to be expected, and a great many observers of the economy believe that the community should expect something like 3 percent unemployed even in good times in order to account for mobility, for personal circumstances, seasonal influences, and all the other factors that are part of a dynamic society.

But it is hard to accept with equanimity the current rate of unemployment, which is officially admitted to be 7 percent; such a number should be viewed as intolerable for a healthy economy. When so large a number are unemployed, it is a sign of more fundamental distress in the economy, and in human terms it means that there is significant distress in the homes of unemployed American workers and their families.

It also means that the markets for the businessmen and manufacturers are suffering because you cannot do business with people who do not have any income to spend. The temptation is to view the rising rate of national income and personal income reported on pages 2, 3, 4, and 5 of the Indicators as evidence that we are climbing out of our trouble, but I find the answer to that unwarranted optimism in the chart on page 6, which deals with per capita disposable income. The dotted line shows the per capita disposable income in terms of 1958 prices, and there we find that there has been an increase registered in 1952 and an increase in 1955, but only stability or decline in the other years.

Our annual rate of growth per capita should be about 3 percent. This, together with a population growth of almost 2 percent, explains the calculation that our national income should grow by 5 percent. Let us assume that per capita income should have grown by 3 percent each year since 1952. Using 1958 price levels, we would have started in 1952 at about $1,650, and grown by more than $50 each succeeding year so that today per capita disposable income should be about $1,970, rather than the $1,790 reported by the Council.

Year	Per capita disposable personal income (dollars) [1]		At 3 percent annual growth
	Current prices	1958 prices [2]	
1952	1,520	1,654	1,654
1953	1,582	1,708	1,702
1954	1,582	1,701	1,753
1955	1,661	1,792	1,804
1956	1,727	1,835	1,858
1957	1,782	1,831	1,913
1958	1,790	1,790	1,970

[1] Income less taxes.
[2] Dollar estimates in current prices divided by consumer price index on a 1958 base.

Sources: Department of Commerce, Department of Labor, and Council of Economic Advisers.

This represents the real loss to the American people or represents a failure of the economy to grow at the rates at which we may expect it to grow in peacetime conditions. I submit, Mr. Speaker, that the economy has not had adequate economic expansion.

But it has had inflation. The Consumer Price Index for all items in the year 1952 and 113.5; it rose slightly in 1953 and then during the 1954 and 1955 recessions held relatively stable for 2 years, but climbed very sharply in 1956, 1957 and 1958, until it now stands at 123.8. The Consumer Price Index has gone up by more than 10 points, although the level of unemployment has risen at the same time.

The price index kept rising even after the onset of the recession in late 1957 and early 1958. It has only shown stability in the last 7 or 8 months. And that stability has been purchased at the expense of the American farmer, because the falling food prices have made up for the rise in the price of housing, rentals, apparel, transportation, medical care, personal care, reading and recreation, all of which have shown price increases during the succeeding months of 1958 and 1959.

[1947–49=100]

Period	All items	Food	Housing		Apparel	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total [1]	Rent						
1948	102.8	104.1	101.7	100.7	103.5	100.9	100.9	101.3	100.4	100.5
1949	101.8	100.0	103.3	105.0	99.4	108.5	104.1	101.1	104.1	103.4
1951	111.0	112.6	112.4	113.1	106.9	118.4	111.1	110.5	106.5	109.7
1952	113.5	114.6	114.6	117.9	105.8	126.2	117.2	111.8	107.0	115.4
1953	114.4	112.8	117.7	124.1	104.8	129.7	121.3	112.8	108.0	118.2
1954	114.8	112.6	119.1	128.5	104.3	128.0	125.2	113.4	107.0	120.1
1955	114.5	110.9	120.0	130.3	103.7	126.4	128.0	115.3	106.6	120.2
1956	116.2	111.7	121.7	132.7	105.5	128.7	132.6	120.0	108.1	122.0
1957	120.2	115.4	125.6	135.2	106.9	136.0	138.0	124.4	112.2	125.5
1958	123.5	120.3	127.7	137.7	107.0	140.5	144.4	128.6	116.7	127.2
1957: December	121.6	116.1	127.0	136.7	107.6	138.9	140.8	127.0	114.6	126.8
1958: January	122.3	118.2	127.1	136.8	106.9	138.7	141.7	127.8	116.6	127.0
February	122.5	118.7	127.3	137.0	106.8	138.5	141.9	128.0	116.6	127.0
March	123.3	120.8	127.5	137.1	106.8	138.7	142.3	128.3	117.0	127.2
April	123.5	121.6	127.7	137.3	106.7	138.3	142.7	128.5	117.0	127.2
May	123.6	121.6	127.8	137.5	106.7	138.7	143.7	128.5	116.6	127.2
June	123.7	121.6	127.8	137.7	106.7	138.9	143.9	128.6	116.7	127.2
July	123.9	121.7	127.7	137.8	106.7	140.3	144.6	128.9	116.6	127.2
August	123.7	120.7	127.9	138.1	106.6	141.0	145.0	128.9	116.7	127.1
September	123.7	120.3	127.9	138.2	107.1	141.3	146.1	128.7	116.6	127.1
October	123.7	119.7	127.9	138.3	107.3	142.7	146.7	128.8	116.6	127.2
November	123.9	119.4	128.0	138.4	107.7	144.5	147.0	129.1	117.0	127.3
December	123.7	118.7	128.2	138.7	107.5	144.3	147.3	129.0	116.9	127.3
1959: January	123.8	119.0	128.2	138.8	106.7	144.1	147.6	129.4	117.0	127.3

[1] Includes, in addition to rent, homeowner costs, utilities, housefurnishings, etc.
Source: Department of Labor.

I yield to no man with respect to the firmness of my hostility to inflation. I do not share the dangerous conviction of those who believe that we can forever freely tolerate mild inflation. There is already a temptation to program for a modest inflation into the planning of business units and of governmental units.

This week the Committee on Government Operations will hold hearings on a measure which I have introduced—H.R. 3317—to add to the purposes of the Employment Act of 1946 just four additional words. I want to promote and maintain maximum employment, production, and purchasing power "at stable price levels."

I think it is terribly important for the Congress to call a halt to inflation. I think the way to do this is, first, to announce to the country that we, too, believe in stable price levels. I am opposed to the version of this bill which the administration has submitted, which calls for adding the words "at reasonably stable price levels." To say "at reasonably stable price levels" is to suggest that we are prepared to confess failure in our ability to stabilize the value of the dollar, and will tolerate some percentage increase each year as being "reasonably stable."

I do not believe in putting weasel words into such important acts of Congress, and therefore my version of what is needed is unequivocal. It calls for stable price levels.

I recognize in a dynamic society that some prices must rise. But there should also be prices which fall, and we ought not to allow any further erosion of the value of savings, the value of insurance policies, the value of pensions, the value of Government savings bonds, and other reflections of dollar values. If there are any Members who are in doubt of the consequences of inflation I invite them to view the history of European nations during the 1920's. As a matter of fact, there was one economist at Versailles who foresaw what inflation would do to the governments of central Europe, and who cautioned the world against it. His book, which is well worth reading, is called "The Economic Consequences of the Peace." His name is John Maynard Keynes, and he wrote the history of the period between the wars before it happened.

Mr. Keynes has taken much abuse at the hands of people who have not read him nor understood him, but no one can read his book, written on the heels of the peace conference, without receiving a sober reminder that inflation can indeed destroy a nation, and that it has destroyed many nations. For those who may have forgotten, I would remind them that in the closing days of Gen. Chiang Kai-shek in China it took 8 million Chinese dollars to buy 1 American dollar. Unchecked inflation may have done more to explain the recent history of China in the years before 1949 than all of the actions taken by this Congress and the previous administrations of the United States, although it has received far less attention.

I said, Mr. Speaker, that the administration has expressed its concern about inflation not merely in words but also in efforts to balance the budget and to pursue a hard money policy. I would call to the attention of the Congress that the administration not only has not succeeded in this approach but it cannot succeed in this approach. Mr. Gardiner Means in testimony before the Senate Antitrust and Monopoly Committee has spelled out the difference between the classical inflation of too much money chasing too few goods, that occurred during the years 1942 to 1947, and the inflation of the current period 1953 to 1958. His charts, reprinted in the Washington Post and Times Herald of February 8 of this year, dramatically summarize the difference between monetary induced inflation, and administered price inflation.

[From the Washington Post and Times Herald, Feb. 8, 1959]

INFLATION BESETTING US IS OF A NEW BREED

(By Bernard D. Nossiter)

A pioneering approach to the peculiar price inflation that marked our recent past is embodied in the strange looking charts at right.

They were put together by Gardiner C. Means, of Vienna, Va., a distinguished but lonely economist. He held a slew of Government posts in New Deal days and was recently an adviser to a relatively sophisticated business group, the Committee for Economic Development. Twenty-seven years ago, Means rocked economic thinking when he and Adolf A. Berle wrote "The Modern Corporation and Private Property."

What the Means charts show is that contemporary inflation is a very different animal from the classical demand inflation. The chief difference lies in whether big price increases come in competitive or concentrated industries.

In other words, what Means has done is violate a sacred taboo of economic thinking. He has actually gone and looked at where the price increases are taking place and asked whether the differences over separate periods of time aren't meaningful.

To compound his sins, he has married economic theory to economic fact. And as everybody in the business knows, the gulf between the "institutionalists" (fact men) and theoreticians is as wide as the breach between Montagues and Capulets.

Classical inflation is pictured in the top chart, covering the war and immediate postwar years. This was a money phenomenon, an increase in money demand which was not offset by an equivalent increase in goods—what Federal Reserve Board Chairman William McChesney Martin likes to call, "too much money chasing too few goods."

In drastically oversimplified form, this is what happened:

The staggering war expenses were paid by the Government through borrowing (deficit financing). To the extent that the Government borrowed (sold bonds) to commercial banks, the Government was simply printing money. The goods this money bought were shot off, exploded, dropped on cities or left to rot in military warehouses. So, when controls came off, the extra money in the hands of people and businesses bid up prices much more than it induced increased production. Even with the best will in the world, increased production could not come about quickly enough because resources of men and materials were almost fully employed—too much money was chasing too few goods.

According to Means' charts, the biggest price increases came in the highly competitive industries—lumber, farm products, processed foods, textiles. In these, producers can't control their prices which are set by those impersonal market forces so dear to Adam Smith.

But the concentrated industries with few producers—steel, autos, aluminum, electrical machinery—held back. They do have considerable discretion over price and didn't take full advantage of the big increase in money demand.

Now, the new inflation presents a different picture. All the price push comes from the concentrated industries. The competitive industries in several cases cut prices—textiles, farm products, miscellaneous. And there is a logic in this. The period under study, 1953 to October 1958 (the last month for which Means got data), was a time of much less than full employment. The period spans two recessions (1953–54 and 1957–58). The money supply did not zoom upward.

So, only industries who need not rely on impersonal market forces but have considerable control over their prices could make increases stick. And the charts show that they did.

Many economists will quarrel with Means' interpretation of his charts. They will contend that the ability to administer prices has nothing to do with whether an industry is competitive or concentrated. They will argue that all Means is showing in his new inflation chart is what you would expect in a period of investment boom—and the Nation certainly was enjoying one from 1955 through 1957—steeply rising prices in steel and other producer goods industries as the result of extra demand for producer goods.

This debate can't be settled in this space or anywhere else now because relatively little is still known about administered prices, or for that matter, concentration.

Let's take a closer look at the charts. The solid black bars are industries or industry groups which are highly concentrated—a handful of producers account for most of their production. The cross-hatched bars are mixed concentrated and competitive—chemicals, furniture, and the like. The light gray bars are the competitive industries with thousands of producers, no one of them big enough to affect prevailing prices or production.

The bars are two-dimensional, but that's not as scary as it sounds. The height of each bar measures the percentage of price increase or decrease at wholesale in each industry. For example, in the bottom chart, steel prices went up 36 percent between 1953 and October 1958; farm products prices went down 5 percent.

The width of each bar measures the industry's weight in the wholesale-price index—that is, the amount of sales of that industry in relation to the amount of sales of the other industries. If steel sales during 1953–October 1958 were $8 billion and farm products sales were $24 billion, then the farm products bar would be three times wider than the steel bar.

The height of any bar times its width is its area. In these charts, the height (price increase) times width (economic weight) gives a graphic picture of the economic impact of each industry on the price level. In other words, the area of each bar shows how much force each industry or industry group had on the price level.

We can see very quickly that the competitive industries accounted for almost all the pull in the war period. There is much more light gray than black in this picture.

But in the recent period, the push comes from the concentrated industries. Means figures that they account for 85 percent of the gross increase in the wholesale index. If they hadn't gone up in price, the wholesale index would have risen less than 1 percent instead of 8 percent. And this is what you would expect during a period when total output of goods is increasing little and so is the money supply.

There is one other point to note. In the bottom chart, Means has broken out steel and fabricated steel from the broad category

of metal and metal products. He did this to demonstrate the overwhelming force of the steel and steel-using industries (machinery and motive) in pushing up recent prices.

While Means appears to have demonstrated that the new inflation stems from the concentrated industries, he still hasn't answered the question agitating political debate: Is it the unions or is it the corporations?

Is it Roger Blough's United States Steel, Frederick Doner's General Motors, Ralph Cordiner's General Electric? Or is it David McDonald's United Steelworkers, Walter Reuther's United Auto Workers, James Carey's International Union of Electrical Workers? Or, have both sides embarked on an unspoken wage-price or price-wage collaboration?

The charts are of no help here. But Means, who prepared his material for the Senate Antitrust and Monopoly Subcommittee, went back into the committee's steel hearings for some arithmetic. After lengthy calculations, based on a series of arguable assumptions, he concluded that labor costs per ton went up $1.75 during 1956–57; prices went up $11 a ton.

This would appear to make United States Steel, the industry's price leader, the chief culprit. However, it must be repeated that Means' computation is derived from assumptions which can be debated. At best, his conclusion is suggestive.

Who are these concentrated steel and steel-using industries? They can be reduced to 10 corporations. In terms of ingot capacity, steel is United States Steel (29 percent); Bethlehem (16 percent), and Republic (9 percent).

The "motive" end of the "machinery and motive" category is: General Motors (51 percent of 1958 auto production), Ford (29 percent), and Chrysler (14 percent).

The machinery end is tremendously complicated by definitions. But electrical machinery is General Electric (owned 16 percent of the industry's assets in 1947, the last data year); Westinghouse (13 percent); Western Electric Co., an American Telephone & Telegraph subsidiary (13 percent), and Radio Corporation of America (6 percent).

Some policy implications flowing from Means' analysis were spelled out by Chairman ESTES KEFAUVER, Democrat, Tennessee, of the Senate subcommittee. If Means is right, then:

A tight money policy won't hold down prices without bringing on a recession because corporate giants are the least affected by a shortage of lendable funds. They raise their expansion money largely from profits, not borrowing.

A balanced Federal budget is irrelevant because this is not a money, but an "administered price," inflation.

To be sure, easy money and unbalanced budgets would, according to anybody's analysis, worsen the situation by piling a money inflation on top of an "administered price" inflation.

(However, a minority group of economists headed by Leon Keyserling paradoxically argues that easy money and budget deficits will stimulate an offsetting amount of extra production when, as now, men and resources are not fully employed.)

But what Means is really saying is that some new institutional devices must be invented to control concentrated industries and/or their unions if price stability is to be achieved.

What form the new devices should take might well be on the agenda of Vice President RICHARD M. NIXON's new Cabinet committee on inflation and the massive congressional study Majority Leader LYNDON B. JOHNSON, Democrat, Texas, once proposed for the Joint Economic Committee.

Many of us were taught to think about market behavior in terms of a classical picture of impersonal forces of supply and demand operating through so many sellers and so many buyers in a market, and that the action of no one buyer or seller could have any significant effect on the resulting price. But we now operate in a world in which a handful of firms are the chief buyers of certain commodities—what the economics textbook calls monopsonists or oligopsonists, and many markets are dominated by a handful of sellers.

We use the word "monopoly" carelessly and often erroneously, for it properly relates to a single seller who has sole control, and a truer representation would be of a handful of sellers cooperatively controlling the market in what should technically be called oligopoly.

But whatever we call it, and whatever the fine phrases of the economists may be, the facts are simple:

We have private control of prices. Prices can be set by a group of men meeting around a small table. Indeed, in some markets which follow the leader the decision of the largest single firm becomes in a matter of hours—sometimes a matter of minutes—the decision of all the other firms in the trade. The only area in which classical competition could be found would be in the field of agriculture, and even here not only Government controls but also vertical integration are disrupting what might otherwise be a free market condition.

If we are effectively to fight inflation, we must be prepared to do more than make anguished speeches against it. We must do more than trust the Federal Reserve; we must do more than talk about balancing the budget. The two policies urged by the administration are inadequate. The battle against inflation requires the use of other weapons as well.

What would be a program for adequate economic expansion without inflation?

It would be a composite of many decisions. There is no single highroad by which these goals can be served, and we are mistaken if we think that any one or two answers will suffice. Let me suggest in broad outlines the kinds of policies which must be used harmoniously to achieve these goals:

First of all, our monetary policy needs reexamination and reform. High interest rates tend to reduce the profit margins of business firms, and to discourage economic expansion and growth by those who must borrow the funds. High interest rates are more damaging to small businesses than to large enterprise because the large enterprises tend to be self-financed and do not have to go into the market place for their funds.

High interest rates discourage investment in basic capital plant that would expand the productivity of our economy. When borrowed funds can only be repaid over a long period of years, as is the case in public utility investments, in housing and apartment construction and other basic investment which has a low turnover ratio, the high interest rate greatly increases the cost of the investment and reduces the prospects for profits. High interest rates therefore reduce the volume of investment which would otherwise contribute to an expanding economy. Unhappily high interest rates do not deter consumer credit, but rather tend to funnel money into consumer use where it does not truly increase productivity. The user of consumer credit is more interested in the amount of the down payment and the length of the loan than in the interest rate. Indeed, because it adds to the cost of automobiles and refrigerators, it ultimately causes consumers to consume less rather than more because an increasing portion of their income must go to pay carrying costs rather than to buy goods and services. It diverts purchasing power from goods into interest payments. High interest has already doubled the cost of servicing the public debt. Congress is appropriating $8 billion to pay the interest on the public debt. There was not a budget during any of the years of the New Deal's attempts at recovery in the 1930's which for all purposes was as high as $8 billion.

This increased interest burden subtracts at least $4 billion too much from the pockets of the taxpayers and provides not 1 penny's worth of increased public service, but only increased income to money lenders. The raising of the public interest rates has caused private interest rates to rise in like fashion, and so the cost of housing to the young family, buying a home in recent years, has also gone up. Private debts in the aggregate are greater than public debts. The private debt is more than double the amount of the outstanding Federal debt, and so we have added much more than $4 billion a year to the interest payment burdens of those who must borrow.

High interest rates have not fought inflation; they have contributed to inflation. They have increased costs without increasing output; they have indeed reduced output. But you may say that at lower interest rates there might be a great expansion of the money supply. I submit that this ignores the many possible alternatives, some of which were used very constructively during and after World War II in an effort to hold the line against inflation. Reserve requirements can be used by the Federal Reserve effectively to hold in check the expansion of the money supply, and selective credit controls such as consumer credit controls can be used to discourage temptation of consumers to abuse low interest credit.

I would submit indeed that both in the months following the outbreak of hostilities in Korea, and again in 1955 and 1956 consumer credit rose by too large an amount. Turn to page 28 of Economic Indicators and you will note that during 1955 consumer credit rose by more than $6 billion, and it rose an additional $3,500 million in 1956. With these undue increases in consumer credit we bought not only too many cars; we bought inflation and helped buy subsequent depression. The administration in its single track pursuit of high interest rates as the sole device for rationing credit found itself unable as well as unwilling to deal with the problems of operating its monetary policy in a sound and constructive manner.

I submit that the economy would operate more productively and at higher levels of employment under monetary policies which are willing to use other weapons in the arsenal than merely high interest rates. It is quickly becoming evident that high interest rates feed upon themselves, and unless Congress and the administration join to call a halt the end is not yet in sight. We can cut interest rates, cut costs, and still keep the money supply in proper ratio to an expanding economy.

A second area in which policy should be reassessed and revised in order to encourage adequate economic expansion without inflation is the field of tax policy. Our present tax rates are too high; our present tax base is too small. The very high rates now applied to those who are caught by them encourage waste. Costs are not as carefully reviewed when the major share of the expense will be borne, in fact, by the Treasury.

Let me interrupt to tell one of the favorite wartime Washington stories. It seems that three Government contractors had lunch in the Hay-Adams, and the bill came to $10. The first salesman reached for the check and said, "This will only cost my company $5." The second salesman took it out of the hand of the first one, saying, "We are in the 90-percent excess-profits tax bracket, and it will only cost us $1." The third salesman took it out of the second man's hand and said, "We are in a cost-plus contract, and my company will make $1.50 on the deal."

Whether this story be apocryphal or true, it certainly reflects a prevalent condition. The administration is to be commended for showing an increased concern over the abuses of expense accounts. If our tax laws are not subjected to a thoroughgoing scrutiny and reform, we may well expect our major business firms will have succeeded in socializing consumption far more rapidly and lavishly than even the most devout Socialist could have imagined the Government might accomplish.

There are many forms of socialized consumption, subsidized by the Treasury, through the techniques of corporation clubs, paid vacations through attendance at national conventions held at vacation spas, plus housing, meals, transportation, and health insurance, not to mention retirement programs. These forms of socialized consumption do not constitute income for tax purposes and are well advanced. I submit that a more efficient and productive economy would result from reducing the incentives to much profligacy and waste.

The rates, as I said, are too high, but the base is too low. Not only do these forms of socialized consumption, if I may call them that, escape taxation, but many other forms of income receive special exemption or special treatment. The capital gains feature has become so valuable that all kinds of devices and dodges are developed in the effort to convert what ought to be regular income into capital gains in order to secure the tax benefits that flow from this.

Whether the resulting business decisions are the best decisions for the prosperity of the economy is a serious question, but one which can only be asked in the hopes that tax reform will be pursued. To plug the loopholes we must define income more broadly. Then we can operate the Government successfully at lower tax rates and meet the argument that high tax rates depress economic expansion by using lower rates.

It is only fair to note in passing that there are economists who have suggested that the high corporate tax rates may encourage businessmen to take risks which increase productivity. This may partially offset the losses of which I have been speaking. I doubt if they fully offset these losses.

A third area of policy involves the socialization of risk which the Congress has regularly approved in an effort to encourage business to be more enterprising. I refer not only to the risk of loss of bank deposits or the risk of loss on mortgage loans, but the risk on loans to businessmen and farmers through Federal credit instrumentalities. But the most important sharing of the risk is the carryforward and carryback of losses contained in the income tax. The Government becomes a nonvoting but otherwise participating partner in business losses as well as business gains through the operation of the corporate income tax laws.

By the passage of S. 57 in the next few weeks we will be encouraging the homebuilding industry to add materially to the housing supply of the United States. We will do this by authorizing the Federal Housing Administration to insure some mortgages and by authorizing the Federal National Mortgage Association if need be to buy some mortgages.

These programs have not really cost the taxpayer a cent. We have used the power of the Federal Government for the good of the economy without using tax dollars in these programs. Tax dollars have only been funneled into the very specialized programs of public housing, slum clearance, and urban renewal. This demonstrates that it is possible for a congressional action, effectively administered, to expand the economy without taking money from the taxpayers to accomplish this purpose.

You will note, Mr. Speaker, that I have been discussing policies that are in no way a burden upon the Federal budget. Indeed, many of them would help to relieve the Federal budget. Let me turn to programs that may influence the budget but are not a burden upon the taxpayers. I refer to the Government's loan programs.

Congress will no doubt approve the report of the Banking and Currency Committee for the passage of H.R. 4452, the amended Bretton Woods Agreement. We are going to increase the capital of the International Monetary Fund and the International Bank for Reconstruction and Development. It may be said that this sum is a burden upon the taxpayers, but the taxpayers are investing in assets which will not be destroyed because we know now that these programs are competently and honorably administered.

But just as we will approve making the loans abroad, so will we approve making loans at home. The money we spend improving the rural electric lines, improving rural telephone service, improving our public power facilities, all represent investments in the expansion of the economy. They increase our capacity to produce goods and services; yet these sums are repaid with interest by the borrowers. They represent no burden on the budget. They represent no waste of funds.

I would like to talk about the management of the public debt, but this topic was so ably covered by the distinguished gentleman from Wisconsin, who serves with me on the Banking and Currency Committee, and is a member of the Joint Economic Committee, Mr. REUSS, that I will refrain from commenting here about it except to say that wise management by the Treasury and Federal Reserve of the outstanding public debt can contribute to the necessary expansion of our economy without inflation. Note that I say "can"—I do not argue that it always has. I would argue that it always should.

Before I come to a question of expenditure policy, let me turn to one other area, the control of inflation.

For too many years we have said to ourselves first, that we are opposed to inflation, and second, that we are opposed to controls. I do not recommend controls for their own sake, but I think if we are absolutely opposed to public control we must be honest and admit that we are then going to tolerate without public review the existing private control of the matter.

A year ago the economists in Colorado and Wyoming in their annual meeting discussed this question, and I think agreed informally that the time has come to ask for public review of the private control of price. This private control can be found in our strongest labor unions as well as in the hands of the cooperative executives who sign contracts with them. It can be found in the hands of those executive who dictate the price policies for the basic pacesetting industries in American life. Either we must prove that we really want to prevent inflation, or we must confess that we will tolerate continued inflation rather than vote for the necessary public review of the private controls of price.

I am not here recommending the creation of a new Office of Price Administration and a Wage Stabilization Board. Rather I am simply raising the question as to whether this Congress should consider granting to the President some measure, if only the power of pitiless publicity, as a weapon whereby he might effectively fight against inflation. Even if the President's powers were merely standby powers over basic wage and price decisions, these would at least be some basis upon which he might call onto the White House carpet and before the bar of American public opinion those men whose decisions will, if not subject to review, serve to debase the currency of every American citizen.

I do not pretend to have ready for introduction a detailed bill suggesting the

line of attack. But I welcome the approval of the resolution empowering the Joint Economic Committee to hold hearings on this matter. I suggest that the President's Cabinet Committee Against Inflation should have the same willingness to examine this course of action or other strong courses of action, if in their judgment such courses of action are needed to fight inflation. I grow weary of being told that we must refuse to build our ports; we must refuse to clean up the Nation's streams; we must refuse to build housing units because this is inflationary, when I know that inflation will go on occurring so long as we tolerate the private control of price, the administered prices of monopolistic industry.

I think the American people have a right to ask us to let the deed support the word. I recognize that there will need to be price changes, and I would want a law that did not prevent changes which were actually necessary. But I would like a law and the administration of such a law that would assure the American people that upward changes in prices were indeed necessary.

This does not mean that there could be no further wage increases, for these can be granted so long as the wage increases are no greater than those which can be justified through increased productivity and increased output per man hour. The worker is entitled to a fair share of the increased efficiency which his labor makes possible. But business ought not to be allowed to use the alibi of a wage increase to promulgate a price increase which is far greater than needed to pay the wage increase. The testimony submitted by Gardiner Means suggests that this is happening. The oil industry is currently getting a restriction on imports, and raising prices.

So I would attack inflation directly and at the front door, without unlocking the back door. Naturally I would want our monetary policy to be administered in a fashion which did not create the classical type of inflation by permitting the money supply to increase more rapidly than the volume of increased business requires.

Let me come briefly to matters of budget policy. I will have more to say on that subject another day. Let me simply say here that our expenditure policy has been viewed almost exclusively in quantitative terms—it deserves to be viewed in qualitative terms. I was taught that expenditures could be divided into four basic, and basically different, categories.

The first is self-liquidating. I have already referred to the loans which are used for productive purposes, which will not only be repaid directly into the Treasury but which will be used to create a higher standard of living both at home and abroad.

A second basic category are those expenditures which are essentially reproductive. The money which we spend improving our highways, reduces the cost of transportation, increases the speed of transportation and communication, and enlarges the productivity of our economy. The money we spend on better health improves our people, and represents outlays which will lead to an expansion of our national income far greater than the amount of the outlay. Certainly the investment we make in the education of our children will be repaid many times over in higher standards of living for them, and even in higher tax payments by them out of the increased income the education produces. While you cannot tie the return to the Treasury or to the economy directly to each individual outlay, we all know that such outlays are reproductive. The people support and want an adequate school program.

There are those outlays which can be viewed as merely productive. They expand our well-being; they add new dimensions to our personal and cultural life. I have in mind our park and recreational facilities, the National Gallery of Art, and the Smithsonian Institution, many research services, many publication activities, certain welfare services, and so forth. To the extent that we can afford and want the particular service involved, we vote for it.

Finally there are services which are unproductive. At first blush one might say all of these could be eliminated, but sometimes they too, are necessary. Those which save lives and protect property and persons, and these involve our whole structure of courts, police, fire departments, and so forth, are necessary outlays. They are productive only in the sense that if we do not have them things might be worse, and therefore we pay for them.

They are a kind of social insurance of our well-being. So long as the Nation believes that its security is dependent upon the size of its Armed Forces and the number and type of its weapons systems, the Nation will support these outlays even though most of them are not productive in any economic sense. Yet we owe it to the people to examine all of these outlays to see that waste is avoided.

The quality of our national life will be affected by the quality of our budget. I shall not argue the thesis propounded by Mr. Galbraith in his book, "The Affluent Society," but certainly the questions that he has suggested that such a society ought to assure the education of its children without regard to poverty of the parents is a recognition which is as old as free public education.

I am not in love with the number 77. The decision by the administration to choose a magic number, one to conjure with, has become a great snare and a delusion. I am not sure but what the number may be too large. If we were to cut out the fat and leave the necessary bone and muscle we might find it possible to have a lower budget total.

I have already suggested that there is $4 billion too much in interest in the public debt alone. The important principle is that the budget should serve to help to balance the national economy. There are still a few who believe that Congress can and should be neutral with respect to the health and well-being of the economy. When the Federal budget itself represents more than 20 percent of the national income, it is obvious that the decisions of the Congress with respect to this single item are bound to have an influence upon the economy. We must be economically responsible, even in our fiscal responsibility.

The money machine was made an instrument of the Federal Government with the adoption of the Federal Reserve Act. The Congress cannot look the other way at the consequences of the behavior of one of its most powerful children. It is important for the Congress and for the administration, and for the American people, to understand that there will be consequences from whatever decisions we make here with respect to all these matters. It is our responsibility to act so the consequences serve to expand the economy without inflation, in keeping with the covenant of the Employment Act of 1946. We must pursue an intelligent balance of policy in our choices in these great areas of public policy so as to achieve these goals of maximum employment, production, and purchasing power at stable price levels.

The temptation has been to insist we should pursue the goal of adequate growth because the rate of economic growth in the U.S.S.R. is greater than the growth here. I would not deny the importance of this argument. I would simply say that my obligation as a Congressman under the Constitution always has and always will require me to promote the general welfare, and therefore require that I support those courses of action that I believe to be best suited to that marvelous goal.

In closing, let me repeat the point I made at the outset: the United States is a powerful country—one of the leaders of the free world. We have tried to pursue a policy which would strengthen that free world. If we continue to neglect here at home the necessity to strengthen our own economy by securing adequate economic expansion without inflation we not only imperil our leadership abroad; we imperil our domestic support for any effort to continue to exercise any leadership abroad.

I utter this warning as a note of sober caution. This is no time for cheap demagoguery. Political analysis encourages both sides to easy oversimplification. Statesmanship demands honest analyses of the whole complex of issues, and frank statement, even of the unpopular truth. How to secure and maintain peace and prosperity at home and throughout the world cannot be viewed as a little campaign issue. These are the fundamental issues facing this generation. We must find constructive answers. If we fail, we imperil the whole free world.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. RHODES of Arizona. I have been listening very intently to the remarks of the gentleman. I think they are very scholarly. By and large, I think they have done a very good job of presenting his ideas on this very important subject. May I probe a few of the ideas a little bit?

Mr. JOHNSON of Colorado. Surely.

Mr. RHODES of Arizona. As I understand, the first point the gentleman made was roughly to reexamine and reform the monetary policies of the country, with the idea of getting lower

interest rates. Is that paraphrase fairly accurate?

Mr. JOHNSON of Colorado. That would be a portion of the needed revision of the monetary policy; yes.

Mr. RHODES of Arizona. May I ask the gentleman how he expects to get lower interest rates? As I understand, the gentleman did not advocate increased credits. He did not advocate increasing the monetary supply. I was left dangling wondering how he was going to get lower interest rates if he was not going to do either of those.

Mr. JOHNSON of Colorado. There was a passing reference to the necessity for an increase in the monetary supply equal to that required by a growing economy, because a growing economy requires a growing money supply.

Mr. RHODES of Arizona. The gentleman's thought is, then, that the supply of money should be geared to having a certain fixed rate of interest throughout the years?

Mr. JOHNSON of Colorado. No; the point I am making is that we have had defended in these past 6 years a rising interest level as a device for fighting inflation. Notwithstanding this defense, we have had inflation. I would submit that we succeeded for the many years before 1953 in maintaining a relatively low rate of interest and a rapidly expanding economy.

Mr. RHODES of Arizona. But, with very, very high rates of inflation. The cost-of-living index went up very considerably between the years 1946 and 1953.

Mr. JOHNSON of Colorado. The high inflation we had was not necessarily the function solely of low interest rates. The Congress during the war years was asked, for example, to increase taxes very appreciably. I recall the Budget Bureau recommended to the President a $14 billion tax increase one year. The Secretary of the Treasury recommended a $9 billion increase. The Congress labored for a year and came up with a $2 billion increase. We borrowed too much of our way through the war and the increase in the money supply was not so much a function of the interest rate as a function of the timidity of the Congress to vote adequate funds during the war years to finance the war. Congress has been far more fiscally responsible since the end of World War II than it was during World War II.

Mr. RHODES of Arizona. I understand what the gentleman says as to the high interest rate being a weapon. I do not agree with him. I think the high interest rate we now have is a result rather than a weapon. I do not think anyone set out to use high interest rates as a weapon against inflation, but in the process we got high interest rates.

Mr. JOHNSON of Colorado. I should not presume to impute motives to the administrator and, therefore, shall refrain from doing so.

Mr. RHODES of Arizona. I thank the gentleman. Now, could the gentleman tell me again how he is going to get low interest rates?

Mr. JOHNSON of Colorado. I was suggesting that if we made it a part of our official policy to balance the budget, the other necessary policies to avoid inflation would include the selective use of consumer credit, a responsible tax policy with respect to a balanced budget at reasonably high levels, and possibly an overbalanced budget at high levels of employment, but a budget deficit, if need be, at low levels of employment—these policies taken together with the monetary policies would help. I would use, if need be, a higher reserve requirement. I would give the Federal Reserve greater power than it now has, if you want me to prejudge the outcome of the study that we just authorized a few minutes ago. But my present thinking without sitting on that committee, would be that I would be prepared if need be to vote the Federal Reserve additional powers over the size of the reserve requirement. We discussed the other day the wisdom of reviewing the accord made in 1951 by which the Federal Reserve got out of the position of helping to support the level of Government bond prices which, as the gentleman realizes, is the benchmark of all other interest rates. It is the basis on which the rest of the structure rests.

Mr. RHODES of Arizona. Of course, that uncertainty over the benchmark has been removed and the amount of interest the Government pays, is now the amount of interest which the market demands.

Mr. JOHNSON of Colorado. It is the basis, the market adds to that because no one normally lends to others for less than he lends to the Federal Government. Presumably, this is the best you can get.

Mr. RHODES of Arizona. The gentleman mentioned as far as the tax policy is concerned that the rates were too high and that the base was too small.

Mr. JOHNSON of Colorado. That is right.

Mr. RHODES of Arizona. I understand what the gentleman means when he says that the rates are too high, but what does he mean when he says the base is too small?

Mr. JOHNSON of Colorado. Congress has cheerfully or otherwise given out many exemptions. The House of Representatives the other day passed a further exemption and one which the Treasury noted in its report to the House may open the flood gates for a great many more requests for exemptions. I am hopeful that the Committee on Ways and Means will take a fundamental look at the whole tax structure again. What we did in 1954 was to pursue every little inequity into a new special class in the act, these become in effect new loopholes. Ultimately simplicity is as important a virtue in the tax laws as some uncertain thing called equity, particularly when no one can know what equity is because the laws are so complex. I am sincerely hopeful that I shall serve in a Congress that will try to get a simpler definition of the tax base.

I think we have a great deal too much use of the capital gains. We cut that base in half before we tax it and then we say the tax rate cannot go above 25 percent no matter how high the regular marginal rate will be. That is what I mean when I say the base is too small.

Mr. RHODES of Arizona. I will just ask the gentleman to yield for one more question: How would you end unemployment? The gentleman started out by talking about unemployment, and then, as I recall, it was left dangling.

Mr. JOHNSON of Colorado. I have only 1 hour this afternoon, and I do not presume to solve all the world's problems in that 1 hour.

Mr. RHODES of Arizona. I think the gentleman did a pretty good job at least in attacking all the world's problems in that hour.

Mr. JOHNSON of Colorado. I am a firm believer in encouraging private sectors of the economy, both business and consumers. They should use their funds to expand the output. High interest rates frequently divert funds which ought to go into expanding the economy into the relatively unproductive use of consumer credit. I decry the huge increase in consumer credit in recent years. What we need is greater capacity to produce goods and services. If it had gone into business expansion we would not have had the overzealous use of consumer credit. We did the same thing in 1950. I have sometimes quipped about the Korean incident that the "patriots" rushed out into the market to buy on credit before the "hoarders" got into the market. We had a billion dollars a month increase in consumer credit for 7 straight months from the onset of hostilities until Congress finally lowered the boom in February of 1951.

This was almost unconscionable. I am not being partisan by saying that both sides have failed to recognize that the interest rate alone will not do the job. We must give the Federal Reserve some control over consumer credit. I do not care whether the control is lodged in the Secretary of the Treasury, the Federal Reserve Board, or the Comptroller of the Currency; I am less concerned with the details than I am with the substance.

Mr. RHODES of Arizona. The gentleman spoke of private monopolization. I think those are my words.

Mr. JOHNSON of Colorado. Go ahead and use them; concentration would be a better word.

Mr. RHODES of Arizona. I think there is a tendency to feel that the monopoly laws, the Sherman Act and the Clayton Act are not now capable of dealing with this particular problem.

Mr. JOHNSON of Colorado. I do not know. I think tribute should be paid to this administration for going as far as it has in its pursuit of monopoly, but this administration did not go far enough. We have too long set it aside. In 1950 or 1951 the Congress passed an act to try to close the loopholes on the acquisition or the purchase of controlling interest by purchase of assets, but we put these weasel words into the law: Only if it is shown that there is "substantial monopoly", or similar language, does the law apply. It goes to the lower court and is so vague as to allow the court practically to write the law as it wants. And it puts a tremendous burden on an administrator who tries to prepare a case, trying to anticipate what line of

reasoning the court will take. We know that the problem exists.

Mr. RHODES of Arizona. As I understand, the gentleman would advocate some form of price control, at least standby control.

Mr. JOHNSON of Colorado. I would advocate standby control.

Mr. RHODES of Arizona. Under what circumstances do you think they should be put in force and become effective?

Mr. JOHNSON of Colorado. I envision something like this: The White House commands powerful publicity. If the President had standby price controls and called the oil companies in when they ask him for a reduction of oil imports, they would hesitate to suggest that they will thereafter raise prices.

As things stand at the present time, all the President can do is to say he will reconsider the oil import quotas. The oil companies say they have no intention of raising prices; yet the prices are inching up.

Where there is no price control available to the President the most he can do in a fit of anger is to withdraw the import restrictions. Even that might not necessarily work because you have a follow-the-leader price pattern in this area. The oil industry have their backs up on this thing and they can win. If the President were to call them in today, all he can do is to scold them, he could not stop their behavior, he could not prevent the results. If he had at least a shotgun in the closet and they knew he had a shotgun in the closet, he could call them in and have a pleasant little chat upon due inquiry into the facts. It is conceivable that, knowing he had the power to do more, they would yield to his request. He has "jawed" at them all these years and has gotten no results. I say, put a shotgun in the closet. We hope he will not have to use it, but I would rather he have it in the closet and not use it than not have it and need to use it.

There is a need for such power. Incidentally, when I have made these comments in both business and labor communities, I have found surprising support. I think the country is ahead of the Congress on this issue. I think they would be prepared for sober thought in the Congress and in the administration on this very issue.

Mr. RHODES of Arizona. I agree with the gentleman. The people of the country are tired of inflation. They do want the economy to grow, but they do not want the value of the dollar to go down, and I think that applies particularly to people on fixed incomes.

Mr. JOHNSON of Colorado. Yes. I have been working with this matter for many, many years.

Mr. RHODES of Arizona. The gentleman will understand that people like myself, and I am sure he shares this view, when we talk about inflation are thinking primarily of the things that happen to our people on a fixed income.

Mr. JOHNSON of Colorado. Yes.

Mr. RHODES of Arizona. We have a tight rope to walk, because I cannot think of anybody, and certainly no Member of this body, who wants to stifle our economy, but at the same time we do want it to grow and grow as systematically as possible without ruining the country by runaway inflation. I think the gentleman and I basically agree on what we want. I may say that we do not agree on the means of obtaining it. I certainly respect him for the very forthright manner in which he has explained his ideas and for his scholarly approach to the problem.

Mr. JOHNSON of Colorado. I invite the attention of the gentleman to my remarks on the budget. I hope to make more extended remarks on that subject at another time.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tables and other extraneous matter.

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

There was no objection.

POWELL CALLS FOR IMMEDIATE NEW POLICY FOR AFRICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 60 minutes.

Mr. POWELL. Mr. Speaker, today, I wish to call attention to the continuing revolution against colonialism that is now engulfing the continent of Africa—a revolution which we, in the United States, started in 1775. Although accounts appearing in the daily press keep us sufficiently informed on the nature of riots and killings that have occurred in French Equatorial Africa, the Belgian Congo, Italian Somaliland and, presently, Nyasaland and the extent of these eruptions, we are not so clear on the U.S. policies and programs for coping with the changes now taking place. We have heard nothing of future plans of meeting the challenge of a new Africa in the coming years.

Although in recent years attention has been directed periodically to the problems of the African continent, and though money has been appropriated by this body for a Department of African Affairs, and smaller sums for technical aid and the exchange personnel, the great majority of U.S. citizens and, particularly those of us charged with the responsibility of leadership in this country, do not know what our policy is toward Africa and the Africans. We need to know this badly. Moreover, there is concern that in the coming months U.S. action undertaken will increasingly be at variance with the will of many American people as well as the Africans.

A policy toward an area of such threatened volcanic eruptions cannot be trusted to time to work out. Confusion results as each outburst demands reaction in response to actions as they occur by applying a policy suitable only to the immediate occasion. In this area we can no longer ponder leisurely or trust to luck. Africa, as in the world at large, is an area that demands immediate attention one day with one kind of problem and issues, to be replaced the next day by another eruption as important as yesterday's seemed. As the conflict intensifies, as the struggle for freedom broadens, this country is inevitably going to have to operate from one base or the other on behalf of either the 200 million Africans struggling against every form of fascism on that continent or cast our lot with the 5 million departing Europeans determined to continue colonialism into the 20th century. At some point our leaders, armed with the U.S. policy and program, are going to have to make a decision as to which direction this country will go. Shall it be the road of freedom down through to the end of the 20th century, a road that leads to security, plenty, and brotherhood, or will it be backward in retreat and out of Africa's back door for all times together with the other Western powers who learned too little too late?

So intense has been our concentration upon the struggle of the Soviet-Western world that we failed to observe that a new world was being born. It is in this new world arena that the struggle for peace and freedom in our time is going to be waged and our very survival will depend on its outcome. Our survival, our freedom, our beliefs in the dignity of man are inextricably tied in with the ultimate outcome of the struggle against oppression in central Africa and the Union of South Africa. However much we of the West talk about the Union of South Africa's membership in the free world and the responsibility of the free world to close ranks to maintain that freedom, the African is fighting mad today for he knows it is freedom for whites only. So all of us of the United States in a holy crusade against communism that threatens our way of life are banded as one under the banner of freedom together with the Union of South Africa and other powers are ourselves subverting the cause of freedom in the eyes of the African people. Moreover, the entire Afro-Asian bloc expresses itself from time to time against Western indifference to the suffering there.

Nor is the unrest limited to certain geographical areas and certain tribes against a particular European military and political force. If that were the case we might pass a resolution here and take some positive action there on Nyasaland, on the Cameroons, on Algeria, on Egypt, on the Union of South Africa and be done with it. But it is not that simple. All over the vast continent of Africa in addition to the determination to remove the European rider from his back there is a revolution against the continuance of colonial traditions of any kind.

The 19th century and all that went with it is dead and a new chapter opens in the area of colonial and imperial activities. For Africans everywhere are determined to cram the revolution which has taken the West 500 years to accomplish into one generation.

Therefore, Africa is experiencing in one combustive outburst a revolution against old political ways, a revolution in economic techniques and social outlook and in values which affect the whole relationship of man's relationship and survival

on this globe. What we have achieved slowly and too painfully and at the expense of many suffering colored peoples, they are determined to do quickly with the greatest good for the greatest number.

As the struggle for African freedom expands vertically and horizontally, the polygamous relations of the U.S. marriages in the area since World War II will be increasingly exposed. Since the cold war began and the subsequent birth of NATO this country has been experiencing a growing dilemma over what policy to underwrite in Africa for Africans. For the United States, the leader and organizer of the forces of the West, has considered its obligations to its NATO allies of highest priority, but in this crusade against the imperialism of Russian anti-imperialism our strongest European backers were oppressing those who also wanted freedom. If we choose principles over interest in such cases, we then face the problem of possibly alienating the metropolitan powers in Europe—allies whose aid we have had to have and must of necessity continue to have in the critical times facing us. Moreover, we find it hard to champion the cause of freedom in lands where our strategic minerals are involved and where we have established bases for protecting our freedom. But we need reminding that Africans are people with feelings of personal dignity and loving concern for their children and they could not care less for our freedom at the expense of theirs. If the freedom in point which we extol so highly is composed of a world with the Union of South Africa and its ilk as an equal partner, the African will ultimately conclude that some people's meat is other people's poison and react accordingly. If America has any lesson to teach or to relearn itself it is that all men are created equal. Less we forget this fact, turn ye to the protestation of Jano Kenyatta from the tombs of incarceration and listen as he emphasizes the people's aspiration:

> Africans will never be satisfied until they enjoy full self-government, economic and social security, the realization of which can only be achieved in a nonimperialist social order.

Africa, four times the size of the United States, rich in minerals, with a potential of food production capable of eradicating hunger in this world, with 200 million proud people, suddenly makes its appearance on the kaleidoscope of history. We are bewildered and caught off guard for it is like the sun's thrusting a new planet into the atmosphere. This new world challenges our leadership, our energies, our aspirations.

To cope with this continental quake which is beginning to rock the universe, to meet the challenge of unrelenting Africans, the United States has no long-range policy with a consistent body of convictions and aims concerning Africa. In fact, a summary analysis of our platitudes and preachments and policies read like exercises in double talk which critics readily seize upon as proof of American hypocrisy. Moreover, the preachments of American leaders to Africans have the familiar ring of colonialism and Western supremacy of "Father knows best."

To be honest about it American policy is split down the middle by a stubborn and troublesome contradiction between immediate strategic and ultimate historic interest. In fact, politically we have been leading a polygamous relationship, consorting with our equals, the Europeans, to whom we are wedded in the big house while maintaining a relationship in the little house with the Africans down across the field. Such gettings together as have taken place in Accra recently with emphasis on the pan-African movement are a threat to our position for it exposes for all to see the contradictory operation of governmental, business, and even some religious enterprises.

To date our vacillating and undefined and unexposed system has been able to maintain itself without detection by the Africans. However, the question before us is not where we stand but how much longer can we occupy two different positions and pursue a dual program on the continent of Africa. Our concern should not be primarily directed toward where we are today but where we will be next year as regards Africa.

Today, when our Government is busy all over the globe trying to put out all sorts of fires—fires which are burning because we delayed too long in removing the plain dangers of combustion, or have been set off by the improper or unwarranted conclusions of our free press or that our selfish vested enterprises in foreign lands helped to kindle. Whether it is in Bolivia or Cuba or Iraq we have in recent years been continually beset by a series of dilemmas. As for Africa, I shall seek from the foregoing to pose the combination of dilemmas that will be ours if we continue to ignore the realities of the time, the revolution of rising eruptions abroad in this nuclear age.

First. We find it hard to champion the cause of freedom in lands where our bases and strategic minerals are involved. Therefore, it is to our interest to maintain the status quo however tired the Africans may have grown with that status quo.

Second. Whether to choose principle over interest in the numerous African-European controversies which are increasingly arising at the risk of alienating our NATO allies whose support must be at our command at all times if we are to meet the challenge of Russia successfully.

Third. What positions to take when the plaguing question of African freedom versus European oppression are thrown into the international arena of the United Nations. For sitting across and beside and behind our U.N. delegates are friends of the African people as determined as they that the African shall know freedom on their terms and in our time.

Fourth. What is to be our action? How can we steer successfully our international ship through the roughest waters of history, for we must get through the roughest waters of history, for we must get through any possible barricade they might consider erecting, for we must get along with the cold war. Yet our program in the cold war is related to the vast wealth in natural and human resources that is Africa's and success and final victory can be decided whether or not we shall continue to obtain strategic minerals or hold distant air and naval bases. What to do about the Africans in this regard when from the viewpoint of security against Communist military attack, maintained George Fielding Eliot in "Africa—Key to Western Security" we are concerned that all the principal NATO powers, Britain, France, Belgium, Portugal, our allies, holding African territory, shall maintain their present position in Africa so that African bases and African resources shall continue to be available for the defense of the free world.

Fifth. But in the above regard, if the United States and its allies are deprived of these African supplies by unwilling and uncooperating Africans, our fighting capabilities would be seriously crippled.

Sixth. With Africa now half slave and half free the question of whether to cast our lot with the slave area, the settled controlled areas of east, central, and South Africa directed toward serving America strategic and profitmaking prerogatives in the continent and utilizing and supporting the European system of control, or shall we have the courage and faith to identify our future now unqualifiedly with free Africa—Ghana, Sudan, Guinea, and others; shall we shift to a go-it-alone policy in areas where Europeans are no longer in the saddle, thereby enabling this country to speak in a loud, clear voice for freedom in the U.N. and in other areas of international controversy?

Seventh. As the white minorities of eastern, central, and South Africa move to close ranks in defense against the blacks and to maintain their profitable existence on the African Continent and as Africans in response solidify their positions through various pan-African movements, we are going to be forced to take sides.

I have attempted above to spell out the most obvious dilemmas which await us around the corner as we move to another position in this new world. It would be ironic, indeed, if we deliberately choose the losing side. For it is written, Africans will play a large role in our country's future, in fact, in the future of all the nations of the West. Have we forgotten that ultimate security depends on decisions made beyond the borders of the United States as much as on those made within our country?

We are challenged today and have but little time left to decide whether or not to abandon our double-edged policy in Africa, to decide whether to permit our sympathies for our European heritage to take precedence over the welfare of mankind even when there is clear recognition that the period of European ascendancy in Africa is drawing to an end.

To the dilemmas imposed we inquire again how long can we operate under a policy, "To be or not to be, to do or not to do" as a program of action?

Therefore, there is need at this point to refresh our memories on the current disasters, and atrocities, and oppression, and general negations of freedom that is the climate of occupied Africa.

I am informed that Africans wherever they live, whether in Capetown, in Cairo, Accra, or Nairobi are becoming increasingly suspicious of Western moves in and toward their continent. Moves of European settlers to federate white dominated governments as protective measures against black nationalism set off counter movements by Africans to work hard and fast for pan-Africa. Expressed or unexpressed in the continentwide meetings such as assembled at Accra recently are pledged to the realization of Africa for the African and, they are committed as one to fight until every vestige of colonialism and imperialism are removed from their lives. Freedom, self-determination or whatever we choose to call it is not directed alone against the remnants of 19th century colonialism, but toward all outside activities which would exploit the people and the continent itself or its resources. So increasingly the fight for freedom will be directed against business enterprises enjoying the blessings of local white settler governments as well as against the colonial domination of metropolitan governments. Like the Bolivians and many other nations Africans could conceivably come to identify U.S. business interest and U.S. policy as one and the same which prompts us again today to urge a new look at our country's relations with African questions involving the continent now before the United Nations, relations with metropolitan powers and their subsequent effect upon Africa and if possible locate the impact of domestic private enterprise and its strengthening effect upon European anti-African policies. For Africans everywhere, I have been informed, are beginning to feel that a huge vise for continuing the domination of Africa by the West is being fashioned, big and powerful enough for its prongs to extend from the tip of the Union of South Africa to the banks of the Suez Canal. That at the proper time friend and foe alike will spring the trap capturing the entire continent in a new system of economic imperialism made possible through the establishment of a series of programs of economic dependence and obligations and tie in with foreign business of various sorts.

Suppose we take a brief look at the brush fires, the eruptions, the bloodshed taking place over much of that continent and move swiftly from the tip up the eastern coast all the way to Cairo. In the Union the following stand out, even here in our press:

First. All nonwhites, 12 million of them, are forcibly separated geographically and every other way from the whites under a government system of "Apartheid."

Second. The nonwhites are denied any civil rights or participation in political activities of any kind or any expression for that matter of dissent to the policies of the Europeans.

Third. For those who dare resist the Fascist policies, are dubbed Communists, indicted and convicted as criminals.

Fourth. In order to enjoy any freedom of movement without arrest Africans must carry passes. While we freely decry the denials of freedom in China, behind the Iron Curtain, toward those 12 million suffering nonwhites in the Union we are absolutely silent or speak in unheard voices less we offend our colleague of the free world—the Union of South Africa—a government of Europeans only. During the long drawn out trials of 90 people charged with subversion against that government, we have as a Nation remained disgustingly silent carrying on business as usual with the Union itself.

Africans can but question the full operation of business men from the United States operating there and the impact they may have upon the asserted indifference this Government has taken to the conditions there. This beautiful paradise of the world, endowed with 99 percent of the world's industrial diamonds and otherwise rich in gold and other minerals is rapidly becoming the happy hunting grounds for new profiteers, for the economic exploitation of the U.S. business interest. In recent months we have seen in our press announcements of several Wall Street brokerage firms floating loans for the Union. Need we be reminded that such authority was derived from the European settlers, not from the Africans. I was interested in reading a couple of years ago a report of the Union's government to the effect that the U.S. business interests and investments had increased since the enactment of apartheid for it "stabilized their labor supply." Moreover, the Union maintained to those who questioned whether the denials to Africans might not drive away investment capital, that the U.S. enterprises had learned first hand at home how to cope with those of African descent.

Now moving across the border from the Union and up the eastern coast of Africa we come to the Federation of Rhodesia and Nyasaland where in recent weeks all hell has broken loose against the extension of Union-like policies into that territory, against the apparent operations of outside business interest, against the determination to turn that rich land into the world's largest plantation system with a few white settler overseers and millions of Africans in a slave relationship.

Sitting on the throne of white supremacy and ruling the vast terrain of Southern Rhodesia, Northern Rhodesia, and Nyasaland is Sir Roy Welensky, the Prime Minister. The career of the Prime Minister has significance to America for he is the son of the late Michael Welensky who made his first money and developed his frontier tactics in the Missouri-Mississippi Valley territory in the 19th century. Following the Civil War the elder Welensky departed for the Union of South Africa to continue his economic interest in a climate of slavery which continued there. So it is highly probable that the "Simon Legree" tactics which young Welensky is now exemplifying were inherited from his father. Is it any wonder that American Negroes are aroused in righteous indignation over the deaths, riots, and imprisonments which Mr. Welensky's government is applying to those who but dare to insist upon the freedom for which we all aspire? Every Protestant and Catholic leader has condemned Sir Roy.

All over America there should be resolutions and condemnation of Welensky's government and any other action undertaken to bring an end to the suppression there. Specifically, there should be loud protestation against the expulsion from Nyasaland of Dr. Hastings Banda, the leader of a passive resistance movement—a man who seeks to liberate his people in the spirit of Gandhi which we of the West now unashamedly extoll. The attack and suppressions in Nyasaland against Africans are spreading into Northern Rhodesia where the American Metal Co. enjoys great profits and prestige from its copper mining enterprises. This is but a summary report of the power and unlimited control that the 1 million Europeans exercise over 7 million Africans in the Federation. Is this the democracy of which we talk so much and fight so hard? Is this the kind of freedom we seek and trust Africans will accept? If not, it is time we made our kind of democracy known by expressing official condemnation against what is happening there. Maybe the application of economic sanctions such as applied in other areas outside Africa against those who deny human rights should be considered.

These conditions are repeated in the Congo where the equivalent of the total budget of Belgium, is met from the returns of the Belgian Congo.

Moving into Kenya, Jono Kenyatta, a Western trained scholar of renown and a nationalist leader, still languishes in jail after almost 7 years with promise of expulsion from his native land when his term of imprisonment is over.

It's time that we make up our minds, and there is not much time left, whether we are going to continue to behave during this transition in such a manner, that we too will be unwelcome in the new Africa aborning. Eruptions and brush fires, if they continue will ultimately engulf the whole territory in flames of destruction disastrous to the world and most particularly to our positions there. None save Russia can prosper if present conditions are allowed to continue. A report of confidence in Communist progress last week by the Polish Foreign Minister, Adam Rapachi, that "the balance of power in the world was changing in favor of socialism" undoubtedly had the changes and their consequences in Africa in mind. It is highly probable the Communists are considering the outcome of the struggle between the western Africa as the determinant of the balance of power in this cold war rather than Berlin.

So free Africans meeting with enslaved Africans in official and unofficial gatherings pledge their mutual energies to fight until every black brother is freed, to devise methods that the prongs of the vise shall not snap again, encasing them in a new trap whereby they shall continue in subservience and want and oppression. Africa cannot, they know,

remain indefinitely half slave and half free. We are informed that the steering committee of the All African Peoples Conference has moved to support the fight for freedom in central Africa by earmarking $38,000 to the freedom fighters of Nyasaland.

It seems to me that the time is at hand for a drastic appraisal of Western policies toward Africa and most particularly for our purposes here, that of the United States. We need to ask ourselves just what we in the United States offer to the dependent peoples—the African.

How will present independent African countries, now our friends and allies, view our vacillations and apparent indifference to issues and actions pertaining to their future well-being? As for me and many others of similar mind, I have been profoundly appalled by the apathy displayed by the United States in general and also in the United Nations; the failure to initiate discussions of these problems in Africa looking toward some long-range types of solutions. If we in the Western World do not awaken to our present opportunities and responsibilities, the Soviets, through economic penetration, expect to so dig their economic tentacles into the area that they may eventually exercise a stranglehold on the political institution there.

Who knows but that the present knocking of Africans on Western doors may not be the result of its 300 years of being ignored? And maybe convinced that further knocking is futile, they may turn to others.

Mr. Speaker, I conclude by reminding that we have suddenly come upon a crossroad in our relations with Africa and hereafter we are condemned to travel but one road toward one objective—forward toward total freedom and survival for ourselves in this nuclear age or to travel backward to the depth of degradation, thereby destroying the fruits of all our endeavors.

I wish to finally conclude this exhaustive presentation by stating my plans for presenting a followup report in which I am going to make some pertinent proposals as to the future course of action to be followed by the United States. We have passed from the ox-wagon to the jet age in less than one generation. Should not our progress in political advancement keep pace?

FREEDOM OF COMMERCE SHOULD APPLY TO MILK AS WELL AS POULTRY AND MEAT

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, in the March 22, 1959, St. Paul (Minn.) Pioneer Press, Al Stedman did some reminiscing about the days when succulent, golden-brown fried chicken was reserved for special occasions. Now, because of modern, sanitary, refrigerated transportation—and a Federal inspection system for poultry shipped in interstate trade—some 18 to 20 semiloads of southern fryers roll into Minneapolis and St. Paul every week. And since the fryers are so plentiful, they no longer have to be considered luxury food.

The Federal inspection system has been doing the same thing for the meat industry for the past 50 years. As a result, we are a Nation of meat eaters.

Mr. Stedman raised this question, "If the principle of freedom of commerce in wholesome food applies to meat and poultry, why shouldn't it apply to milk?" He also noted that my national milk sanitation bill—H.R. 3840—would apply that principle to the milk industry. Under leave to extend my remarks, I would like to include a copy of Mr. Stedman's editorial in the RECORD:

GEORGIA FRYERS

Remember when fried chicken was a luxury? When its fragrant brown succulence was for holiday dinners only? Well, flavor and the aromas linger, but gone forever are the luxury days.

Now the housewife can rub her eyes at the great buys being offered by the food ads in frying chickens.

Loss leader selling? Could be! For bargains in chickens or fresh milk are fine bait for attracting shoppers into a store. But also behind these prices is a mighty drama of the effects of a Federal guaranty of freedom of interstate commerce in wholesome food.

Though the trade calls them Georgia fryers, they come in fact from several Southern States. As with meat and milk, perishability was once thought to bar them from nationwide markets. But, also as with meat and milk, that problem is solved by modern sanitary, refrigerated transportation.

Eighteen to twenty semitrailer loads of these Georgia fryers roll into the Twin Cities each week from afar. By summertime, the arrivals will be up to about 30 refrigerated vans a week, each loaded with 7,500 or so 2- to 3-pound dressed chickens, all iced.

These birds are products of one of agriculture's great revolutions, known as integrated farming. Production, processing and selling are integrated under one management. One man may feed five batches totaling 60,000 a year of these broiler or fryer chickens.

A uniform Federal inspection system guarantees freedom of wholesome dressed poultry to cross State lines into the Nation's markets. It is mighty tough competition for our Midwest chicken raisers.

That's one story back of our housewives' bargains in fryer chickens. Another story is that this same Federal poultry inspection system is putting the foundation of free markets under our Midwest turkey industry. A third story is that our Midwest fryer industry, with advantages of a short haul and economical feed, is competing more and more strongly in our markets. Our housewives are getting good buys and more of our own homegrown chickens, too.

But the traffic of southern fryers into Milwaukee, Chicago, Des Moines and other Midwest Dairy Belt cities is still immense. And when we try to ship our wholesome milk in refrigerated tank trucks into those markets that so freely send us chickens, we are stopped by Federal, State or local bans in the name of sanitation. Even Washington is barring our milk, regardless of proved wholesomeness, on those ostensible grounds so as to serve local monopoly.

No industry or region can do well under such discrimination and the Lester Johnson bill in Congress would abolish it. The bill would apply to milk, the same principle of freedom of commerce in wholesome food the United States already applies to dressed meat and poultry.

For more than 50 years the Federal meat inspection system has been providing the equivalent of the Johnson bill for meat. A foundation of access to markets everywhere sustains the meat industry. We are a nation of meat eaters.

For dressed poultry, the equivalent of the Johnson bill went into effect on a voluntary basis last year and became compulsory for interstate commerce this year. At competitive prices, consumption of fryers and other dressed poultry has risen to break all records.

For many years the branch of Government most concerned with sanitation, the U.S. Public Health Service, has had a uniform sanitary code for milk. But the U.S. Department of Agriculture and eastern and southern States and cities won't accept this code. Behind their monopoly walls, high milk prices are enforced. U.S. consumption per person of milk since World War II has slumped.

The Johnson bill would let American consumers drink more milk at competitive prices. It would let the Nation's dairy industry share with meat and poultry the blessings of American freedom of commerce in wholesome food.

U.S. PUBLIC HEALTH SERVICE SHOWS RELIABILITY OF MILK UNDER U.S. MILK CODE

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, as a result of the Washington, D.C., milk situation, the U.S. Public Health Service has been getting questions concerning the reliability of the U.S. Milk Ordinance and Code. On March 20, 1959, the Public Health Service issued a statement pointing out why milk produced in accordance with the U.S. code is safe and of high quality. Because my national milk sanitation bill would make this code the quality yardstick for milk moving in interstate trade, I would like to include the Public Health Service's statement in the RECORD under leave to extend my remarks:

U.S. MILK CODE RESULTS IN TOP-QUALITY MILK

The Public Health Service said today that milk produced in accordance with the Public Health Service Model Ordinance and Code is safe and of high quality.

The statement was made in response to questions the Public Health Service is receiving as a result of the local milk situation.

Service officials explained that sanitary practices at dairy farms are designed to prevent disease producing bacteria getting into milk, with pasteurization applied as a final safeguard.

Most bacteria in milk are harmless, according to the Service. The standards recommended by the Public Health Service limit bacterial counts to a maximum of 200,000 per cubic centimeter in raw milk which is to be pasteurized. The District of Columbia Code prescribes a 100,000 limit. For pasturized milk delivered to the consumer, the Public Health Service standard has a maximum limit of 30,000 per cubic centimeter. The District of Columbia Code permits 40,000 per cubic centimeter.

The Public Health Service Model Ordinance and Code was developed with the aid of a national advisory committee of experts in public health, dairy, and veterinary science. Since the code was first established in 1924, it has been revised 12 times to keep abreast of modern techniques and new scientific knowledge. The Public Health Service standards are currently used by 1,900 communities and 35 States.

PROVIDING FOR THE REGISTRATION OF LEADERS IN INTERSTATE AGRICULTURAL EMPLOYMENT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. KEARNS. Mr. Speaker, migratory agricultural workers are almost completely dependent upon their crew leaders for obtaining their transportation and employment and for securing adequate housing and other facilities. Frequently they are also paid either directly by or through their crew leaders. These workers are thus particularly vulnerable to exploitation and abuse by irresponsible crew leaders, and there is increasing evidence that the channels and instrumentalities of interstate commerce are being used to spread such exploitation and abuse. This bill is designed, through the exercise of congressional authority to regulate interstate commerce, to afford a method of correcting these abuses by mandatory registration in order to curb the activities of persons who, because of criminal records, misrepresentation or failure to deal honestly with members of their crews, should not be permitted to operate in interstate commerce as crew leaders. Compulsory registration would make the arrangements between crew leader and crew a matter of record.

The legislation would require any person, who for a fee is engaged in the recruitment, hiring, furnishing, or transporting of three or more migrant workers for interstate agricultural employment, to obtain a certificate of registration from the Secretary of Labor. No person could engage in such activities without a certificate. The submission of certain information to be prescribed by regulation is required, and a certificate may be denied or revoked upon the Secretary's finding of conviction of a felony, misrepresentation in application for a certificate, knowingly giving false information to workers in the crew concerning conditions of employment, failure to comply with the reported working arrangements with the crew, and failure to comply with the act or any regulations issued thereunder. Certificates would be renewable for each calendar year and revocation or refusal to issue would be upon notice and hearing in accordance with regulations prescribed by the Secretary. All administrative proceedings, conducted pursuant to the authority of the act, will comply with the provisions of the Administrative Procedure Act. Willful violation of the act is made a misdemeanor subject to a fine of $500 for each offense.

THE MEANING OF THE SPENDING SPREE

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HENDERSON. Mr. Speaker, the recent demonstration of the House in passing an airport bill $97 million greater than the administration requested, $97 million greater than the Agency charged with the responsibility for carrying on the program says it needs, is a performance that will be difficult to explain to the people of the 15th District of Ohio. How can a responsible Congress, knowing the effects that increased and deficit Government spending can have upon inflation, upon the purchasing power of a dollar, continue to add fuel to the inflationary fire that is burning in America?

Since I have been in Congress, scarcely a day has passed in more than 4 years that has not found a letter on my desk from a constituent complaining about the decreasing value of the American dollar. In recent months the volume of such complaints has increased many fold.

I had a letter recently from an industrialist who explained that he had been requested, along with many other companies, by the Treasury Department to conduct a bond selling program among the employees of his firm. He asked me if I could give any real assurance that he could relay to his employees that those employees could purchase a savings bond from the U.S. Government with confidence that it could be redeemed at a later date in dollars that would have as great purchasing power as they have at the present time. I replied to him that it was my own opinion, based upon the disposition of this Congress to force a program of spending beyond revenue, that he could not give his employees the assurance that he sought. I stated in the honesty of my conviction that there is every sign that the inflationary spiral will continue to diminish the purchasing power of the dollar year by year. I concluded my letter with the suggestion that U.S. savings bonds would continue to be sold almost solely upon an appeal to the patriotism of American citizens.

Returning for a moment to the airport bill and its excessive authorization, it has been suggested that this $97 million is not the straw that will break the camel's back and that this figure alone will not contribute to the inflationary spiral. Nevertheless, it is disheartening to witness the enthusiasm with which the majority in this Congress increased the administration's request. The signs now point to the probability that on the other side of the Capitol, pressure will be brought to bear to send to the White House an airport bill which is even higher than the $297 million provided by the House bill. This and the volume of legislation calling for huge expenditures which will follow this bill lead me to believe that the spending spree is deliberate, intentional, designed and planned. This is in the face of requests, pleas, demands and insistence from the people back home that the Congress of the United States once again become a body responsive to their wishes and conduct itself so as to restore value to the dollar and stop the spiral of inflation which it has generated.

It is most strange that representative government as we know it seems to have broken down. I cannot understand how some of my colleagues can deliberately flaunt the wishes of the people whom they represent or have the courage to add to the economic burden of those of low income or fixed income—the social security annuitant, the veterans, the widows, the old-age pensioners—by taking a course of action deliberately designed to decrease the purchasing power of the meager dollars that they receive. This is, indeed, one of the most cruel byproducts of what is being done here in this year's spending spree. There is no inclination on the part of those who would add burdens to the oppressed to provide for revenue to pay for the increased cost which they have placed upon our Government. For years the Congress has been content to finance this fantasy of spending with money which it has borrowed from its own citizens through the use of savings bonds. Now it appears that the easy money obtained in that way is slowing up, the spring appears to be going dry. People who have placed their savings in the hands of the Government find that they have been betrayed, that because of the depreciating value of the dollar their savings are needed in order to support themselves. Wage earners now appear to be reluctant to invest any surplus of wages which they may have in a falling dollar.

Where then can the Congress look for revenue to finance its spending policy? From whom can it borrow if it will not embark on a pay-as-you-go plan? There was a time when the full faith and credit of the United States was meaningful. Purchasers of bonds of the United States bought them gladly with the feeling often expressed that if these are not good, nothing else will be.

Today, the Congress seems motivated by a theory of economics which extolls the benefits of debt. This theory points to a fiscal way of life where the principle is to encumber the Government with debt because the dollars borrowed today will be paid back in cheaper dollars tomorrow. Therefore, the debt will be easier to repay. How long can this monstrous deception continue? How long can those entrusted with our legislative leadership continue to sell programs which assure eventual chaos for short-term political gain?

I have a suggestion for returning to a course of fiscal responsibility and of income sufficient to meet the needs of the U.S. Government. It is found in

one of the proverbs of Benjamin Franklin which every schoolboy knows, "A penny saved is a penny earned." Many of our colleagues in Congress seem to feel this philosophy is embarassingly naive, just as they have forgotten or ignored the words of wisdom of many of Franklin's contemporaries.

If the money spring is failing and we cannot return to it for funds with which to expand our expenditures, if we are reluctant to impose additional taxes upon American citizens, then we must learn to live within our income. We once thought of our Government as solvent only so long as its revenues exceeded its expenditures. Then someone suggested a new definition which included as assets the power of the Government to borrow. Thereafter America was considered solvent so long as it lived within its capacity to borrow. So far as I know, there can be no further watering down of that definition and we must face the stark realization that when the Government's capacity to borrow has become impaired then we are unmistakably reaching the point of insolvency.

It seems futile to argue the point further. Surely, the people back home have advised their representatives in Congress of their desire to stop the inflationary spiral and of their reluctance to invest in the depreciating dollar. If the Congress refuses to heed their pleas and their requests, then mine or those of my colleagues who feel as I do will scarcely be heard.

I can only conclude that for some reason not yet apparent to us, there is a desire, conscious, or subconscious, to bring the economic health of our Nation to the breaking point. Step by step, dollar by dollar, and vote by vote, this is being accomplished.

NEW CITIZEN EXPLAINS WHAT IT MEANS TO BE AN AMERICAN

Mr. PROKOP. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his 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. BOLAND. Mr. Speaker, one of the most heartwarming letters that I have received in a long time came into my office over the weekend from one of my new constituents. She was recently admitted as a new American citizen.

ONCE LIVED IN SOVIET UNION

Under unanimous consent, I ask to have the letter printed in the RECORD, so that my colleagues can read how a person, who lived in the Soviet Union and spent time in a displaced persons camp in Germany, feels about the benefits of American citizenship. Too often people in this country take these benefits in stride, never stopping to think what it means to be an American who is free.

NOW WANTS TO HELP AMERICA RESIST COMMUNISM

Natalia Logunow, of 116 Butler Street, Springfield, Mass., not only wants to enjoy the benefits of her new American citizenship, but she wants to use the freedom that citizenship imparts to help make her new country strong in its fight against communism.

The letter follows:

SPRINGFIELD, MASS., *March 19, 1959.*

EDWARD P. BOLAND,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. EDWARD BOLAND: I received your very kind letter, which you congratulated me to become an American citizen. You understand my situation well, because your father and mother were immigrants too.

I am very happy to be an American citizen, because I had very bad life in Soviet Union and later in DP camp in Germany. I am glad to have now a right and free life and I try to help my new country to be strong and to help her to oppose with Communist.

I can't yet speak and write English well, but I try to read American magazines and hope that year after year this will go better and better.

Excuse me, please, now my mistakes in this letter and receive assurance in my goodness to you as a Representative of Massachusetts.

Yours respectfully,

NATALIA LOGUNOW.

RESEARCH PROGRAM TO DETERMINE MEANS OF IMPROVING CONSERVATION OF GAME FISH IN FEDERAL RESERVOIRS

Mr. PROKOP. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. MCGOVERN] 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 Pennsylvania?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, good sport fishing has become increasingly important to millions of Americans in recent years. Greater leisure time, continual population growth, improved transporation, better physical facilities in fishing areas, and that intangible aspect—recreational enjoyment—have contributed greatly to the expansion of this type of fishing. The creation of reservoirs behind the large Federal dams in the Missouri River development program has enthusiastically awakened the people of South Dakota, as well as other Missouri Basin States, to the recreational and commercial benefits to be derived from these areas.

America now has 25 million anglers and a $2 billion sport fishing industry. By 1966 it is conceivable that 180 million man-days of angling will be experienced on U.S. Corps of Engineer projects alone. The Missouri River is being converted into a series of huge, clear-water lakes which will entail over a million surface acres of water. In South Dakota the water area along the Missouri will nearly double the natural water area of the State. South Dakota's interest in recreational fishing is illustrated, for example, by the successful efforts of South Dakota fishery biologist, Ted Shields, to include saugers as game fish to be listed in world record fish charts. They are the top game fish in the tailwaters and are asserting themselves rapidly in the main reservoirs. The 1958–59 paddlefish season in the Fort Randall Reservoir tailwaters alone attracted 3,870 fishermen who snagged an estimated 15 percent of the total paddlefish population.

RESERVOIR FISH PRESENT SPECIAL PROBLEM

Reservoir fishing presents special problems, however. While initial fishing in new reservoirs is usually phenomenal, the fishing yields in older reservoirs tends to taper off to a stable, and many times, undesirable level.

The problem of trying to maintain or improve fishing in reservoirs has been too great for State fish and game agencies. These State agencies have limited budgets spread so thin that it is impossible for them to deal adequately with this vexing question. There is great need for increased emphasis on basic research that must be met if the growing demand for good fishing is to be satisfied.

The Nation should be concerned with the decline in fishing yields as reservoirs age and develop conservation practices to offset or eliminate them. This will, of necessity, be a long-range project. Ten or 15 years will be required to complete the basic research. Aging must be studied over a period of years to develop a conservation program that will solve the reservoir aging problem. The cost of such a program of research is minute compared to the potential benefits that will accrue to the millions of sport fishing enthusiasts throughout the country and to the terrific economic impact on the area fished. Unlocking the secrets of reservoirs is an immediate need of the fishing public and those charged with providing good fishing in them.

Mr. Speaker, I am today introducing legislation authorizing a research program designed to solve the problem of declining reservoir yields. It would give the Secretary of the Interior authority to conduct a nationwide study of reservoirs—Federal, State, local, or private—to determine methods for maintaining and increasing fishery assets. Similar legislation has previously been introduced by Senator FULBRIGHT of Arkansas.

Under unanimous consent I include the text of the bill at this point in the RECORD:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall establish a program of research and experimentation in order to determine means of improving the conservation of game fish in dam reservoirs.

SEC. 2. For the purpose of carrying out the provisions of this Act, the Secretary of the Interior is authorized (1) to acquire by purchase, condemnation, or otherwise such suitable lands, to construct such buildings, to acquire such equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate or contract with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research and experiments conducted pursuant to the first section of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FLOOD, for March 24, 25, and April 7, 1959, on account of official business.

Mr. HOSMER (at the request of Mr. HOLT) indefinitely, on account of illness in family.

Mr. THOMPSON of New Jersey (at the request of Mr. ADDONIZIO), for Monday, March 23, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FERNÓS-ISERN, for 10 minutes, on tomorrow.

Mrs. WEIS, for 5 minutes, on April 8.

Mr. VANIK, for 5 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RAY.

Mr. BERRY.

Mr. JONES of Missouri (at the request of Mr. MAGNUSON) and to include a speech by Senator SYMINGTON.

Mr. PELLY and to include extraneous matter.

Mr. WALLHAUSER.

Mr. SIMPSON of Pennsylvania.

Mr. PASSMAN and to include a letter he addressed to each Member of the Congress.

Mrs. BOLTON.

Mr. LANE and to include extraneous matter.

Mr. IRWIN (at the request of Mr. JOHNSON of Colorado) in two instances.

The following Members (at the request of Mr. CHAMBERLAIN) and to include extraneous matter.

Mr. AVERY.

Mr. ALGER.

Mr. MAILLIARD.

Mr. CHAMBERLAIN.

(At the request of Mr. PROKOP, and to include extraneous matter, the following:)

Mr. TOLL.

Mr. EVINS.

Mr. WOLF.

Mr. MCCORMACK.

ADJOURNMENT

Mr. PROKOP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 52 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 24, 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:

751. A letter from the Comptroller General of the United States, transmitting a report on the review of selected supply operations of the Northern Air Materiel Area, Europe (NAMAE), Department of the Air Force, Burtonwood, England; to the Committee on Government Operations.

752. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1959, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

753. A letter from the Acting Postmaster General, transmitting a draft of proposed legislation entitled "A bill to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000"; to the Committee on the Judiciary.

754. A letter from the Acting Postmaster General, transmitting a draft of proposed legislation entitled "A bill to require information concerning the average of the number of copies of each issue sold or distributed to paid subscribers to be included in sworn statements relating to all publications, and for other purposes"; to the Committee on Post Office and Civil Service.

755. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for the registration of crew leaders in interstate agricultural employment, and for other purposes"; to the Committee on Education and Labor.

756. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Foreign Agricultural Service, Department of Agriculture, covering selected activities of the agency to June 30, 1958; to the Committee on Government Operations.

757. A letter from the Chairman, Civil Aeronautics Board, relative to items 5, 6, 7, 8, and 9, relating to the Civil Aeronautics Board's legislative program; to the Committee on Interstate and Foreign Commerce.

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. FORRESTER: Committee on the Judiciary. H.R. 4345. A bill to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court; without amendment (Rept. No. 239). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4340. A bill to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. 71, 62) to simplify the filling of referee vacancies; without amendment (Rept. No. 240). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4692. A bill to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031), to provide for automatic adjudication and reference in certain cases; without amendment (Rept. No. 241). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4693. A bill to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds; with amendment (Rept. No. 242). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 5610. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; without amendment (Rept. No. 243). 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. BARRETT:

H.R. 5917. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivor's insurance benefits, to remove the limitation upon the outside income which an individual may earn while receiving social security benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 5918. A bill to amend section 661 of title 18 of the United States Code to provide that the punishment for larceny of livestock shall be the same as the punishment for larceny of property of a value exceeding $100; to the Committee on the Judiciary.

By Mr. BONNER:

H.R. 5919. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOSCH:

H.R. 5920. A bill to amend title II of the Social Security Act to provide that an individual who had maximum earnings for a year before 1951 shall be credited with four quarters of coverage for such year (with certain exceptions) in the same manner as is provided for years after 1950; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 5921. A bill to require jukebox operators to pay royalty fees for the use of the musical property of composers, authors, and copyright owners; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 5922. A bill to provide a tax incentive for the employment of physically handicapped workers; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 5923. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. DIXON:

H.R. 5924. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit terroristic crimes and activities, and for other purposes; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.R. 5925. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. FERNÓS-ISERN:

H.R. 5926. A bill to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

By Mr. FORRESTER:

H.R. 5927. A bill to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base; to the Committee on Armed Services.

By Mr. HARGIS:

H.R. 5928. A bill to make an appropriation for the construction of the Elk City (Table

Mound) Dam and Reservoir, Kans.; to the Committee on Appropriations.

By Mr. HOEVEN:

H.R. 5929. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 5930. A bill to provide for the registration of crew leaders in interstate agricultural employment, and for other purposes; to the Committee on Education and Labor.

By Mr. LAIRD:

H.R. 5931. A bill to amend section 612 of title 38, United States Code, to provide outpatient treatment for veterans of the Indian wars on the same basis as such treatment is furnished to veterans of the Spanish-American War; to the Committee on Veterans' Affairs.

H.R. 5932. A bill to increase and extend the special milk program for children; to the Committee on Agriculture.

By Mr. LANDRUM:

H.R. 5933. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. MEYER:

H.R. 5934. A bill to provide for the establishment of the Morrill Homestead National Monument at Strafford, Vt.; to the Committee on Interior and Insular Affairs.

By Mr. GEORGE P. MILLER:

H.R. 5935. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. MORRIS of Oklahoma:

H.R. 5936. A bill to authorize the construction, operation, and maintenance of the Canton project, Oklahoma, by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. NORBLAD:

H.R. 5937. A bill to amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program; to the Committee on Merchant Marine and Fisheries.

H.R. 5938. A bill to amend section 1(15) of the Interstate Commerce Act, so as to aid in alleviating shortages of railroad freight cars during periods of emergency or threatened emergency, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POWELL:

H.R. 5939. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H.R. 5940. A bill to extend the benefits of the Panama Canal Construction Service Annuity Act of May 29, 1944, to certain individuals; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H.R. 5941. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H.R. 5942. A bill to amend section 4 of the Sherman Act to prescribe a procedure with respect to consent judgments, decrees, or orders, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H.R. 5943. A bill to amend title 38, United States Code, to provide pension for the remarried widows of Confederate forces veterans where the remarriage of the widow has terminated; to the Committee on Veterans' Affairs.

By Mr. SPENCE:

H.R. 5944. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILLIAMS:

H.R. 5945. A bill to authorize the improvement of Natchez Harbor, Miss.; to the Committee on Public Works.

H.R. 5946. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BRAY:

H.R. 5947. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. BURLESON:

H.R. 5948. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. ELLIOTT:

H.R. 5949. A bill to amend the Fair Labor Standards Act of 1938, as amended, to insure to farmers engaged in raising livestock an exemption for the employment in agriculture of certain of their employees engaged in other duties related to livestock auction operations; to the Committee on Education and Labor.

By Mr. FALLON:

H.R. 5950. A bill to amend the Federal-Aid Highway Act of 1958, as amended, to extend for 1 additional year the 1958 estimate of cost of completing the Interstate System as a basis for apportionment of authorizations therefor; to the Committee on Public Works.

By Mr. FASCELL:

H.R. 5951. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. FISHER:

H.R. 5952. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 5953. A bill to provide for loans to small business concerns which suffer economic injury because of federally aided urban renewal programs; to the Committee on Banking and Currency.

By Mr. FOUNTAIN:

H.R. 5954. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mrs. GRIFFITHS:

H.R. 5955. 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 Mr. PILCHER:

H.R. 5956. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. ABBITT:

H.R. 5957. A bill to provide for payments to States for the benefit of local governments based upon proceeds of sales of timber located on land within military and naval reservations; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado:

H.R. 5958. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. McGOVERN:

H.R. 5959. A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.J. Res. 317. Joint resolution to change the designation of Child Health Day from May 1, to the first Monday in October of each year; to the Committee on the Judiciary.

By Mr. SAUND:

H.J. Res. 318. Joint resolution directing the Secretary of the Interior to continue certain studies on the quality of water of the Colorado River and related matters and to report thereon to the Congress; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H. Res. 221. Resolution creating a select committee to conduct an investigation and study of the causes and effects of the movement of industries out of established industrial areas; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. KING of Utah: Memorial of the Senate of the State of Utah urging the Congress and the President to remove the limitation on the number of acres of public lands which the States may acquire for State park developments; to the Committee on Interior and Insular Affairs.

Also, memorial of the House of Representatives of the State of Utah urging the Congress and the President to remove the limitation on the number of acres of public lands which the States may acquire for State park developments; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON: Memorial of Washington State House of Representatives memorializing the Congress of the United States and the President to take such action as is necessary to preserve and guard the interests of American fishermen through bilateral negotiations between Japan and the United States; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States urging that consideration be given the questions involved with relation to the proper amendments to laws governing interstate commerce affecting the broad problems of transportation to, from, and within the newly created State of Alaska; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to decline passage of legislation creating a national wilderness preservation system or a National Wilderness Preservation Council, or any other legislation which does not carry out the long-established policy of wise multiple use of the federally managed property of the people of the United States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to take such action as is necessary to preserve and guard the interests of American

fishermen through bilateral negotiations between Japan and the United States; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to make provision for the inclusion of the convertible features during the initial construction of the new atomic reactor at Hanford, Wash.; to the Joint Committee on Atomic Energy.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States expressing the thanks and aloha of the people of Hawaii to the the House of Representatives of the Congress of the United States for admitting Hawaii into the Union; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Commonwealth of Puerto Rico, memorializing the President and the Congress of the United States to consider certain changes in the Federal Relations Act in order to clarify the legal nature of the Commonwealth and to modify certain aspects of its relationship to the Federal Union; 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. BOLAND:

H.R. 5960. A bill for the relief of Andrew Main Duncan; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 5961. A bill for the relief of Sidina Walters; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H.R. 5962. A bill for the relief of Mrs. Hannah Mae Powell; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 5963. A bill for the relief of Ivy May Lee; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 5964. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); to the Committee on the Judiciary.

By Mr. SCOTT:

H.R. 5965. A bill for the relief of Mrs. Erika Elfriede Ida Ward; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H.R. 5966. A bill for the relief of Mrs. Barbara Gluck Reuger; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 5967. A bill for the relief of Kim Yang Ja; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

123. By Mr. ANFUSO: Petition of 1,000 students of St. Bernardine of Siena College, Loudonville, N.Y., expressing their support of the resolution urging the U.S. Government to establish diplomatic relations with the Vatican; to the Committee on Foreign Affairs.

124. By Mr. HORAN: Petition of 270 citizens of Okanogan County, Wash., urging the Congress to confine their expenditures to existing sources and limits of revenue and not to increase taxes; to the Committee on Ways and Means.

125. By Mr. McGINLEY: Petition of 243 citizens of Custer County, Nebr., who are dependent, partially or totally upon the service rendered by the post office at Gates, Nebr., in opposition to any plan which the Post Office Department may have to close said Gates post office; to the Committee on Post Office and Civil Service.

126. By the SPEAKER: Petition of the president and others, National Railroad Pension Forum, Inc., Chicago, Ill., petitioning consideration of their resolution with reference to being in favor of passage of H.R. 3289, and being opposed to H.R. 1012 and S. 226; to the Committee on Interstate and Foreign Commerce.

127. Also, the petition of the conservation chairman, the Garden Club of Houston, Houston, Tex., petitioning consideration of their resolution with reference to supporting proposed legislation to make Padre Island a national park; to the Committee on Interior and Insular Affairs.

128. Also, petition of county clerk of Kauai Lihue, Kauai, T.H., relative to expressing deep gratitude and appreciation for having given Hawaii statehood; to the Committee on Interior and Insular Affairs.

129. Also, petition of the president, Associated Students of the University of Hawaii, Honolulu, T.H., petitioning consideration of their resolution with reference to expressing appreciation and thanks for the passage of the Hawaii statehood bill; to the Committee on Interior and Insular Affairs.

130. Also, petition of Apolonio M. Ontimare, Burauen, Leyte, Philippines, relative to a redress of grievance relating to property destroyed during World War II; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Press Release Relating to Address by Hon. Henry S. Reuss, of Wisconsin

EXTENSION OF REMARKS

OF

HON. WILLIAM PROXMIRE

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, March 23, 1959

Mr. PROXMIRE. Mr. President, I note that on Thursday the distinguished minority leader [Mr. DIRKSEN] commented on a brief newspaper account of a speech delivered recently by my Wisconsin colleage, Representative HENRY S. REUSS.

The minority leader used this five-paragraph news article, which appears on page 4585 of the RECORD for March 19, 1959, as a basis for defending the administration against Mr. REUSS' charges of "politics as usual." The fact is that the Reuss speech covered a good deal more ground than that.

I think the minority leader ought to have the opportunity to reply to the other points made by Representative REUSS. Also, the readers of the RECORD ought to have a more complete account of the speech.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a press release issued by Mr. REUSS on March 11, 1959, covering his speech of that date.

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

"UNITED STATES MUST GIVE UP ECONOMICS AS USUAL, POLITICS AS USUAL TO SURVIVE," CONGRESSMAN REUSS DECLARES

WASHINGTON, D.C., March 11, 1959.—"If the United States is to survive and to win in the mounting struggle of international competition, we have to give up two luxuries—economics as usual, and politics as usual," Congress HENRY S. REUSS, Democrat, of Wisconsin, said Wednesday morning.

REUSS spoke to the second annual National Workshop for Religious Liberals at All Souls Church in Washington.

"It is ironic that the administration which, quite rightly, declares itself ready to stand up to danger in Berlin, is so Milquetoastish about our own economy," REUSS declared.

"In practicing economics as usual, the administration is declaring itself afraid to try to make our economy work on the full employment-full production basis that is obviously required to meet our international responsibilities.

"It submits to some 5 million unemployed, and about one-fourth of our productive capacity at a standstill, and an annual growth rate in our economy of only 2 percent, while the Soviet Union advances at a rate of 8 to 10 percent a year.

"Growth through bold economic policies, not drift, is what the United States must have, both for our own defense and to make an effective contribution to the democratic advancement of the uncommitted, underdeveloped countries of the world," REUSS declared.

REUSS noted that Secretary Dulles, Undersecretary Dillon and other administration officials "have been saying, rightly, for some time that the Development Loan Fund needs $1 billion a year for 5 years, to do a good job."

"But what happens when Ike-the-Economizer gets through preparing his flimsily, fancifully balanced budget? The Development Loan Fund comes out at $700 million for 1 year—and that's all.

"This is but one example of economics as usual that has to be discarded. Just as worshipping the golden calf was almost the end of the children of Israel, so worshipping the unrealistically balanced budget may be the end of us."

Turning to "politics as usual," REUSS asserted that "American foreign policy needs a new face—the face of the ugly engineer and the Iowa chicken expert and the Wisconsin powdered milk master in the Ugly American.

"It's not enough to have a sound diplomatic, military and economic policy, even if we did. In addition to having policies, we must stress the character and quality of our American representatives abroad," REUSS said.

"We can't afford the luxury of having ambassadorships purchased with campaign contributions.

"We can't afford the luxury of refusing to appoint the best qualified man to head our foreign aid program because he's not a card-carrying Republican. (In passing, let's note that Paul Hoffmann was chosen Marshall plan chief by President Truman because he

was the best man. The fact that he was a Republican was no disqualification.)

"We can't afford the luxury of having the State Department becoming a wastebasket for schedule C political appointees, and having these spoils-seekers turn up later Wristonized into the Foreign Service where they can hurt us forever.

"We can't afford the luxury of encouraging two-way international trade, and having a reasonably sincere reciprocal trade program, and then kick low foreign bidders in the face when a Republican senatorial candidate says his election depends on giving the contract to an American high bidder.

"If we want loyal friends and allies, we must treat them with consistent fairness, not inconsistent churlishness. If we want to win the peoples of Asia, and Africa, and South America to our side, we must send out the kind of men Abraham Lincoln would have chosen for the job—humble, friendly, knowledgeable and eager to learn—instead of arrogant men such as King George sent to keep the Colonies under English control."

A Teenager Looks at Our Foreign Aid Program

EXTENSION OF REMARKS

OF

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. IRWIN. Mr. Speaker, in virtually every edition of our newspapers there are ugly and disturbing stories about juvenile delinquency.

Yet, I have just received eloquent proof from my district not once, but twice that by and large there are far more fine, wonderful young teenage boys and girls who are serious-minded, clear-thinking, alert, good God-fearing and decent citizens.

For example, I have just received a letter from a young constituent of mine named Thomas M. Shaw of Greenwich, Conn. It was a letter on foreign aid, a subject hardly associated with the thinking of a juvenile delinquent.

Thomas is only 14 years old—yet in the intelligence of his thoughts and the forcefulness of his argument, he is quite mature.

This fine young man is very interested in government and is opposed to any cuts in foreign aid funds.

In his letter to me, Thomas wrote:

> I was surprised to find out that a large part of this foreign aid is military aid. I do not think that we should place such an emphasis on military aid.
>
> Starving children cannot eat guns and bullets, nor can farmers plow their fields to grow needed food with tanks and bombs.

I think such interest in government on the part of a 14-year-old boy is highly laudable and speaks volumes for those who feel, as I do, that the vast majority of young American boys and girls are fine, clean cut, and clear thinking.

Only a small, misguided few contribute to the juvenile delinquency harassing so many of our communities in the United States.

Then, Mr. Speaker, there is a young man from Bridgeport, Conn., named Neil Harding who is my second example of youth at its best.

Neil has just been selected as the North End Boys' Club Boy of the Year and will be honored by his Bridgeport friends at a dinner on April 9, at which I will be privileged to be one of the speakers.

This young man, 16 years old, is the choice from more than 3,000 other boys in the club. He is a third-year student at the University School in Bridgeport.

Neil has volunteered many hours of service to his club as an aid to the swimming instructor, teaching younger boys how to swim. And despite his youth, he has coached the club's swimming team, being active as a member of the basketball team, and is an officer of the club's senior council. Neil also serves as an altar boy at St. Patrick's Roman Catholic Church and is a member of its CYO group.

I do not think, Mr. Speaker, that America can have too many boys like Thomas Shaw and Neil Harding.

Boys of this caliber are in the vast majority among our youth and we need have no fears of their becoming juvenile delinquents so long as they maintain an intense interest in so many activities.

I want to extend my congratulations to these fine young men, Mr. Speaker, and to all the other millions of American boys and girls like them.

Youngsters like these are a credit to their families, their schools, their churches, and certainly to their country.

Senator Karl E. Mundt Salutes 40th Anniversary of American Legion

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday March 23, 1959

Mr. BERRY. Mr. Speaker, this past week the Nation saluted the American Legion in recognition of its 40th anniversary. Among those joining in the tribute was South Dakota's senior Senator, KARL E. MUNDT.

In view of the recent recognition of this notable occasion, and particularly since South Dakota's American Legion posts have made major leadership contributions through establishment of such youth programs as Boys' State and American Junior Legion baseball, I think it is appropriate to call attention to the remarks of Senator MUNDT and a letter from the American Legion to the South Dakota Senator.

Mr. Speaker, I ask permission to include at this point in the RECORD, the brief remarks of Senator KARL MUNDT and the letter to Senator MUNDT from the Honorable Preston J. Moore, National Commander of the American Legion.

SENATOR KARL E. MUNDT SALUTES THE AMERICAN LEGION

(By Senator MUNDT)

The American Legion has always been in the forefront of community activities and patriotic endeavor. All Americans can join in saluting this great veteran's organization on its outstanding record of achievement. The American Legion, along with other veterans organizations, has made tremendous contributions to the welfare of the Nation.

The 40th anniversary is particularly significant to South Dakota, because our State has been a national leader in American Legion affairs. Through able, imaginative, and dedicated leadership of South Dakota Legion members, the Boys' State program was developed. Junior American Legion baseball was also a South Dakota Legion invention.

South Dakotans can take pride in their 259 Legion posts for their many activities which reflect the devotion and recognition of Legion members to those fundamental principles which have kept America free.

The American Legion deserves the highest commendation for its many efforts to help America remain alert to the dangers of communism and the subversive agents in our midst.

The Legion has continually encouraged Americans to spend that amount of money and effort necessary to keep America strong in the realization that our only hope for peace is to remain strong.

The American Legion rightfully advocates that our strength is the convincing argument to dictators and potential enemies that war against freedom and America would be both futile and fatal.

Mr. Speaker, the letter from Comdr. Preston J. Moore follows:

THE AMERICAN LEGION,
March 20, 1959.

The Honorable KARL E. MUNDT,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MUNDT: Your generous letter of congratulations to the American Legion on the occasion of its 40th anniversary is sincerely appreciated by the officers and members of our organization.

South Dakota can well be proud of its part in pioneering several of the Legion's outstanding programs of youth training that exist in our country today.

Thanks to the vision of South Dakota Legionnaires, a million boys will be playing baseball on sandlots throughout the United States under the auspices of the Legion's junior baseball program. In addition, over 18,000 high school students will be attending Boys' State throughout the Legion's departments, learning the fundamentals of American citizenship and government.

These annual events are but a part of our basic Americanism program which for four decades has attempted to instill in all Americans a genuine love of country and a true appreciation for the sacred obligations of citizenship. The realization of these ideals constitutes a living memorial to the wisdom and foresight of the Legion's founders who met in Paris just 40 years ago this week.

I enjoyed seeing you during the affair at the Army-Navy Country Club, and was proud to have the Washington Post carry the picture of you, Ce Gunn, and myself.

Sincerely yours,

PRESTON J. MOORE.

Tabulation of a Poll

EXTENSION OF REMARKS

OF

HON. WILLIAM S. MAILLIARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. MAILLIARD. Mr. Speaker, one out of every four registered voters in the

Fourth Congressional District of California was invited to respond to my annual questionnaire on some of the important problems confronting our Nation. To date over 15 percent have replied, including a considerable number of detailed comments indicating careful thought.

The following tabulation may be of interest to my colleagues:

1. The President's budget for the year beginning next July 1 calls for expenditures of $77 billion and an estimated income of $77.1 billion. Additional expenditures totaling several billions are being proposed by some Members of Congress. How would you vote on the following:

	Amount	Percent		
		Yes	No	No opinion
Aids to housing	$1,000,000,000	47	50	3
Added payments under Soil Bank	700,000,000	12	81	7
Increased payment to civil service retirement fund	600,000,000	33	62	5
Aid for school construction	480,000,000	69	29	2
Postal subsidy (above amount proposed in 1960 budget)	350,000,000	21	74	5
Payments to highway-building fund	250,000,000	51	44	5
Aid to minerals industry	160,000,000	21	73	6
Financing community facilities	150,000,000	27	68	5
Grants for airports	110,000,000	41	55	4
Aid to depressed areas	100,000,000	66	30	4

2. Of those who answered "yes" to one or more of the items listed above (88 percent), payment for the project(s) by an increase in taxes was favored by 62 percent. Adding to the national debt was recommended by 29 percent, while 9 percent expressed no opinion.

	Percent		
	Yes	No	No opinion
3. Do you favor a substantial reduction in the 27.5 percent oil and gas depletion allowance permissible under current tax laws?	45	37	18
4. Do you favor a freer flow of political leaders, students, farmers, businessmen, etc., between the United States and the Soviet Union?	68	29	3
5. Do you favor a trial test for pay TV?	34	62	4
6. Do you favor increasing the Federal gas tax from 3 to 4½ cents per gallon to maintain pay as you go in building Federal-aid highways?	62	36	2
7. Do you favor legislation providing that all quota numbers not used in any year shall be made available to immigrants in oversubscribed areas the following year?	45	52	3
8. The prices of 12 farm commodities (wheat, corn, cotton, etc.) are supported by Federal law at prescribed minimum levels. In general, do you approve of the support program?	20	78	2
9. Would you favor a national fair trade law permitting establishment of a minimum price on trademarked or brand-named merchandise?	26	71	3
10. Do you favor Federal legislation raising the minimum wage from the current $1 an hour?	60	37	3

Easter Letter From Representative James C. Wright, Jr.

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, March 23, 1959

Mr. JOHNSON of Texas. Mr. President, one of the ablest Members of the Texas delegation in Congress is Representative JIM WRIGHT, of Fort Worth. Representative WRIGHT is making a fine record, not only by the farsighted, responsible way in which he is serving his district, but also through the outstanding newsletters which he sends each week to the people he represents. His most recent letter is such a beautiful and inspiring Easter message that I ask unanimous consent to have it printed in the RECORD.

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

THE WRIGHT SLANT ON WASHINGTON

EASTER WEEK, 1959

(A report from JIM)

Congress hurries to complete its work for a brief Easter adjournment. Like the long stream of generations before us, we seek throughout the land to review again the events of those 7 days which changed the world and split history into two clearly definable parts. It seems almost a sacrilege to write of other things.

Never before nor since has there been a week so fraught with meaning, so supercharged with drama, so interladen with pathos, and yet so tremendous in triumph as that first Easter week.

The familiar story never grows stale in the telling. Like springtime, it is always new. After 2,000 years it still has the power to arrest our thoughts and even change the pattern of our lives. Yet, but for the one exception, there is nothing unusual about the people who parade through the pages of the Easter story. They were real people, ordinary people, very much like you and me. Perhaps we can even see ourselves in some of them.

There were the crowds—the glad crowds that lined the streets and filled the temple square on that Palm Sunday—and the angry crowds that jostled one another in Pilate's courtyard on Friday. With wild abandon, they cheered the Carpenter of Nazareth as he rode into the city. They threw their clothing in the street and tore the branches from the trees to wave in tribute, and 5 days later some of the same people stood in front of Pilate's palace and shouted "Crucify Him! Crucify Him!"

They were real people all right. Like the people we know. Like the people we are. The public is still said to be fickle. Yesterday's hero is today's villain and tomorrow's forgotten man. Even today, the mob spirit that flamed them into unreasoning condemnation still smoulders about us at times, needing but a sudden breeze to burn afresh and to destroy whatever lies in its path. Like the people of ancient Jerusalem, we are susceptible to mass psychology. Like them, we sometimes find it simple and convenient to find a scapegoat to condemn without comprehending. It is easier than trying to understand. Have you ever been in that crowd? I am afraid that I have, at times.

And there was Judas Iscariot, the zealot, the treasurer of the little band, he who sold the hope of the world for 30 pieces of silver. History has dealt harshly with Judas, for deliberate treachery is a trait we universally condemn. Yet think of Judas for a moment. He wanted to overthrow the Roman invaders by force of arms. At last it became obivous to him that this was not the plan. He saw the powerful forces being arrayed against the Nazarene and his followers. He felt that the movement was doomed * * * a lost cause. The chief of priests and the leaders of his people were determined to destroy it.

How crass was his betrayal and how empty his reward. Yet in all of history practical men have abandoned lost causes, have deserted sinking ships. And this still goes on today.

Pontius Pilate was the procurator, his business to administer the Roman law. He didn't understand the people in this obscure province and didn't particularly care to. He'd rather be back in Rome, but his career had led him here. Little did he realize he was judging history's most famous case, or that by a strange twist of irony it was he himself who was being tried and found wanting.

As the accusers hurled their denunciations and spat out their poison stream of invective, there came to him the clear conviction that if ever in his life he had seen an innocent person, this prisoner who stood before him now with the strange light shining in His eyes was the most innocent of all. Three times Pilate tried to release Him, once to give Him an easy way out. But finally, confronted with the threat of being reported to Ceasar, his will crumpled like a heap of ashes. He took the course of least resistance and tried to wash his hands of the matter, allowing the Christ to be crucified.

Have you ever been cast in the role of Pilate? Have you ever been convinced in your mind that a thing was not right and yet reluctantly assented to it because everyone else seemed so determined? Have you ever known the right decision but found it too hard to make—and let others make it for you? Have you ever tried to wash your hands of a difficult situation by pretending it was not your responsibility—when you knew in your heart that it was? Could there be a lingering touch of Pilate even in you and me?

Not all of the characters of Easter week, of course, were villains. There were the faithful ones. There was Joseph of Arimathea, who provided a tomb for the lifeless body of the Son of God. Speculation has identified this Joseph as a member of the Sanhedrin. A legend has grown up connecting him with the rich young ruler who had been willing to go so far but only so far.

Now, at the last, the fire that burned in him had erupted to the surface. He offered to share his family vault with Him who had no place to lay His head. Is there the spirit of Joseph of Arimathea in us today?

Or of Mary of Magdala, who had been healed of her afflictions? The New Testament refers to her maladies simply as "demons." In our age, when mental illness has become a fad and the psychiatrist's couch the altar of its faith, we find it easy to believe that she had been beset by neuroses and

nervous disorders. It matters not at all the nature of her earlier life. What matters is only that she was healed, redeemed, and grateful with a boundless love. What matters is the adoration that brought her to the tomb that Sunday morning.

What matters is the unquestioning faith, as she stood there in the softly breaking dawn, to recognize Him risen, to see the transformation taking place and to feel that transformation in her own soul, and to return at His command with a shout of triumph to tell the glad news of the resurrection. Can you see yourself in Mary Magdalene?

Or in Simon of Cyrene, who bore the cross of Christ up the long, steep pathway to the hill of Golgotha?

Crosses still there are to bear. The hill we climb to a peaceful world where men may beat their swords into plowshares and each may know in his heart the peace of God that passes understanding, is a steep hill. The crosses of selfishness, of avarice, of hatred and revenge, are heavy crosses, and He staggers under their weight. Must He bear them unassisted, or can we see ourselves in Simon of Cyrene who picked up the burden and carried it?

In each of us there dwells the same human nature which motivated them in that Easter week in old Jerusalem. If He who was perfect should come to earth today, He might be crucified again.

Yet, even so, He would live again. And with Him would live the hopes and dreams of a better world which moves, ever so imperceptibly, nearer and nearer to fruition.

Four Major Problems Face the Nation

EXTENSION OF REMARKS

OF

HON. HOMER E. CAPEHART

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 23, 1959

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a copy of my Washington newsletter which has been released today.

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

WASHINGTON REPORT

(By Senator HOMER E. CAPEHART)

In my opinion, four major problems face this Nation.

In these columns, on the floor of the U.S. Senate, in public addresses and a series of weekly radio broadcasts, it will be my purpose to analyze, discuss and present suggested solutions for each of them.

As I see these problems they are:

1. The threat of Russian communism, both military and economic.
2. The farm problem.
3. Labor problems.
4. Inflation.

These problems must be solved.

These problems, in one form or another and in varying degrees, have been with us for many, many years. Thus it would serve no purpose to attempt to place the responsibility for them on either of the major political parties. They are our problems, not partisan political problems.

Your Government, meaning the administration and those of us who represent you in the Congress, needs your help and your suggestions in arriving at solutions.

It will be my purpose to offer some concrete suggestions.

I hope you will help me, and through me the administration and the Congress, by presenting your ideas.

Certainly no one man is wise enough to have all of the answers.

I am so thoroughly convinced, however, that the future of this Nation and the free world depends upon sound solutions of these problems that I propose to seek out, with the help of others whose responsibility it is also to try to solve these problems, concrete programs aimed at their solution.

It is my duty to do so because that is what you elected me to do.

Some of my suggestions may be partly or wholly unsound. In any event I am going to speak out with my ideas and it will be the prerogative of those who read what I have to say or hear my broadcasts and telecasts to be the judges.

Someone must come up with the right answers and soon.

It is my best judgment that we just cannot go on as we have been without risking real difficulty.

I foresee the possibility of:

1. A third world war.
2. Ruinous inflation.
3. Unbearable taxes.
4. Huge governmental expenditures.
5. A bankrupt agriculture.
6. Chaos in labor-management relations resulting in great suffering on the part of our people.
7. The adoption of socialistic schemes.

Let me discuss in a little more detail the particulars involved in each of the major problems.

1. The threat of Russian communism, both military and economic, of course, involves the possibility of war.

(a) It likewise involves the possibility that Russia could force us through her cold war tactics to bankrupt ourselves with resultant socialism.

(b) Somehow, someway, the Berlin situation must be solved.

(c) So must the problem of the division between West and East Germany.

(d) So must the problem of the control of atomic weapons.

(e) Should we consider trade with Russia?

2. Our farm problem must be solved.

Look at these facts:

(a) Our agricultural program this year for every purpose will cost over $6 billion.

(b) Yet we have in storage $9 billion of surplus.

(c) It is apparent that the price support program yet has failed to accomplish the purpose for which it was intended.

(d) Farm prices today are much too low.

(e) We continue to involve farming, strictly a private enterprise, with politics.

3. The seriousness of our labor problem is generally recognized.

Look at these facts:

(a) Labor and management in many instances are not working together.

(b) Much of this difficulty is due to existing Federal laws and/or the failure of local law enforcement officers to enforce existing laws.

(c) Approximately 4 million are unemployed despite an otherwise very high level of economy.

4. Inflation is a real danger.

(a) We continue deficit spending.

(b) Governmental expenditures on all levels—local, State, and Federal—continue to increase.

(c) Taxes continue to go up and up—local, State, and Federal.

(d) The purchasing power of the dollar continues to decrease.

These are the problems I propose to attack. If you should disagree with me, as many of you will, I hope you will at least give me E for effort along with your own ideas.

The solution of these problems is the responsibility of every American, regardless of politics.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of March 21, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

MARCH 21, 1959.

H.R. 10 and 11, the Self-Employed Individuals' Retirement Act of 1959, to encourage the establishing of voluntary pension plans by self-employed individuals, passed after spirited debate. The bill permits an income-tax postponement on retirement savings. Thus the self-employed are given the retirement tax relief which employees now enjoy. Providing for one's own future is an old American concept, rooted in tradition and our forefathers' concepts of individual responsibilities and obligations. These are supported by the spiritual beliefs, out of which grew our Declaration of Independence and Constitution. This bill makes an interesting comparison to the relatively new concept of Federal social security, with the individual's increasing dependence on Government. A debate sprang up between those who felt the revenue loss to the Government of approximately $350 million was untimely and those who felt the inequity between employed and self-employed should be corrected. The latter view I shared, outweighing the former.

The temporary unemployment compensation (TUC) bill was passed terminating the Federal part of the program, except for the tapering off which permits those whose claims are recognized by the end of April to receive compensation. Since few emergency Federal activities are ever terminated, this action is surprising and refreshing. Only 17 States participated in the program. Texas was among those States decrying the need for Federal participation, maintaining this is a State function, to which view I subscribe.

The Federal airport bill amendment to continue Federal grants brought on the year's first knock-down political fight. By the time of final passage with debate and amendments completed, possibly a voting pattern for the year emerged. The debate centered about three aspects: (1) Would the amount of Federal money be $297 million or $200 million for 4 years; (2) would the formula for payout be 75–25 or 50–50, the 25 and 50 figures being the percentage amount of the total solely at the discretion of the FAA (Federal Aviation Agency) Administrator to allocate; (3) would the Congress insist on regular appropriation procedures or permit direct expenditures out of the Treasury. The first two were combined (becoming $200 million at the 75–25 ratio), making for a clear-cut choice of economy versus spending, since some Democrats disapproving the Republican 50–50 could now have both economy and the formula they preferred. So it was that 57 Democrats joined 137 Republicans for economy while 209 Democrats and 5 Republicans voted for bigger spending. The liberals or big spenders won. (Nine Texans, including myself,

voted for economy.) Secondly, on the vote for closing the door to the Treasury and returning to constitutional appropriation, 53 Democrats joined 138 Republicans for it, and 212 Democrats and 4 Republicans teamed up to defeat this one, too. Five Texans, including myself, voted for the amendment. The Democrat leadership worked hard on the floor to line up the votes, and succeeded. Since these amendments failed, I voted against the bill. The bill passed by a vote of 272 to 134. Seven Texans (out of 22) opposed the bill. The record is now clear as to who is for bigger spending and constitutional appropriation. The coalition of Democrats and Republicans at full strength no longer outnumbers the liberals or big spenders. Only a veto can save the day—there aren't yet enough votes to override the veto. This will be a rough year. This test demonstrates that the Democrat leadership is not worried about balanced budget, inflation, or preserving the value of our money.

The Joint Economic Committee Report on the President's 1959 Economic Statement establishes the battlelines between Republicans and Democrats as to economic philosophy and the role of Federal Government. No shred of conservatism remains on the Democrat side. A study of this report's majority and minority views should be mandatory reading for members of both parties in Texas.

An amendment to the agriculture bill was my legislative contribution this week. This bill would permit a farmer to grow wheat on his own land for his own use without Federal control or fine. This supports Judge T. Whitfield Davidson's decision concerning Evetts Haley, Jr.'s, right to grow wheat, a decision the Supreme Court summarily reversed. I join Judge Davidson and Evetts Haley in branding unconstitutional the Supreme Court decision. The attacks on the rights of property ownership have become all too similar to the aims of the Socialist and Communist doctrines.

Urban renewal repeats the attacks on property ownership in various ways. First, your property can be seized through eminent domain, the result of a redevelopment board's judgment of spiritual or esthetic values in community planning. Secondly, Government public housing, the antithesis of home ownership, goes along hand-in-glove with urban renewal. I presented a thorough study of urban renewal in the House this week. (Tuesday, Mar. 17, pp. 4363–4378, CONGRESSIONAL RECORD.) I forewarned Members of the heavy expenditures for urban renewal and public housing in housing bills now pending. Forecast: Bigger spending and inflation unless people demand economy of Senators and Representatives.

Bill To Correct Discrimination in Civil Service Regulations

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. PELLY. Mr. Speaker, yesterday my colleague from the State of Washington [Mr. TOLLEFSON] and I introduced companion legislation designed to correct what we feel is a weakness in the Civil Service Act which permits an agency to force the resignation of a Federal employee very possibly on personal or punitive grounds.

These bills, H.R. 6071 and H.R. 6062, were initiated by reason of the recent decision of the Civil Service Appeals Board denying the petition of one Joe King.

Very briefly, Mr. King appealed the right of his agency to force his resignation by eliminating his job in the Puget Sound Naval Shipyard and refusing him the opportunity of accepting similar employment in the same agency without competitive examination. Therefore, his only alternative was to accept a job at one grade lower by bumping a nonveteran civil service employee with some 20 years seniority. This, Mr. King, as a matter of principle, refused to do.

The King case received national publicity. Joseph Young, writing in the Washington (D.C.) Evening Star, devoted his entire column to a critical report of the Board's action the day the decision was handed down. However, while both Congressman TOLLEFSON and I feel that Joe King has been discriminated against by reason of a loophole in the civil service regulations, the primary purpose of our legislation is to change these regulations by legislative action to prevent any similar injustice in the future.

Aside from his personal popularity with his associates and subordinates in his own agency, one of the principal reasons Mr. King's case received national attention lies in the fact that thousands of Federal employees are visualizing themselves in the same situation, and with the precedent now established by the denial of his appeal every Federal employee in a similar situation is subject to the same discriminatory treatment.

Therefore, Mr. Speaker, in behalf of my colleague and myself, I urge immediate action on the part of the Post Office and Civil Service Committee on this urgent legislation to provide justice and to bolster employee morale.

TVA Yardstick Works Again in Measuring Costs

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. EVINS. Mr. Speaker, in connection with the recent interest in the award of a contract for turbo-generators to A. C. Parson, Ltd., I include in the CONGRESSIONAL RECORD my recent newsletter which comments on this award and its significance, and also an editorial comment by the Reporter magazine in its current issue on this award. My newsletter and the article follow:

TVA YARDSTICK WORKS AGAIN IN MEASURING COSTS

(Capitol comments by JOE L. EVINS, Member of Congress, Fourth District, Tennessee)

The TVA has served the public interest of the entire Nation in many ways since it was established 25 years ago. One of the greatest of these has been the yardstick measure of cost of producing electric power and also the cost of producing fertilizers with resulting savings to farmers, power consumers and others.

Recently we have seen another example of TVA's use of a yardstick measuring of costs. There are only three companies in the United States who manufacture large turbogenerators for powerplants; these companies are the giant General Electric Co., Westinghouse, and Allis Chalmers. During recent years these three companies have built not only all of the generators that TVA has purchased, but also all the big generators for the private utilities and for other Federal power projects. Almost one-third of all the funds the TVA has spent have gone to States in which these three companies are located, largely to pay for these turbogenerators. For example, $350 million has gone to New York, the home of the General Electric Co.; $190 million has gone to Pennsylvania, the home of Westinghouse, and some $64 million to Wisconsin, the home State of the Allis Chalmers Co.

The bids of these three companies have always been remarkably close—usually the spread between the lowest and the highest has been less than 1 percent—so close as to raise a suspicion in some instances of bid rigging. Over the last 8 years these firms have boosted their prices for these big generators by more than 50 percent although the average wholesale price for all commodities has increased by only about 5 percent.

In view of these facts, and especially the increasing costs, when the TVA last year was ordering one of the largest turbogenerators ever built in the world, the TVA decided to invite bids also from qualified foreign suppliers.

Under the terms of the Buy American Act, purchases may be made from competing foreign firms if the domestic prices are unreasonably high. Purchases are required to be made from domestic sources if the domestic price is no more than 6 percent higher than a foreign price, or 12 percent higher if the domestic bidder is in an area of substantial unemployment. Leaning over backward, the TVA said in its invitation for bids that it would accept an American bid if it was no more than 20 percent higher.

TVA received three bids: One from General Electric, one from Westinghouse, and one from A. C. Parsons, Ltd., the largest British manufacturer of turbogenerators. The bid of the Parsons Co. was the only legally acceptable bid because it was the lowest and the only bid responsive to the specifications in the invitation. The TVA has had much trouble with late delivery of turbogenerators in the past. As a result of late deliveries, the TVA has had to buy power from private companies at high prices. Therefore, the invitation for bids called for payment of damages in the event of delays in delivery. Only the Parsons Co. bid included this guaranteed prompt delivery. In addition, the American bids were some $6 million or 50 percent higher than the Parsons bid. American wages are higher than British—about 40 percent higher in this industry. But this difference in wage scale accounts for only about $1½ million in increased labor costs, and this difference the British firm has to make up by paying an import duty of the same amount.

One of the greatest problems in our economy, which in many instances is dominated by giant corporations, is that these giants no longer compete with each other in the old-fashioned free enterprise way. There exists a need for some device to measure their costs. In addition to all the other services TVA performs, this great agency is also providing a yardstick of cost in many fields—power, fertilizer, electric generating equipment—and, in keeping

costs down, benefits accrue both to the taxpayer, the consumer and the entire Nation.

[From the Reporter magazine]

THE YARDSTICK THAT WORKS

The Tennessee Valley Authority, whose continued growth our President once characterized as "creeping socialism," has gotten out its yardstick again, much to the embarrassment of certain leading private enterprisers. Last month, TVA awarded a contract for a half-million-kilowatt turbogenerator to the British firm of C. A. Parsons & Co., Ltd., after having received bids from General Electric and Westinghouse. The two American companies promptly announced they were appealing to Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, to invoke the Buy American Act and revoke TVA's purchase in the interest of national security. To their workers the two companies brought the sinister news that British labor, paid only 40 percent of the comparable American wages, was depriving them of more than a million man-hours of work. Rumbles of protest began to mount of Capitol Hill.

A short time ago TVA, whose Chairman, Brig. Gen. Herbert D. Vogel, is an Eisenhower appointee, issued an explanation of its decision to buy British. For some time TVA has been disturbed by the fact that over the last 8 years American firms manufacturing large turbogenerators have boosted prices by more than 50 percent, while the average wholesale price of all commodities has increased only about 5 percent. When it sought a foreign bid, TVA had announced that it would accept the lowest bid from a U.S. manufacturer if it did not exceed the lowest foreign bid by more than 20 percent. (The Executive order issued under the Buy American Act ordinarily requires only a 6-percent preference.)

But when the General Electric and Westinghouse bids, which fell within 0.4 percent of each other, were analyzed, it turned out that they were nearly 50 percent higher than the Parsons bid. The Parsons bid was the only one of the three not containing an escalator clause to provide for future price increases; it also was the only one to accept TVA's requirement of a penalty clause in the event of tardy delivery. By accepting the British bid, TVA stood to save over $6 million.

The TVA yardstick revealed still other interesting comparisons. Taking the General Electric and Westinghouse estimate for the wage differential and multiplying this by the number of man-hours involved in the project, the TVA analyst discovered that the British firm's saving in labor cost, in comparison with American wages, amounts to $1.5 million, which, incidentally, is the amount it will pay in U.S. import duty. There still remains a discrepancy of $4 to $5 million between American and British bids, once the labor-cost factor is eliminated. As the International Union of Electrical, Radio, and Machine Workers pointed out: "This means that if General Electric and Westinghouse had gotten their labor completely free, they would have had difficulty in competing."

This raises some interesting questions. Despite cutbacks in older plants in Schenectady and East Pittsburgh which have caused unrest among the workers, the capacity of the hydraulic-turbine industry in this country increased by 50 percent from 1950 to 1957. Sales of electrical equipment abroad have been running about 10 times our imports. Last year's third-quarter profits for General Electric were the highest for any third-quarter in its history; Westinghouse's third-quarter earnings were its second best. Neither company appears in imminent danger of collapse because of British competition.

The real problem for our private-enterprise economy is how to devise suitable yardsticks by which the performance of our industrial leviathans can be measured. In addition to all the other services it performs, TVA, which is one of the electrical industry's biggest customers, proves its usefulness in this respect, too.

Unless, of course, we decide that a nation's security is endangered whenever it buys generators from foreign firms. If this is true, General Electric, Westinghouse, and all the big exporting companies should try to sell as much as they can to China.

A Party of Principle

EXTENSION OF REMARKS

OF

HON. JOHN H. RAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. RAY. Mr. Speaker, I am glad to place in the RECORD the thoughtful and constructive address "A Party of Principle" which was delivered last Friday evening by the Honorable JOHN W. BYRNES of Wisconsin to a meeting of Republicans in the 15th District, N.Y., which I have the honor to represent.

A PARTY OF PRINCIPLE

As Republicans, we have been going through a period of critical self-examination. The crushing defeat we suffered in the national and State elections last fall requires a searching look at our party. The main emphasis of our studies and discussion has been on making our party a more effective political mechanism, on the organization we must create to win elections. Certainly there is much that must be done in this area.

I do not want my remarks tonight to be misconstrued as quarreling with that objective. As a partisan Republican, and an officeholder, I want our party to win elections, too, and I have been tremendously encouraged by the earnest enthusiasm which has gone into reorganization efforts since November.

My principal point tonight, however, is that the major concern of the Republican Party cannot be just to win the next election. Our principal job is, and must be, the preservation of our Nation and its institutions.

It is to that job we must dedicate our principal effort. For, if we fail in it, there will not be much need to worry about elections. And, if we succeed—by awakening the American people to a recognition of their peril—victory at the polls will follow.

We must bring to our task more than just an urge to take power. A political party enters this fray ill-equipped unless it is armed with basic principles—unchanging beliefs so precious they cannot be sacrificed for any political victory. Without such principles, a political party is nothing more than a gathering of office seekers and their friends. Without principles, a political party, in the words of our President, is only a conspiracy to gain power.

We must face up to the fact that a party without principles has captured control of the most important branch of our Government—the Congress. The Democrat Party today is a party, not of principle, but of expediency. Its method of gaining power is to divide the people into groups, to appeal to their special interest, promising special largess from their Government.

Such a party can have no principles, except to assert, in order to make good its promises, that the answer to any problem, real or fancied, is massive governmental action or massive Federal spending. Without principles to guide it, the Democrat Party cannot concern itself with preserving this Nation and its heritage. It is guided only by the day-to-day demands of its own lust for power.

The Republican Party, on the other hand, no matter what its other failings, is a party of deep-seated principles and it must remain so. It is true that any party representing a broad cross section of the American people will encounter differences of opinion as to details and method. That is true of our party. In fact, I suggest that we Republicans have permitted these differences to become so magnified in our own minds and the public mind that the principles which unite us have been forgotten or ignored. As a result there has been all too much talk about hyphenated Republicans—liberal-Republicans, conservative-Republicans, modern-Republicans. It is time—if we are to face the challenges that confront us—that we start thinking, talking, and acting as Republicans—period.

Let us heed the words of Lincoln when he said: "I'm afraid of the result upon organized action where great results are in view—if any of us allow ourselves to seek out minor or separate points in which there may be differences of views as to policy and right, and let them keep us from uniting in action upon a great principle in a cause on which we all agree."

Let us remember that our strength can stem only from the basic principles which unite us.

These principles are so deep and instinctive that we have unfortunately too often felt it either unnecessary or too difficult to put them into words. But they must be put into words; they must be enunciated over and over again. Our beliefs and principles must be articulated so clearly and forcefully that there can be no doubt as to where we Republicans stand and why.

Let me presume here tonight to make a modest beginning at putting into words what we so deeply and firmly feel.

We believe, we Republicans, that no generation can live solely for itself but rather that it has the heaviest of obligations to preserve the Nation and its institutions, strengthened and improved, for those who follow. We know that our heritage was won only by the sacrifice of those who preceded us. We have the high moral duty to sacrifice, if need be, to preserve and protect it.

We know, as we face the problems inherent in preserving our society, that the right way is not always the easy way, but that we have no choice except to take the hard way if it is, in truth, the right way. We recognize that we will find ourselves frequently bucking the popular tide, for we know, just as surely as the Democrats, that there is little political appeal in self-denial. If we accept the responsibility of leadership, however, and that is one of the functions of a political party, we must serve as stern guardians of the national common sense.

We accept, as part of the responsibility of leadership, the duty of making clear to the people that the easy way, if it is wrong, leads only to the misery of retraced steps or the finality of disaster. Championing what we believe to be right may at times lose us political battles; but we are supremely confident it is the only way to a clear conscience and ultimate victory.

We believe in a government of laws which have as a principal aim the prevention of the seizure of dominant power by any man, or group of men.

We believe that the political and economic strength of a nation depend upon the genius of its people and that genius cannot flourish wrapped round with the chains of an all-powerful state or an all-powerful minority.

We believe that liberty is man's most precious possession and that it includes the freedom to have an incentive to produce. This has led to our faith in the soundness of an economic system based upon man's universal urge to better his lot. We believe that success, if it is to be the incentive for all, cannot be mocked and scorned and discouraged in an appeal to the envy of others.

We believe in a limited government as the best means of preserving individual freedom and initiative, but this does not blind us to the legitimate needs of our citizens or the challenges which confront our Nation.

We insist, however, that the needs the Federal Government is called upon to meet be real needs which cannot be met by individual initiative or by the unit of government closest to the people, and particularly, that they are not needs manufactured by those looking for special advantage or power.

We believe that the challenges to our Nation's survival can best be met, not through ill-considered actions based on fear or emotion, but by a nation which itself is guided by basic principles, proceeding confidently because it is physically strong, morally right, and carefully prepared.

It is because of these beliefs, these principles, that the Republican Party is called upon by its own conscience to move vigorously to the task of preserving our Nation against the present-day threats to its survival.

In my book there are today three great threats facing us as a people and as a nation.

The threat of communism.

The threat of inflation.

The threat of the new monopolies.

Each must be met head on. Each must be fought relentlessly if what we call the American way of life is to survive.

The first threat is the most dramatic and the most apparent. It stems from the rapid rise of Soviet military and economic power. We have seen the Soviet Union ruthlessly trample on the rights of its people and other nations in its drive to rule the world. By concentrating on the means to produce military power, it has rapidly industrialized its economy and achieved far-reaching scientific advances, a combination which has made it a real threat to world security. We may deplore their methods, but we ignore, at our own peril, the presence of vast military and economic power in the hands of a small group of men imbued with a fanatic belief in the inevitability of communism's world conquest.

The reaction of the Democrats to the more dramatic evidences of Russian military power has been characteristic. Conditioned from habit, their immediate response has been that we outspend the Russians and achieve victory through sheer weight of the American dollar. Democrat spending bills followed quickly in the orbit of the first Russian satellite and every new announcement from the Kremlin quickens their flow.

It would indeed be wonderful if all we had to do to preserve our Nation against the Rusian military threat was to turn on a spending spigot. It is not that easy, and the political party which tells the American people that it is, is gambling recklessly with the future of our Nation. If, as a nation, we rely solely on scattering our national wealth to the winds in order to quiet every fear, we can lose this fight before we start.

We cannot meet the Russian military challenge by siphoning off and diluting our available resources, both of brains and materials. Yet, the numerous critics of our defense policies insist, when you put all their charges together, that we engage in just such a scatterbrained effort. The net effect of following the advice of a Symington who wants more money for one missile, a Johnson who wants more money for shooting at the moon, an Anderson who wants more money for one kind of airplane, a Vinson who wants more money for one branch of service, and a Jackson who wants more money for submarines, would be weakness through dissipation of our strength. It would be a defense based not on the best estimates of our National Security Council, the entire intelligence resources of the Nation, and the expert advice of our Joint Chiefs of Staff and our President, but on the worst fears of our most frightened politicians.

What it will take to beat the Russians at this gruesome game is a government and people ready, of course, to sacrifice whatever is needed for our overall superiority, but determined at the same time to proceed only on the basis of sound estimates, rational thinking, and carefully conceived plans which look not just to today but also to tomorrow. This is the hard road, and only a party of principle has the courage to stand up to the fearmongers and tell the American people it is the road we should follow.

It is clear, too, that only a party of principle can furnish the kind of leadership which stands fast against those Democrats who would sacrifice our world position in the face of the potent power of the Soviet Union. When it is all boiled down, the constant carping over the inflexibility of Mr. Dulles, the demands for a new approach to the Soviet Union, and the laments for the lack of viability in our foreign policy are nothing more than a frightened unwillingness to face up to the fact that you can't appease the Russian without losing your shirt in the process. We are confident the American people won't soon again be led down the so-called easy road of appeasement.

The second threat to our security as a nation is the insidious menace of inflation. Our response to inflation is not only significant in its own right but it cannot be divorced from the challenge of the Soviet Union.

No greater test of the principles of the Republican Party can be provided than in the fight against inflation. It cannot be successfully undertaken unless we are willing, as a nation, to think more of the future than of ourselves and to take the hard but right way so that our Nation and its institutions can be preserved.

As we move positively against the threat of inflation, we Republicans are accused of being preoccupied with balanced budgets, of being negative when we oppose unessential spending programs, and of having a narrow bookkeeping attitude toward the problems of our Nation.

I say to you: There can be no more positive programs, for our party or any party, than to try to save this Nation from the disaster which will take place if inflation, through habitual spending beyond our income, becomes the national way of life.

As we oppose programs which individually have vote appeal but which taken together lead swiftly and surely to national bankruptcy, we lay ourselves open, of course, to the demagog's cry. But what we seek is more important than any single spending program. Unless we can maintain the stability of our currency, we will not have the strength to support any governmental program, no matter how desirable—be it for defense, for scientific advance, or for human welfare. Bound up in the fight for a balanced budget is the question of whether our economy will have the strength and stability to maintain us in the battle for survival.

Let it be remembered that we have been living beyond our income in 23 of the last 28 years. The credit of the U.S. Government is at the breaking point.

It is not just the national budget that is involved in the Democrat spending programs. The personal budget of each and every individual and family is involved. An unbalanced national budget means unbalanced family budgets; it means loss of credit, of earnings and savings, insurance, pensions and annuities. When unbalanced national budgets and inflation become our national way of life, they all go down the drain together.

There is also a moral issue.

The time has come to end the completely immoral practice of passing on to our children the debts we incur for our own immediate benefit. We could at least have respect for the morality of the spenders if they would suggest that this generation pay, through higher taxes, for the cost of the programs they so glibly propose. They lack the courage for that, and in many cases, like the junior Senator from my State, they not only beguile the people with vast spending programs but promise simultaneous tax reductions. Let us call a spade a spade. Mortgaging our children's future is basically immoral.

There is the question of equity.

The first obligation of government is to treat its citizens equally. There is no equity when a government spends to provide special benefits for some of its citizens, because they are politically powerful, at the expense of all other citizens. But, the inequity is tragically multiplied when a government must borrow and inflate its currency to do so. For inflation does not strike all citizens an even blow; it hits hardest at the weak, the unorganized, at those who lack the means to protect themselves from its subtle and devastating robbery, the widow living on insurance, the aged living on pensions. No government which pretends to serve all the people can retain their confidence if it promotes wholesale inequity by choosing the easy road of unbalanced budgets.

There is the issue of survival.

I have spoken of the military challenge of Soviet Russia and the kind of response we must make to it. Will we have the sheer physical strength for that challenge—no matter how many missiles are on the launching pads—if our underlying base of a sound fiscal structure and a strong economy are rotted away by inflation?

The answer, of course, is no, but the Soviet challenge is more than military: it is a total challenge on the military, political, economic, and moral fronts. Can the United States meet that total threat with its currency debased, its credit gone, its economy in turmoil, its citizens divided and its morality compromised, if we adopt inflation as a way of life? Of course not.

Politically, can we hold ourselves up to the nations of the world as a shining alternative to communism if we are unable to keep our own house in order, if we display a fatal political weakness in our form of government by casting aside principle for the fatal charms of expediency? How can we be an example to the world if we cannot in times such as these even meet our current needs out of current income?

Can we meet the Communist economic offensive if through inflation we price our goods out of the world market and if the American dollar becomes a currency to be shunned rather than desired?

And morally, where does this Nation stand as opposed to immoral communism if it succumbs to the immorality of inflation?

Let no man tell you that those who fight against the unbalanced budgets which cause inflation are preoccupied with the mechanics of bookkeeping. We are preoccupied, but our preoccupation consists of the most urgent and positive program this Nation can undertake—the prevention of a national disaster. It is our job as Republicans, as a party of principle, to awaken the Nation to this clear and present danger.

The President has presented the Nation with a balanced plan for security and public welfare. He has presented a plan balanced as to income and expenditures. It is a truly Republican program. It is our job as Republicans to exert every effort to make this plan a reality.

I mentioned earlier that one of the basic principles of the Republican Party is the belief in a government of laws which have

as a principal aim the prevention of the seizure of dominant power by any man or group of men. Because of this principle, the Republican Party is called upon to meet the threat of the new monopolies, powerful labor organizations under the domination of a handful of men.

Under Republican leadership, this Nation met the challenge of the seizure of dominant power by a few industrialists and financiers a generation ago. It curbed the power of the trusts when in the public interest it enacted antimonopoly legislation under Republican leadership.

Today similar power rests in the hands of men who dictate the policies of our national labor unions. It consists of vast economic power, the power to cripple an industry or a nation. It is economic power which has reached out so successfully for political power that it has taken over, for all practical purposes, the Democratic Party and now controls the Congress of the United States. It is a combination of economic and political power which threatens the national interest because it is a power which places its own interest above the interest of all citizens.

Curbing the power of the new monopolies will be infinitely more difficult than dealing with the old industrial and financial monopolies, for the new monopolists have wrapped themselves in the cloak of the so-called common man. They have been careful to inculcate the doctrine that their monopoly interest is identical with the interest, only only of union members, but all working men and women. No attempt can be made to curb the power of the new monopolies without incurring their charge that it is a move against the public interest.

But the public—the consuming public—does not benefit from the exercise of naked monopolistic power to raise wages, and hence prices, beyond the level justified by increased productivity—nor from the extortions of a Hoffa made possible by the power his monopoly gives him.

The public—the union worker public—does not benefit when its dues are stolen, or frittered away, or spent for propaganda or political activity against its wishes.

The public—the taxpaying public—does not benefit when the political power of the new monopolies is used to extract special benefits from a pliant Congress or legislature.

The public—the small-business public—does not benefit when its choice, confronted with the overwhelming power of a giant union, is to accede to its demands or go out of business.

The public—the farm public—does not benefit when the new monopolies drive up farm costs far beyond the ability to increase farm prices.

Nor can the public—all of us as free citizens—benefit when dominant political and economic power rests in the hands of a few men, no matter how much they claim to have our best interests at heart.

Let there be no mistake about it. The evils which have arisen because of the emergence of the new monopolies are the result of the power they hold in their hands. We cannot eliminate the evils until we restore the balance of power and to do so, we must curb the powers of the new monopolies even as we protect the very legitimate rights of working men to organize for their own protection and own welfare.

As a party of principle, we cannot dodge this issue. The Democrats must avoid it at the peril of their extinction as a political force. They are incapable of going beyond what the new monopolies will permit, and this consists only of wiping the smudges off from the faces of those union leaders who have gotten dirtiest in their greed for power. It's up to us to take the lead in a sustained effort to curb this threat to the stability of our Nation. It will in the end earn us the gratitude of the vast majority of the American people who, even now, sense the danger involved in letting unbridled monopoly power run loose in our land.

In these great tasks, then, in meeting the Communist threat, in fighting inflation, in curbing the new monopolies, we Republicans have a job to do. At stake is the future of our Nation and the security and happiness of our people.

There is only one way we can go about this task and that is to devote our every resource to it. We cannot succeed, in the face of an overwhelming Democrat majority in the Congress, unless we arouse the American people to the dangers which confront them and unless we imbue them with a belief in the principles we uphold. We must, through them, make it politically impossible, for any party or group, to lead this Nation down the easy road to its downfall.

We need to make our party an effective political organization. We need to enlist in our ranks the millions who believe, as we do, in the principles we uphold. We need the devotion, discipline and dollars without which a party cannot function. We need to tell our story, clearly, unhesitatingly, forcefully so there is no man in this land who does not know our party's principles, program and goals. We need, in short, to get down to work.

And, as we set upon this noble task of saving a nation, should the path look dim, the goal remote and the obstacles insurmountable, we can do no better than take courage from the faith that: "Right makes might, and in that faith let us to the end dare to do our duty as we understand it."

Questionnaire Results From Michigan's Sixth District

EXTENSION OF REMARKS

OF

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. CHAMBERLAIN. Mr. Speaker, few of us have been so endowed with wisdom that we cannot profit by sound advice honestly given. For that reason, it is my practice to send each year, to as many homes as I can reach in my district, a questionnaire offering the people I represent an opportunity to give their opinions on some of the most important issues facing us here in Congress.

Under leave to extend my remarks, I want to share my findings with my colleagues by including in the RECORD the results of my poll. They will, I think, find much of interest and some of surprise in this consensus of a district which is evenly divided politically; which is industrial and yet maintains a considerable agriculture; which includes more UAW–CIO workers than any other congressional district in the country; and in which unemployment is at a critical level because of the slump in some parts of the automobile industry.

To me, some of the more interesting aspects of the results are the insistence upon a balanced budget, the unpopularity of present farm support levels—shared, incidentally, by farmers and nonfarmers alike—the nearly unanimous support of a firm stand on Berlin, the overwhelming demand for effective labor reform legislation, the general satisfaction with our missile and space efforts, the heavy backing for continuation of mutual security. I would also call the House's attention to the heavy preponderance in favor of repealing the 10-percent automobile excise tax which I am again sponsoring, and I suggest that any of my colleagues would find much the same result in his own district if any considerable number of his constituents own and drive automobiles, and I do not know of any horse-and-buggy districts.

I was deeply impressed by the flood of responses to this questionnaire in which more than half of the participants added their carefully considered additional comments on these and other issues. These polls, I am convinced, serve the double purpose of not only giving me the benefit of others' opinions, but in stimulating public interest in participating in our governmental processes.

The results of the tabulation are as follows:

Questions	Percent		
	Yes	No	Not certain
From information available are you satisfied with our missile and space efforts?	54	21	25
Do you agree with the President's "pay as you go" emphasis on having a balanced budget?	84	8	8
Do you approve of our firm stand with respect to Berlin?	91	3	6
Considering world tensions should we continue our mutual security military and economic aid to friendly nations?	66	12	22
Do you favor the general idea of broadening social security benefits to include medical services, to be financed by increased contributions by individuals and employers?	36	52	12
Do you favor statehood for Hawaii?	80	8	12
To provide necessary funds for Federal highways it is suggested that Federal gasoline tax be increased from 3 cents to 4½ cents per gallon. Do you favor this increase?	33	57	10
Do you favor repeal of the 10 percent automobile excise tax?	62	26	12
Has the Federal Government given sufficient attention to the problems of the small businessman?	18	48	34
Do you believe our civil defense effort is adequate?	32	36	32
Should labor reform legislation cover the problems of secondary boycotts and blackmail picketing?	82	7	11
With respect to education, should the Federal Government:			
Consider it a local and state problem?	64	24	12
Aid school construction?	42	42	16
Help pay teachers' salaries?	20	63	17
Last session, Congress approved flood control projects in both Lansing and Flint, but provided no funds. Considering budget problems, should we ask funds for:			
Flint River (cost $2½ million)?	26	46	28
Grand River (cost $13 million)?	21	45	34
Regarding farm price supports, should they be:			
Percent			
Increased 4			
Decreased 62			
Left unchanged 16			
No comment 18			

Results of 22d Congressional District of Ohio Opinion Poll

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mrs. BOLTON. Mr. Speaker, the results of my third annual opinion poll, which was recently sent to every household in the 22d Congressional District of Ohio, have just been tabulated. Replies to this questionnaire were received from 17,000 families which comprise a well-balanced cross section of the various economic, racial, political and religious groupings of the 22d Congressional District of Ohio. Since this district represents a sizable portion of the Greater Cleveland area, I believe the results of this poll will be of interest to the Congress in revealing public opinion on certain issues in one of our large metropolitan areas.

The fine response received from my constituents is deeply appreciated. The many detailed explanations and helpful suggestions received are very reassuring, and indicate the serious thought being given by my constituents to some of the vital domestic and foreign issues of our Government. The results of this poll follow:

	Percent		
	Yes	No	No opinion
1. Do you favor a relaxation of the trade barriers imposed by the United States against Soviet Union?	25.5	63.5	11.0
2. Would you favor diplomatic recognition by the United States of Communist China?	22.8	68.1	9.1
3. Do you favor continuation of our mutual security (foreign aid) program at approximately the same cost as the past several years?	43.0	45.7	11.3
4. Do you favor gifts of surplus farm commodities to underdeveloped countries?	76.9	17.4	5.7
5. Would you favor price, wage, and rent controls if our economy is faced with a period of accelerated inflation?	70.3	24.5	5.2
6. Do you favor Federal programs, such as the proposed community services legislation to provide long-term, low-interest-rate, Federal loans for local public works projects?	59.0	29.4	11.3
7. Do you favor legislation to provide lower downpayments, and smaller monthly payments through larger and longer mortgages on FHA insured homes?	59.3	31.7	9.0
8. Would you favor larger Federal participation in local slum clearance and urban renewal projects?	51.6	41.0	7.4
9. Do you favor Federal aid to needy States for school construction?	61.4	33.2	5.4
10. Do you favor Federal aid to needy States for increased teacher pay?	49.4	43.4	7.2
11. Do you believe Federal aid to education will result in Federal control of education?	41.0	46.9	12.1
12. Do you favor continued Federal aid to local airports?	30.7	55.1	14.2
13. At present a person drawing social security benefits is prohibited from earning in excess of $1,200 yearly. Do you believe this limitation should be removed?	72.9	22.9	4.2
14. Do you favor a Federal program to provide hospital and surgical care for social security beneficiaries by increasing the wage base for social security taxes to $6,000?	48.5	38.9	12.6
15. Would you favor extension of coverage, and an increase in the $1 per hour minimum wage law?	62.3	27.1	10.6
16. Would you favor legislation during the present session of the Congress to grant statehood to Hawaii?	82.9	7.5	9.6

Our Mammoth Foreign-Aid Program

EXTENSION OF REMARKS

OF

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following information concerning our foreign-aid program:

MARCH 23, 1959.

MY DEAR COLLEAGUES: As chairman of the Foreign Operations Subcommittee on Appropriations, I feel that it is my duty to place in the hands of every Member of Congress as much official information as possible on our mammoth foreign-aid program.

On Tuesday, there may be an attempt to include in the supplemental appropriation bill additional funds for the development loan program for which there is no real need. The reaction of high public officials, including some 1960 presidential candidates, to the committee's action in disallowing the supplemental request would indicate that it was an act akin to another Pearl Harbor. Now, let us go to the record for facts and not be persuaded by oratory and last-minute departmental revisions intended to sway the Members.

The attached reproduced letter gives you factual information on the Development Loan Fund and the figures have been brought down to the last accounting period, February 28, 1959. Also it shows the total amount of MSA funds unexpended as of December 31, 1958.

I should like to point out the amount of foreign aid funds available in all categories on July 1, 1958, the first day of the present fiscal year. I quote verbatim from information furnished by the Office of Business Economics, U.S. Department of Commerce, and published by the Library of Congress: "Thus, the carryover funds of 9.5 billions, plus new funds of 6.1 billions, provided an estimated availability of 15.6 billions for foreign aid during fiscal year 1959."

Item 1 in the attached letter shows only MSA unexpended funds for foreign aid as of December 31, 1958. It does not include other categories such as Public Law 480 and overseas military construction, etc.

Expenditures for the foreign aid program in the postwar period through June 30, 1958, amounted to $71,551,940,000. Now, add the available as mentioned in the above paragraph for the total foreign aid funds expended and available.

Do you not agree that the foreign-aid program should be operated on the basis of need and not on the basis of bureaucratic demand or political expediency? We are the board of directors of a $75 billion annual business (the U.S. Government), representing 175 million stockholders. Should we not take into account that in this day of great prosperity, to some extent political expediency and bureaucratic demands for excessive spending prompt our action? Is it not true that during this fiscal year we will spend $13 billion more than revenues collected, or, as we would say in private business, more than the net profits?

Sincerely yours,

OTTO E. PASSMAN,
Member of Congress.

The U.S. Defense Policy—Where Do We Go From Here?

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to include the transcript of the American Forum of the Air in which Congressmen JOHN W. MCCORMACK, of Massachusetts, and LESLIE C. ARENDS, of Illinois, participated, which deals with a very vital subject, "The U.S. Defense Policy."

TRANSCRIPT OF AMERICAN FORUM OF THE AIR, WITH CONGRESSMAN JOHN W. MCCORMACK AND CONGRESSMAN LESLIE C. ARENDS, SUBJECT: THE U.S. DEFENSE POLICY—WHERE DO WE GO FROM HERE?

The ANNOUNCER. The American Forum of the Air, produced by the Westinghouse Broadcasting Co. in association with Theodore Granik.

Tonights' guests are Congressman JOHN W. MCCORMACK, Democrat, of Massachusetts, and LESLIE C. ARENDS, Republican, of Illinois, who will discuss "The U.S. Defense Policy—Where Do We Go From Here?"

Our guests tonight are two of the most experienced and respected Members of the House of Representatives.

Congressman MCCORMACK is the Democratic majority leader and has been in Congress since 1928. He serves on the Government Operations and Space Committees.

Congressman ARENDS is the Republican minority whip in the House and has been a Member of Congress for 26 years. He serves on the House Armed Services Committee.

Mr. MCCORMACK and Mr. ARENDS are here tonight to discuss one of the major arguments of the 86th Congress, "Is our defense program adequate?"

Mr. SNYDER. Gentlemen, everyone in Washington seems to have taken sides on the running argument on our defense program.

Congressman ARENDS, as a veteran Republican Congressman, how do you feel about our defense program? Is it adequate?

Mr. ARENDS. I shall base my answer on my experience on the Armed Services Committee of the House of Representatives for many years.

During the session of Congress beginning in January, our committee set up hearings as to our military posture, our present-day defense forces.

We started by having the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the various chiefs of staff of the respective services who both on and off the record gave us a very factual and informative outlay of what our military posture is at the present time.

Frankly, let me say that I was reassured as to our capabilities in strength, that I feel today that we have the necessary military posture to carry out any assignment that may come to us for one reason or another.

In other words, putting it this way, I think we have the capabilities to combat any

such thing as a brush war, or we have the retaliatory forces necessary to combat an all-out war.

In other words, putting it in one sentence, I think that we are ready and able to meet any contingency that might arise at this particular moment.

Mr. SNYDER. Congressman McCORMACK, I won't ask you to agree with Congressman ARENDS. I will ask you on what points do you disagree with him

Mr. McCORMACK. I am not in sharp disagreement with Congressman ARENDS as of today, but there are some sharp differentiating considerations that must be borne in mind.

When you ask is our defense adequate, it is a relative term. Adequate in relation to whom? Little Liberia? Oh, it is too adequate.

We don't have it too strong in relation to Britain because we have no fear from Britain or France or any other country. Our military strength could be sharply reduced if it was relative to countries like that, but national defense is relative to the Soviet Union as everyone knows and the question is is it adequate in connection with the Soviet Union?

Now, I am one of those Members of Congress, and one of those Americans, whether one agrees with me or not, it is my sound judgment, and it is consistent with my conscience that I, in the world of today, believe the only thing the Communists respect is what they fear.

That is military power and strength greater than they possess themselves.

If I am going to err, I would rather err on the side of strength than on the side of judgment.

Now, my friend from Illinois has said we are adequate for brush wars. Well, the President ruled that out in his press conference the other day. He said, "We are not going to have any ground affairs."

Brush war means essentially foot soldiers, the Army and the Air Force in cooperation with the Army. It is therefore the objective analysis of what the President has in mind is, we are not going to commit ourselves against large masses like the Soviet Union, either in Europe where they have unlimited reserve strength from a military angle, or in Asia, so far as the Soviet Union and Red China is concerned.

Mr. SNYDER. Are you questioning the President's military leadership?

Mr. McCORMACK. I am just commenting. You asked me the question, is our defense adequate? And therefore, it means that we are going into an all-out nuclear war from our angle. That is our policy now.

Now, the question is, are we adequate?

Well, it is known we are behind the Soviets so far as the intercontinental ballistic missile is concerned. I think with time we can catch up and go ahead of them, but as of today we are behind them.

Furthermore, we find our Army being reduced from 900,000 to 870,000. I honestly question that. If not from a military angle, from a psychological angle, at this particular time.

Mr. SNYDER. Congressman ARENDS, how do you feel about the reduction in forces?

Mr. ARENDS. Let me cover a couple of points my good friend, Congressman McCORMACK, has made.

Mr. McCORMACK. I have only started, of course, but go ahead.

Mr. ARENDS. I think what you say in part is true, but I do think there is still a possibility of some brush wars like we have had in the past and which we are capable to cope with almost immediately.

I think the thing we overlook in this question of whether we have sufficient missiles of one kind or another—and it is true that we possibly are behind to a small certain degree in the ICBM's—the fact remains that in the matter of defense as far as the United States of America particularly is concerned, it is a question of balance.

In other words, a balanced offense necessary at a particular time.

Now, in looking at both the Army, the Navy, the Air Force, the Marine Corps, we have that type balance in this country today which is so vital, I think, to prosecuting anything that might happen in the way of aggression on the part of, let's say Russia, and therefore I think the need for being comparable in every respect to them is not as great as it might be in their instance, and so with this balance defense, I think we are able to cope with this situation and will be able to cope with it.

Looking at these charts and the information that has been given to us, as I say, both on and off the record, I can visualize the picture as the Joint Chiefs of Staff see it as to their capabilities and really I must repeat, I feel better about it than I did prior to the time we had these hearings.

Mr. McCORMACK. Well, of course, the Joint Chiefs of Staff are not happy. You know that, because they have all made reservations, every one of them now. They agree to the budget figures with reservations.

In other words, they said, "We have to agree to it, but we are making the record as to what we ought to have."

They are not satisfied, my good friend from Illinois, and you know it. Let's give the public the truth now because the American people ought to have the information.

Mr. ARENDS. As many years as I have been on that committee, never yet once have I heard any one of the chiefs of any single service say they had enough. That is true. But the chairman of the Joint Chiefs of Staff, through the respective chiefs, has said that they could and would do the job necessary under the provisions in this budget.

Mr. McCORMACK. That is a different proposition. As good soldiers and good officers, they would say that if they are ordered to do a certain thing they will do the best they can. But they are not satisfied with it.

Now, the question was asked, Are you satisfied with the reduction in the Army from 900,000 to 870,000?—by our friend and I haven't heard you answer that yet.

Mr. ARENDS. I will be glad to answer just as quick as I can get the time.

I thought the President handled that very well the other day in his press conference, and I was pleased to have him state as he did, for the American people to learn and to understand what his position was; namely, that it is wholly impossible for us to fight a ground war in Russia.

In other words, we are not going to accept the type war that Russia might want us to fight.

Mr. McCORMACK. So you agree with my interpretation that the only thing left is a nuclear war.

Mr. ARENDS. Let me complete if you will. In other words, we are going to fight the kind of war necessary to win a war if it comes about.

Mr. McCORMACK. I am in accord with that.

Mr. ARENDS. Let's finish the other question first.

The reduction of the Army from 900,000 to 870,000, a matter of 30,000 people; in the Marine Corps a matter of 20 or 25 thousand which the reduction may be, as the President said the other day, how could you particularly use those people at this moment? How are we going to get them over there? What could they do?

If we are not going to fight a ground war, and these people are mainly ground soldiers, then what good are they at this particular time?

Now, I am not averse to building up the kind of defense we need in this country; in fact all of us do. We are all loyal, patriotic American citizens and we want to appropriate every dollar we need in this country to do the job. It is a matter of difference of opinion. And the other angle of it is, I certainly have a wholesome respect for the President because of his background, his ability—I don't think he knows as much about politics maybe as I do, but I certainly do not know as much about the business of being a military man as he does with 40 years background and experience, and I think he is trying to do the kind of a job that needs to be done in view of the world conditions as we see them at this moment.

Mr. SNYDER. There are many Congressmen questioning the President's military judgment.

Mr. McCORMACK. There are more than Democratic Congressmen, too.

You rely on the President and, of course, I agree that the President is a great military man, but General Taylor is a great military man. He is the Chief of Staff of the Army. He says the Army ought to have 925,000 officers and men.

General McC. Pate is a great man, the commandant of the Marine Corps. He says the Marine Corps ought to have 200,000 officers and men.

Do you throw their views out the window, my friend?

Mr. ARENDS. Not entirely, no. And they sit around the table with the other members of the Joint Chiefs of Staff and they reach a final agreement as much as we do up here on the hill. Many times we pass pieces of legislation which we think are inadequate as far as the House is concerned; the Senate does likewise, and eventually around the table we reach a conclusion and a determination is made that although we do not get all we want yet this will suffice and do the job, and therefore we proceed and, as a rule, if it needs correction, later on it is corrected, the legislation.

So, I think what we are doing today in view of the whole world situation, in view of the situation we are in, as far as dollars and cents are concerned in this country, that we are on good sound ground and we are moving right ahead.

Mr. McCORMACK. In other words, you are telling the American people that you are happy and you are pleased and you are contented, and they just simply sit back in their seats and say, "Don't worry, my friend, my fellow Americans, everything is all right."

Mr. ARENDS. I am not saying that at all.

Mr. McCORMACK. Suppose President Eisenhower is wrong, my friend. When you rely on the judgment of one man wholly. I understand a man making a decision, but we now know that every Chief of Staff doesn't agree with him.

Mr. ARENDS. Without being too political, let me say this, Mr. McCormack.

Mr. McCORMACK. There are no politics in this.

Mr. ARENDS. If we are going to question the President of the United States' capacity to make a determination on what is good militarily, certainly the individuals who may be candidates for the presidency or for public office, I would have the right to question them first.

Mr. McCORMACK. Well, you are the only one who is throwing politics into this discussion at this time.

Mr. ARENDS. No, I don't mean to do that.

Mr. McCORMACK. I said the President has to make a decision but there are the views of the others and you and I have got to consider all views.

Now, you talk about a balanced defense. There is a very nice, beautiful phrase. It is pretty much like when I read some

speeches made to the effect that "overall we are military strong" but the word "overall" is a word most of us overlook and which interests me.

Our balanced strength can disappear overnight in connection with the Soviet Union if they perfect the intercontinental ballistic missile, its reentry and hitting the target—and they are ahead of us, you know that—before we do and if at the same time they have a defense against our intercontinental bombers, and you know they are trying to prepare one, then we are in the defenseless position and they won't let us catch up and we can never let ourselves get in that position.

Mr. ARENDS. Let me say that your statement right now wholly disagrees with hat has been said by some of the Members before the Armed Services Committee as to our capabilities in the way of defense.

That goes to our standpoint of position of strength throughout the whole wide world. Our Air Force, our alertness of the Air Force wherever it may be; our flattops, wherever they may be; our submarines, wherever they may be, and which we on the Armed Services Committee happen to know about at this particular time, this whole program of being ready to do what has to be done, let me say that what you have just said, Mr. MCCORMACK, in my humble opinion, is a contrary opinion to what these people have told us before our committee.

Mr. MCCORMACK. Well now, Mr. ARENDS, you are just telling the people that I am wrong.

Mr. ARENDS. No.

Mr. MCCORMACK. Well, you are just seriously mistaken because I have asked General White, I have asked everyone who appeared before the Science Committee of which I am a member. You were a member of the select committee last year, and we are a rather important committee—the Armed Services Committee, you know, hasn't got the omnipotence of brains in the Congress of the United States on military matters.

Mr. ARENDS. No.

Mr. MCCORMACK. Some of us have a little commonsense and the Committee on Science has pretty much the same availability for executive session and public session testimony as your committee, and I have asked everyone the question, assuming—they admit that the Soviets are ahead today in intercontinental ballistic missiles.

They don't know how far they have gone in connection with defense against our bombers because our Central Intelligence hasn't ascertained that yet. They admit they are trying to perfect a defense.

Then I say, "Well, suppose they perfect their intercontinental ballistic missile before we do? And they perfect a defense against our bombers, and we lose our retaliatory power. Where are we?"

And they all admit we are in bad condition.

I think you will agree with me that we can never afford in America to lose a retaliatory power.

Mr. ARENDS. That is right.

Mr. MCCORMACK. The ability to hit back.

Mr. ARENDS. That is right, and at this moment I don't think we are going to. I just don't think we are going to.

Mr. MCCORMACK. I hope so and I agree. I agree with you that we have the men, we have the men and women, we have the brains, we have the facility in America, the facilities. What we need is coordinated leadership. We are talking as of today.

Now, we just have to be practical. Now, you are talking about tomorrow and that is a different proposition.

Mr. SNYDER. Gentlemen, I don't think there is any question now where each of you stand on this defense argument. Let's move on.

Mr. MCCORMACK. Well, I know that my friend is one of the most powerful national defense men in the Congress. I think he knows I am. And might I give this message to the American people as the Democratic leader: Our country is in very fortunate condition because whatever differences of opinion there might be between the Democrats and the Republicans, the difference is not on the side of weakness where we Democrats are advocating weaker defense.

We are advocating greater defense. So I think our country is in a very fortunate position because we Democrats agree with the President, only we say a little more, plus.

Mr. SNYDER. I think that is an excellent and reassuring point.

Mr. ARENDS. I think I should interject here that that goes for the Republicans as well as for the Democrats because we are all motivated by the same thing necessarily: "Be prepared to do what has to be done. Pray God nothing happens."

Mr. MCCORMACK. I thoroughly subscribe to that.

Mr. SNYDER. It is nice that you agree with each other. Let's move on to a topic upon which I am sure you will disagree again. Labor legislation.

Are you in favor, Congressman MCCORMACK, of the Kennedy-Irvin labor bill and do you think it will get through the House this session?

Mr. MCCORMACK. Why, yes. Of course, there are two bills there and they are separated. It is a question of whether there should be one bill or two bills. That is really the basic question.

I think the other questions involved could be quickly ironed out by reasonable Members in both branches and I think that the protection of the welfare funds is of such paramount importance that it might be wise to put through two bills, to put that one through first, because if you combine them all together, you are going to get into a lot of difficulties and it might end up with road blocks being thrown in the way to the point where nothing might come through. So I think Senator KENNEDY's approach to two bill is probably the best.

Mr. SNYDER. How do you feel about the Kennedy-Irvin bill, Congressman ARENDS.

Mr. ARENDS. It is always difficult to determine what the Senate may do. Last year the Senate passed the Kennedy bill by 88 to 1 and it came to the House and nothing was done.

Mr. MCCORMACK. Oh, yes; something was done. We had a vote.

Mr. ARENDS. We failed to pass it under suspension.

Mr. MCCORMACK. I voted for suspension.

Mr. ARENDS. And I voted against it because it did not incorporate all the things I felt were necessary to do the kind of job the American people expected to be done. Due to the revelations before the McClellan Committee, but over in the Senate this time I think there is some reason to believe as we read the press that they are trying to do a better job this time in perfecting the bill and incorporating therein certain amendments which are necessary if, I repeat, a good comprehensive bill is written.

Over in the House at this time I wouldn't even want to predict what our Labor Committee in the House is going to do and what will be in the bill if they report a bill, so I am just going to have to bide time on that and see what, I hope, if action is taken, if final conclusive action is taken in the Congress, that we write the kind of bill that will protect not only the workingman himself as to his rights, but also the public and just make a good fair bill out of it.

Mr. MCCORMACK. I think that is as fair a statement as any openminded Member could subscribe to.

Mr. SNYDER. Gentlemen, there is another issue that is concerning the American people quite a bit these days. It doesn't involve legislation. It is this whole matter of nepotism.

There has been so much publicity lately about this subject. What message would you have for the American people in view of all these revelations that have come out?

Mr. MCCORMACK. How much time is left on this?

Mr. SNYDER. One minute.

Mr. MCCORMACK. It would take more than a minute to adequately answer that. I have no hesitancy in saying that I think it is perfectly all right for a publisher of a newspaper to hire his son or daughter or the editor of a newspaper to hire his son or daughter.

If I heard they refused to hire them because they are a son or daughter, I would say they are no good. I think it is all right for the president or vice president of a corporation to hire a son or daughter, and I think it is all right for a Member of Congress to hire a son or daughter.

Mr. SNYDER. Congressman ARENDS, what do you have to say on that?

Mr. ARENDS. I somewhat agree with Congressman MCCORMACK.

If these people are hired by their parents to work in their office and they work there, well then, that is their business.

The ANNOUNCER. Thank you, Congressman JOHN MCCORMACK and Congressman LES ARENDS for being our guests today on the American Forum of the Air.

Family Service Association of America

EXTENSION OF REMARKS

OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. WALLHAUSER. Mr. Speaker, our Nation's Capital will be the scene from April 1 to 3 of a biennial meeting of an organization that is outstanding in its contribution to the human welfare. I refer to the Family Service Association of America.

This is a growing federation of almost 300 family counseling agencies in the United States, Canada, and Hawaii, which annually serves nearly 1 million people. This service is rendered mainly through case work help for marital, parent-child, and other family-living problems.

The agencies are supported largely by local united community campaigns, and this is but another reason for all of us to take an active and intense interest in our local fund-raising campaigns conducted yearly by United Funds and others of similar goals.

The Family Service Association of America national headquarters, staffed as it is with highly trained professional people, provides a variety of central services to help local agencies and communities develop effective family service programs for strong family life.

If you have been privileged to observe the conscientious and never-ending efforts of the agencies to cope with the manifold problems of our complex existence, you could not help but be impressed by the devotion and skill of those who render this service.

Additionally, there are hundreds and hundreds of citizens who serve on the boards that direct the agencies' work,

without compensation other than a reward for contribution to better living.

It is my hope that these few words will in some small measure emphasize the very greatness of the Family Service Association of America and will point out to the devoted people who work so untiringly in its behalf that those of us who are in the Congress appreciate this great effort on the part of private citizens.

We salute the Family Service Association of America and wish it a very long and successful future career.

Area Redevelopment: Antidote for Unemployment

EXTENSION OF REMARKS

OF

HON. DONALD J. IRWIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. IRWIN. Mr. Speaker, on Friday, March 20, I was privileged to appear before a joint committee on State development of the Connecticut General Assembly in Hartford, Conn.

Along with some of my congressional colleagues from my home State, I was asked to present my views on area redevelopment legislation under consideration by this Congress.

This, Mr. Speaker, I was very pleased to do, for I believe strong area redevelopment legislation—legislation with substance—is needed to eradicate joblessness and to help remove economic waste.

I think that my colleagues in Congress would be interested in my comments before the Connecticut Assembly's Joint Legislative Committee on State Development, and, therefore wish to introduce my statement before that group into the CONGRESSIONAL RECORD.

STATEMENT OF CONGRESSMAN DONALD J. IRWIN, BEFORE JOINT COMMITTEE ON STATE DEVELOPMENT OF CONNECTICUT GENERAL ASSEMBLY, ON SENATE JOINT RESOLUTION 13, MARCH 20, 1959

It gives me special pleasure to appear before this committee to present my views on legislation now pending before Congress relating to redevelopment and the alleviation of unemployment in this country and in Connecticut and my district in particular.

As the congressional Representative from the Fourth District, which as of yesterday had 14,000 unemployed, I am vitally concerned with the passage of legislation that will help put these thousands back to work.

In the entire State of Connecticut, according to the March 19 figures released by the employment security division of the Connecticut Labor Department, there are presently 52,067 unemployed.

My district, with 14,000 jobless, therefore, has well over one-fourth of all the unemployed in this State.

Obviously, I am extremely anxious to do whatever I can, as their Representative in Congress, to put this vast number of idle people back to the business of drawing regular pay checks.

Legislation now before Congress which will stimulate area redevelopment unquestionably will contribute materially and effectively to the alleviation of such substantial and persistent unemployment as now exists in Fairfield County.

The city of Bridgeport, for example, second largest in this great State, has nearly 9,000 jobless walking the streets looking for work. Stamford, Danbury, and Norwalk—other cities in my district—have approximately 5,000 more of the unemployed in Fairfield County.

We must do something drastic to wipe out such situations as this—and I repeat that area redevelopment designed to eliminate economically depressed areas should go far toward achieving that goal.

I feel very strongly that the maintenance of the national economy at a high level is vital to the best interests of the Nation, the State, and, of course, my own district.

But only yesterday I heard of layoffs in three cities in my district. A transportation equipment manufacturer in Bridgeport laid off more than 100 people. There were 30 people idled in the hat industry in Danbury, while an electrical products firm in Norwalk furloughed 35 more.

And I think the mere fact that the House Banking and Currency Committee in Washington is plowing through some 50 bills calling for area redevelopment programs throughout the country is proof positive of the seriousness of the problem all over America and not only in Connecticut.

Before leaving Washington, I was informed that the House Banking and Currency Committee intends to conclude its hearings today on all these bills. A committee report will be forthcoming within a few days, I understand.

What will emerge from committee, undoubtedly, will be a compromise bill embracing, certainly, many of the provisions contained in H.R. 2969 and H.R. 3450, which are under discussion here today.

The Senate Banking and Currency Committee has already completed action on area redevelopment legislation and has voted 9 to 6 a bill authorizing $389.5 million for redevelopment of chronically depressed areas. This is a bill similar to the one which President Eisenhower pocket-vetoed in 1958.

I firmly believe the area redevelopment bill which will emerge from the House Banking and Currency Committee (in probability a compromised version of H.R. 2969 and H.R. 3450, sponsored by Congressman BOWLES) is must legislation to bring renewed industrial vitality and thus full employment to such surplus labor areas of Connecticut as Bridgeport, Stamford, Danbury, and Norwalk, where, as I have said, there are now 14,000 jobless.

Other surplus labor areas in Connecticut—Bristol, Danielson, Norwich, Ansonia, Meriden, New Britain, Torrington, Thompsonville, Waterbury, Middletown, Willimantic, and New Haven, to name them—will, of course, similarly benefit.

Proponents of Federal legislation to alleviate unemployment in economically depressed areas—and I am such a proponent—argue quite logically, I think, in claiming that the Federal Government has a clear-cut obligation to promote maximum employment, production and purchasing power.

This obligation, I maintain, is not being fulfilled, is not being met, so long as we have critical pockets of unemployment in communities such as Bridgeport and the other Connecticut communities I have mentioned.

I further maintain that unemployment such as now exists in Connecticut generally and in my district specifically is a threat to the stability of our entire economy.

A depressed area—such as the one in Bridgeport right now—is much like the proverbial acorn which grows into a big oak tree. The local depression, unchecked and unresolved, also can grow and spread to surrounding communities, since the purchasing power of residents in a depressed area is cut below adequate levels.

Something much more than a shot in the arm is needed to restore employment and to encourage the establishment of new industry.

The passage of appropriate legislation by Congress to alleviate unemployment in economically depressed areas will, I believe, provide the industrial stimulant necessary to revitalize the economic health of such cities as Bridgeport and other hard-hit communities of this State and my district.

My esteemed colleague, Senator PRESCOTT BUSH, has opposed area redevelopment legislation, I understand, because of fears that it would stimulate the highly unethical practice of industrial pirating.

H.R. 3450 contains an antipirating clause which, if retained in the final bill brought to the floor, should eliminate Senator BUSH's fears.

In section 6(a) of H.R. 3450 it is stated specifically that "financial assistance shall not be extended to assist establishments relocating from one area to another when such assistance will result in substantial detriments to the area of original location by increasing unemployment."

In summary, I would like to reiterate my belief that adequate area redevelopment legislation is required in the national interest.

The restoration of economically sick areas is essential to the national welfare. Putting these regions back on their feet is an urgent necessity. The Nation and Connecticut need their productive capacities to fight inflation and to maintain the posture of economic strength essential to our survival as a free country.

I maintain that we must not allow the Soviet Union to outstrip this Nation in economic progress.

Consequently, it is dangerous folly to consign millions of Americans to unemployment. Our country and our State must have their fruitful labors and appropriate area redevelopment legislation will go far toward putting the legions of jobless back into the Nation's work force.

Joblessness in large numbers is costly. It cuts heavily into tax revenues. It denies to the market billions of dollars' worth of goods and services. It accounts for large outlays of public funds for unemployment benefits and direct relief.

And vitally necessary as these programs may be, it would be much better for all concerned if the jobless had the opportunity for gainful employment.

We need strong area redevelopment legislation—legislation with substance—to eradicate joblessness and to help remove economic waste.

I thank you most sincerely for inviting me to appear before this committee and I hope my remarks have helped you understand why I feel substantial and appropriate area redevelopment legislation will be good for Connecticut generally and revitalizing for my own district in particular.

Address by Hon. Victor L. Anfuso Before Space Law and Sociology Conference, American Rocket Society

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. McCORMACK. Mr. Speaker, in my extension of remarks I am pleased to include a splendid address made by the gentleman from New York [Mr. ANFUSO] at a luncheon held on March 20, 1959, by the Space Law and Sociology

Conference of the American Rocket Society in New York City. The subject that my distinguished friend, Mr. ANFUSO, discussed is one in which he is well versed. There is no more serious Member of the Congress than the gentleman from New York, [Mr. ANFUSO], who, as a member of the Committee on Science and Astronautics, is rendering outstanding service to our country:

ADDRESS BY THE HONORABLE VICTOR L. ANFUSO, MARCH 20, 1959, BEFORE THE SPACE LAW AND SOCIOLOGY CONFERENCE, AMERICAN ROCKET SOCIETY, UNITED NATIONS PLAZA, NEW YORK

Fellow astronauts, it gives me great pleasure to address you on this historic occasion. This is the first instance, I believe, of formal participation by a congressional committee in a meeting of the American Rocket Society. This partnership of the American scientific and industrial community on the one hand and government on the other is a good augury for the succees of our efforts in creating an adequate space program and devoting its fruits, in concert with other nations, to peaceful purposes for the benefit of all mankind.

There is no need to repeat in this company that space development and exploration are important to the peace and prosperity of the world. Many of you, no doubt, believe as I do that they will inevitably become a joint international enterprise.

Space flight is inherently international. Many space activities require the cooperation of other nations for technical reasons, e.g., the use of tracking or telemetering equipment or geographically suitable launching sites. Costs which are too great for one nation can be shared with others. Human and other resources and facilities can be pooled in a common effort.

You are already familiar with the economic benefits to be expected from the peaceful use of space—for example, in communications, navigation, and weather satellites. There will doubtless be even greater savings and benefits than anyone can now foresee, just as radioisotopes resulting from the atomic energy program have yielded unexpected economies which already amount to roughly $500 million a year.

The peaceful exploration of space will also make possible many kinds of basic investigation—in geophysics, astrophysics, astronomy, and other fields of science. For example, Dr. Hynek of the Smithsonian Institution recently predicted that observations in outer space will do as much for astronomy as Galileo's original invention of the telescope. Dr. Alan T. Waterman, the Director of the National Science Foundation, has stated:

"There is no question whatever that scientific experiments and observations conducted with satellite and space probes will disclose a far-reaching understanding not only of outer space but of conditions upon the earth itself which will progress toward consequences of enormous importance to mankind."

Much of the benefit to be gained from the use of outer space will be lost, or at least limited, unless space development and exploration are carried out as a joint international enterprise. A military race to dominate outer space must be avoided. It will be far less likely if the use of space for peaceful purposes is international, so that national rivalries will not be extended to science or economics nor projected into outer space.

In this connection, let me say a few words about the prospect that within a matter of months the Soviet Union may launch a manned satellite and will represent it to world opinion as a great military achievement. I am not making any prediction out of my personal knowledge, nor am I the first to call attention to this possibility. Almost a year ago Dr. Walter Dornberger, of Peenemunde fame, stated that in 1½ years a spaceship could be built that would carry a man around the globe. In its space handbook the House Select Committee on Astronautics and Space Exploration predicted that the Soviet Union would put such a vehicle into orbit soon. In another report of the same committee, Dr. Frederick Durant expressed his belief that the U.S.S.R. would send a man into orbital flight and recover him several times during 1959. In a recent speech, Dr. Hugh Dryden, the Deputy Director of the NASA, referred to the same event, which he appeared to regard as probable. Earlier this month Dr. Fred Singer said the Soviet Union may put two men into orbit during the middle of the year.

In view of this chorus of opinion in qualified quarters, there seems to be a good chance that the prediction may be accurate.

Putting one or more men into orbit around the earth would certainly be an admirable achievement for which Soviet scientists and engineers and the brave men who first risk their lives in outer space would richly deserve congratulations. At the same time, such a feat, while involving great effort and expense and advanced technique, would not require any great extension of the state of the art nor have any direct military application. It is the responsibility of the ARS members, I suggest, and of others whose expert knowldge and experienced judgment in astronautics entitle their opinions to respect, to help prepare the American public for this possibility and to put the matter in proper perspective. I recognize that the Government shares this responsibility. It also behooves us all to consider appropriate means of preparing world opinion—which has shown itself to be too impressionable and too ready to ascribe immediate military significance to Soviet astronautical feats.

As an American, and especially as an elected official, I am happy to say that Congress and the administration have foreseen with approval the peaceful international development and exploration of outer space. As long ago as January 10, 1957, in his state of the Union message to Congress, President Eisenhower proposed mutual (i.e., international) control of space missiles and satellites. His suggestion was incorporated in formal disarmament proposals submitted by the U.S. delegate to the United Nations 4 days later, calling for the dedication of outer space exclusively to peaceful and scientific purposes and for international responsibility and control of satellites and space missiles. This proposal was sanctioned in December of 1957 by resolution of the General Assembly. In a letter dated January 13, 1958, to the Chairman of the Soviet Council of Ministers (at that time Bulganin), the President offered to agree that outer space be used only for peaceful purposes. Both Houses of Congress unanimously adopted a resolution (H. Con. Res. 332) in June of 1958 calling on all nations to join in the peaceful exploration of outer space. The National Aeronautics and Space Act itself expressly authorizes the Space Administration to engage in a program of international cooperation in peaceful astronautical activities.

More recently, as you know, the General Assembly of the United Nations has voted favorably on a U.S. proposal to establish a study committee on the peaceful uses of outer space. The opening statement of the United Nations resolution recognizes the common interest of mankind in outer space and proclaims that it is the common aim that it should be used for peaceful purposes only.

It is my firm belief that the United States must take the lead in a peaceful and productive international space program.

At present only the United States and the Soviet Union have made the quantum jump into outer space. Soviet cooperation in astronautics with countries of the Western World has been thus far limited, and it is my opinion that division in blocs is not justified when we are concerned with peaceful endeavors destined for the benefit of all. The Soviet Union has cooperated in the IGY program and has agreed to cooperate in the Committee on Space Research (Cospar), established in October 1958 by the International Council of Scientific Unions (ICSU).

We must continue to seek the Soviet Union's cooperation in the peaceful exploration of outer space for the benefit of all mankind. It is our hope that their cooperation will be more extensive in the future because of their invaluable knowledge and experience in this field. To give up hope at this time of reaching an agreement with such an advanced nation in the field of science and astronautics is to admit that a conflict is inevitable and that there is no hope for the world.

Certainly, the foregoing declarations of principles and intent by Congress, the President, and our actions of the United Nations manifest the willingness of the United States to join such a partnership. I believe that the scientists, engineers, technicians, industrialists, and industrial workers of the entire world would rather put their ingenuity to work for an abundant world than one reduced to shambles by total war.

An illuminating example is the nuclear burst in outer space announced yesterday. The American people would doubtless prefer to share the planning of such experiments—and the burden of their execution—with other nations for the benefit of mankind. The announcement of this great achievement, and the indication that its results will be released in accordance with the IGY Agreement, confirms again the willingness of the United States to cooperate as a partner in utilizing the limitless possibilities of outer space.

It is true that a good deal of work in astronautics is already underway in many countries of the free world. In general, however, high costs have deterred both Government and industry. Many foreign scientists and engineers looking for an outlet for their creative abilities and energies are hampered by lack of equipment, facilities and financial support, and are frustrated by lack of Government encouragement.

The situation is ripe for an internationally coordinated astronautics program. Initially, specific astronautical projects could be conducted as joint ventures utilizing the specialties of other countries in scientific talent or other facilities. Plans should soon be made for exchanges of scientific, engineering, and technical personnel among all countries willing to cooperate in a common space effort. American training facilities in the space sciences should provide increasing opportunities for talented foreign students.

Let me emphasize that the measures I have described would be no more than first steps. They can and should be taken now within the authority granted by the National Aeronautics and Space Act to engage in a program of international cooperation.

Beyond such immediate steps there is a clear need for a common space effort among free world governments, as well as among individual scientists and scientific societies. Sooner or later there must be an international organization for space development and exploration, open to all the world's scientists as working participants. I should think that an organization of this kind might develop under the United Nations, perhaps as a result of recommendations to be made by the study committee to the General Assembly in the fall of this year. I am hopeful that the Soviet Union and other bloc countries will cooperate in this great

humanitarian effort. Meanwhile, the free world should take the initiative and set an example in demonstrating the feasibility and fruits of international space cooperation, which will bring greater and greater benefits with every passing year to everyone on earth.

H.R. 5894, a Bill To Clarify and Strengthen the Escape Clause in the Trade Agreements Act

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, last week I introduced a bill, H.R. 5894, which will clarify and strengthen the escape clause in the Trade Agreements Act. Considerable litigation, uncertainty, and hardship have resulted and may continue to result from various attempts to interpret the language of the Trade Agreements Extension Act of 1951 with the many amendments that have been added since that time.

My proposal will, if enacted, make unnecessary costly and time-consuming reviews by the courts. It will clarify the escape clause and will remove serious legal clouds from the actions of the President with regard to past escape clause cases.

My bill in the nature of an amendment to the Trade Agreements Act is designed to do two things:

(a) Permit the President, as he has in the past, to reject the recommendations of the Tariff Commission, or to put them into effect in whole or in part, or to take other action aimed at the remedying of the injury found to exist.

(b) Permit the establishment of a firm date for the termination of escape clause cases so the Tariff Commission could entertain a new application. Under this amendment the Congress would be able to participate in escape clause decisions pursuant to the amendment in the 1958 extension legislation which gave to the Congress authority to apply the Tariff Commission recommendations if it could do so by a two-thirds majority. A third benefit that would result from this amendment is that affected industries would not be left indefinitely hanging in the balance wondering what the final decision, if any, might be.

Although these proposals are largely self-explanatory, I might say just a word about the circumstances that make these amendments necessary.

The President has, in a number of escape clause cases, followed the recommendations of the Tariff Commission only in part, or has used other measures not recommended by the Tariff Commission which he hoped would remedy an injury found to exist. All of these actions have now been brought under a legal cloud by a decision of the customs court which said, in effect, that the President had exceeded his delegated authority. Specifically, the President's action in the so-called bicycle case was held to be in excess of the powers granted to him by Congress in the Trade Agreements Act. That case is being appealed and in due time may be decided by the Court of Customs and Patent Appeals. In the meantime the validity of all similar actions by the President have been placed in question.

My amendment would remove this legal cloud on his current actions as well as those of the past. It would remove the necessity for much legal maneuvering. It is true that the administration has not accepted the finding of the customs court and hopes that the decision will be reversed. Such reversal is by no means certain, in fact some highly respected and experienced lawyers have indicated to me that the language of the present act would hardly permit a reversal. In any event a decision appears to be several months away.

Some of my colleagues may object to this possible broadening of the powers of the President with regard to the escape clause. I hope they will consider the great confusion that would result if the appellate court should uphold the lower court. I suggest they consider the probability that seldom, if ever, would any remedial action whatsoever be taken if the President had only the choice of accepting the Tariff Commission recommendations in full, or of doing nothing.

With regard to the second aspects of the proposed amendment—serious criticism has been directed toward the long delay in executive decision as to final disposition of specific escape clause cases. For example, in one recent rejection of an application for an escape clause study, the Tariff Commission asserted that it had no authority to initiate an investigation because a prior one on the same subject had never been concluded even though that investigation was already 2 years old. In this case the Commission had found unanimously that serious injury had resulted from a lowering of a rate of duty in a trade agreement. The industry had painstakingly proved beyond any doubt that it was being seriously injured and that the tariff reduction in the trade agreement concerned was the cause of the injury.

The President took no action. Neither did he close the case, but kept it open and asked the Tariff Commission for further study of the matter. Even if the President should eventually conclude the case, and even if, at that time, he should take some modified action aimed at remedying the injury, the customs court ruling could render such action an invalid one. If there were an appeal of such a decision an already suffering industry would be forced to go through a long period of further indecision, great expense, and, in the end, the possibility of losing everything.

Under existing law the President is granted 60 days to make up his mind in these cases—an ample time to review the Tariff Commission findings and recommendations and he should not be permitted to extend beyond that period the uncertainty.

We have another major problem in such cases. Such unilateral extension of the 60-day period might remove the Congress from participation in escape clause cases even though a year ago we definitely legislated so that Congress, by two-thirds majority, could put into effect the findings and recommendations of the Tariff Commission should the President refuse to act. Congress and the affected industry should be given clear opportunity to act at the end of the 60 days, and it should not be possible to block the entrance to a new action.

It is only in unusual cases where an industry would want to institute a new investigation immediately after one was concluded, but I have already mentioned one such case. My bill would not require the Tariff Commission to act unreasonably and begin a new study before there was time for any new information to be available. Nevertheless, in the interest of clearcut legislation, the Congress should require that executive action be taken within the time authorized.

I shall press for the consideration of this amendment to the Trade Agreements Act and hope my colleagues will join me in the clarification of what now seems to be serious problems in this area. In taking this action I am not unmindful of the fact that there are other defects in the trade agreement program.

As Republicans, How Do We Stand?

EXTENSION OF REMARKS

OF

HON. WILLIAM H. AVERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. AVERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an excellent address by Secretary of the Interior Fred A. Seaton, at the annual banquet of the Kansas Day Club, Topeka, Kans., January 29, 1959. The address follows:

AS REPUBLICANS, WHERE NOW DO WE STAND?

The pessimists among us may answer: "These are days of black defeat—an unpalatable foretaste of what is to come."

I do acknowledge that not since the avalanche of 1936, when only 89 Republican Members of the House and 17 Republican Senators survived, has our party's representation in Washington been so shrunken.

A second view, hopefully expounded by our opposition, is that these are the days of the great divide—days when the Republican Party is hopelessly split between two wings, each at the throat of the other with such all-out ferocity as to preclude mutual understanding and combined effort.

Whatever the correct appraisal of our situation may be—and everyone is, of course, entitled to his own—I say this: "Where the Republican Party is today is the place to start, not the place to quit."

I refuse to believe that no matter what we do we can't win in 1960, or that we are so hopelessly divided as to make even the effort unworthwhile.

As Republicans, we can unite. Moreover, we've got to unite. We have no other choice if we are devoted to the salvation either of our party or of our country.

Of course, the job won't be easy.

According to a recent Gallup poll, if all American voters—including self-described independents—now were asked to register as party members, 54 percent would line up as Democrats and only 36 percent as Republicans. (Ten percent couldn't bring themselves to express even an academic preference for either party.) Yes, even with our 36 percent as a solid phalanx, our job as of today is rough enough. If that 36 percent were torn into shreds, our job, frankly, would be impossible.

A split party is a luxury only Democrats can occasionally afford. We Republicans can't afford it at all. In our party today a wing doesn't even have a prayer, much less a chance of victory.

We are in the third month of the campaign of 1960.

Now, how do we go about turning to advantage the instruction of defeat?

First, it seems to me that we have to revolutionize our thinking about politics and campaigning.

You and I know some Republicans to whom politics is a four-letter word. You and I know a lot of people who regularly vote Republican but won't run, work, contribute, or sometimes even talk Republican. Unfortunately, there is much to be said for the generalization that while many Democrats make politics a career, too many Republicans view it as a sacrifice.

We must begin now to recruit for every senatorial and congressional seat, for every governorship, and for every State and county office the most capable and articulate candidates we can find. Notwithstanding the fact that a good candidate does not necessarily insure victory, and that good Republican candidates were defeated last November (as witness what happened here in Kansas), it is an unassailable rule of politics to have the best candidates—if you can. Any political party owes that obligation to itself. It owes that to the country even more.

By revolutionizing our thinking about politics—by getting superior candidates and enthusiastic party workers into action day and night now—we can help make sure that we will have turned a dark 1958 into a much brighter 1960.

There is a second much-needed Republican revolution: the shift from negative to positive thought, from reverse to forward drive. We must not limit ourselves to telling people what we are against. We must also tell them what we are for!

Sure, we know our Party's purposes and our Party's accomplishments. We have kept the peace, we have kept the Nation's defenses strong. Since 1953, with the leadership of a Republican President from Kansas, the American people have earned more, built more, saved more, and invested more than ever before; they have enjoyed the biggest tax cut and the biggest advances in social security in American history.

If I may paraphrase a man who ought to know, George Meany, the head of the AFL-CIO, "We have never had it so good." Yet in political debate, what happens? Time and again we Republicans find ourselves cleverly maneuvered into seemingly supporting reaction and negation because of our valid and necessary resistance to the wild, even if oftentimes politically appealing, proposals of the Democrat opposition.

You know, it is a wonderful political advantage to be against nothing except higher taxes.

While it isn't even responsible politics, much less responsible government, it is a fact that up to now many—though not all—Democrats have seemingly found the royal road to political success in advocating just such a program.

The Democratic party's record is there for everyone to see if we just make it plain.

They are for more Federal airport money, road money, welfare money, small business money, urban renewal money, and agricultural price support money while they simultaneously advocate low Federal interest rates, lavish tax cuts, and a Federal budget always in the black. The Democratic National Advisory Council only the other day proposed that Federal interest rates be cut and inflation brought to a halt—simultaneously. It would be quite a trick if they could just do it. In fact, if their being allowed to try wouldn't be so disastrous to the country, it would be to our selfish political advantage to stand aside and let them make the attempt. That, of course, we simply can't do.

To sum it up, those opposition salesmen have been getting away with peddling a unique political model car—one which has two forward speeds, left and right, and a reverse; one which will go in all three gears, forward and backward simultaneously.

Do you remember the state of the Union message—not President Eisenhower's, delivered on January 9—but Senator LYNDON JOHNSON's own unique innovation, delivered 2 days earlier? As I understand his thesis, it was this: The President's spending proposals would be inadequate no matter what they turned out to be.

Self-convinced, the distinguished majority leader proposed a series of Federal programs, all without benefit of dollar figures or without indication of who would pay the bills, if indeed he had in mind that anybody would without resort to increasing the Federal debt and thus helping create more inflation.

In his speech, Senator JOHNSON charged that the President and the Republican Party suffers from a "deficit of vigor." Well, my answer is that Senator JOHNSON and his party have an unusual vigor for deficits.

Sure, you and I know the political flivvers of the opposition are phonies. But have we really proved it to the American people? The answer is obvious. We haven't—yet. Nor can we do it by simply digging in to resist one politically appealing spending scheme after another. That simply makes our opponents look great hearted and makes us look stingy. What we have got to do is to climb out of our defensive trenches, go over the top and launch an offensive onslaught of our own.

One thing is certain. If we are to get our message across, we must translate it into words and terms that are commonly understood. Above everything else, we must translate it into local terms—words and facts which make our thesis crystal clear in every locality in America.

After all, most people don't care what happens to the Republican Party as such, our job is to show that when we lose, they also lose.

For example, take the proposal for a Federal dam at the Hells Canyon site on the Snake River in Idaho. We are told that issue will be raised again in the new Congress, and raised for the sixth time.

The fact is, the proposal for a high Federal dam at Hells Canyon is the reclamation fraud of the 20th century. Not one single acre of irrigated land has ever been directly connected with it.

It would cost the taxpayers of America nearly $600 million, exclusive of any damage claims paid to the Idaho Power Co. Non-Federal development of the same stretch of the same river, which began in 1956, will produce roughly the same results in power production and all the flood control needed in that area, and it costs the taxpayers nothing.

Now, to some people an additional $600 million may not seem to be of much consequence when included in a Federal budget of billions. But consider it this way: $600 million would pay for the Almena Unit of the Missouri River Basin project nearly 40 times, it would pay for the Kanopolis Unit more than 40 times. It would buy more than 50,000 miles of Kansas primary highway or 15,000 elementary and high school classrooms.

Of course, you could save the $600 million altogether, use it to reduce the Federal debt or reduce taxes. Some would call that old-fashioned, but it's an idea, anyway.

When you put the facts that way, people understand what such wild spending schemes mean to them in terms of what they desire or need from Government.

Then ask them this: What happens if all these new and renewed spending proposals become law—those which are vital, those which are nice but not absolutely necessary now, those which are ludicrous?

Who pays?

You know the answer: Every man or woman who makes out a Form 1040 between January and April.

But suppose the greathearted spenders on Capitol Hill just don't have the heart to raise taxes? Suppose they just increase the Federal debt?

The answer's the same: We—you and I—will pay anyway, and our children will pay, and we'll pay in a rougher and more dangerous and costly way: Through inflation, plus more taxes in the end.

For a family or a government, it's always easy in the beginning to spend all your income and then go borrowing. What's hard is to stay in the black, to put something aside. If the Federal Government can't do so now, in a time of high and rising prosperity, when can we citizens hope for relief from the crushing burdens of an ever higher Federal debt or high taxes? You and I know the answer—never.

Time and again the President has put just that question to the American people and the Congress. It lies behind his presentation to the Congress of a 1960 Federal budget which is in balance.

He knows, as you and I know, that unless people throughout America wake up to the renewed threat to the buying power of their dollar which is involved in the Democrats' congressional program, a lot of Americans are going to get hurt, and the country is going to suffer, and deeply. That is just as inevitable as death and taxes.

Oh, yes, some people doubt the danger. Even some of those who stand to get hurt the most say: "Let prices go up, my union will protect me; I'm on an escalator clause." To be sure, there are 4½ million workers who have some such assurances that they can keep their heads above water—so long as their employers are in business—though they may not gain against the tide. But in the total civilian labor force, a worker on an escalator is 1 man or woman in 16. What about the other 15? For them, wages are on the ground, while prices will be in an elevator headed for the roof.

Not only that, all 16 workers will one day probably be living in part on social security payments: Already there are 14 million Americans receiving benefits under various Federal pension plans, plus another million and a half under private plans. When retirement time comes, escalator clauses are worthless. The dollar bill, I remind you, is neither Republican nor Democrat. When it goes sour, people of either political affiliation—or none—who are on fixed incomes, suffer.

The grim reaper also has no politics. One hundred twenty-four million Americans now own life insurance policies. If you, for example, should die tomorrow, would you want your wife and children to face certain inflation while subsisting on fixed payments from the insurance company, to have the digits on the monthly payment check never change and the prices on tags in every store keep increasing?

You know people who say, well, it did happen in Germany, and only recently in France; but it can't happen here.

Can't it? Think back to the Truman years, 1945–52. The Consumer Price Index went up 18 points. To be sure, that's a statistic. Putting it in plain, everyday language, what it means is that the price of a pair of overalls went from $2.10 to $3.46—an increase of 65 percent; that the price of a pound of white bread went from 9½ cents to 16 cents—an increase of 68 percent; that the price of a 10-foot two-by-four went from 45 cents to 84 cents—an increase of 88 percent; and the price of a two-bottom plow went from $136 to $255—another increase of 88 percent.

Price increases at the same rate, beginning now, would, within 7 years, take the pair of overalls to $5.77; the price of bread to 31 cents a pound; the price of lumber to $263 per thousand board-feet; the price of a plow to $525.

And I'm sure you remember another thing: The controls that went with this seemingly uncontrollable upward-thrust in prices. I'm sure you remember the Office of Price Stabilization, which fastened small white tags to items after item you had to buy—socks and shoes, toasters, and frying pans.

The Eisenhower administration, I can assure you, is still dead set against controls. And it's still dead set against the weakening of your dollar's buying power. It's against the return of either the disease or the proposed remedy.

That's why the President wants a balanced budget.

That's why, in his state of the Union message, he urged the Congress to amend the Employment Act of 1946 in order to declare it the continuing responsibility of the Federal Government to combat inflation.

That's why we in the administration will fight with all our ability against every spending proposal of those who think that now is the time to launch a new, New Deal.

By taking the offensive, we Republicans can show that contrary to some pundits of political persuasion, being for the dollar is often the best way of being for the man—including the wage earner, the farmer, the housewife, and their children.

What good are wage or profit rises if offset by continual price increases and more taxes? What good is it to talk about bigger and better insurance policies, or higher pensions, when their value is constantly being eaten away by the cancer of inflation?

Don't ever let anyone get away with saying that your party—the Republican Party—yields to any other on the face of this land in its concern for every working man and woman. Since 1953, all American wage earners, organized or not, have made unprecedented gains. And remember, with this record to run on in 1956, a Republican President, Dwight D. Eisenhower, won from 30 percent to 50 percent of the labor vote in one major industrial center after another—an even higher percentage than he had won in 1952.

If we'll just hammer and hammer and hammer those facts across; we shall go far toward victory in a third Republican revolution. By ripping off once and for all the false labels our opponents have pasted on us, we can reveal the true image of the Republican Party as the party of the American people—all 175 million of them.

Can we accomplish these three revolutions—the revolution in our attitude toward politics, the shift from negative to positive thought, the restoration of the Republican Party's true image? Of course we can. The unanimous adoption of the Des Moines conference last week of Chairman Alcorn's plan for revitalizing the party is a heartening indication we're already moving in the right direction.

Every Kansan surely remembers the Republican resurgence of 1952 with a man from Abilene leading the fight—Dwight D. Eisenhower.

We should never forget what he did that year under his leadership. Nor should we forget what happened in England the year before. The two, taken together, point the way for us between now and 1960.

Following the defeat of 1945, the British Conservatives rebuilt British conservatism. They got rank and file party members to make regular contributions to the party, invigorated its appeal to labor, to intellectuals, and to the young; and started campaigning the year 'round to bring to everyone its principal product, fact.

And in 1951 they won.

The moral for us is clear. Here in the United States in 1958, 1959, and 1960, we Republicans can and must build on fact for victory. We can and must put fight and heart into our party. Once we've accomplished that, we will win, and we will deserve to win.

The time to begin moving is now.

The Area Redevelopment Act

EXTENSION OF REMARKS

OF

HON. HERMAN TOLL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. TOLL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Banking and Currency Committee in favor of the area redevelopment bill.

STATEMENT OF HERMAN TOLL, SIXTH DISTRICT, PENNSYLVANIA, BEFORE SUBCOMMITTEE NO. 3, HOUSE BANKING AND CURRENCY COMMITTEE, ON THE AREA REDEVELOPMENT ACT, MARCH 19, 1959

Mr. Chairman and members of the subcommittee, thank you for the opportunity of presenting this statement in behalf of the Area Redevelopment Act. I have introduced a companion bill (H.R. 5330) to the Douglas-Flood bill.

We hear again and again from the executive branch that cities and States should try to help themselves to the greatest extent possible. Unfortunately, the tax structure leaves to the cities only a small portion of the total tax dollars. The only method which would enable cities to take care of more of their problems is to give them a chance to increase their tax base—as the possibility of raising the tax rate or adding new taxes is virtually exhausted. The imaginative aid which would be given to my home city, Philadelphia, for instance, through the various provisions of the bill before us would do just that.

While it is true that Philadelphia, or for that matter any diversified metropolitan area, is not as badly off as the chronically depressed coal or textile areas, it is also true that Philadelphia is in a worse economic condition than the Nation as a whole. Among the reasons are that some industries, such as textiles, have left the city over time, that there are, among a large number of different industries in an old manufacturing center, always some which are in a weak competitive position, or are losing employment due to automation; and that manufacturing employment in an older area like Philadelphia declines due to its congestion, its built-up character, and the fact that it does not have space for industry to expand in, or for new industry to find attractive places in which to build new plants. This situation, as well as transportation difficulties and obsolescence, is particularly bad in and near the core of the city where small but intensive manufacturing establishments would like to locate from the point of view of their consumers, their suppliers, or their labor force. The decline of this type of manufacturing industry and of associated business services in the core of the city, which is serving the entire metropolitan area, endangers the function of the center as a cohesive force, and thus Philadelphia's entire tax base.

Section 5E of the bill is specifically designed to help this type problem by permitting not only entire metropolitan areas, not only entire counties, but clearly defined portions of an area, county, or municipality, to become eligible for help under the Area Redevelopment Act if the problem clearly lies within such a portion of the city. This should not be understood as giving an opening to arbitrary gerrymandering. The center city of Philadelphia, for example, where many of the problems lie for which the Area Redevelopment Act can provide some help, is clearly defined by the proposed expressway loop, as well as by certain economic characteristics. The importance of this provision lies in the fact that due to it an entire metropolitan area will not be judged ineligible just because the suburbs are sufficiently well off to balance the unemployment rate of the problem areas and thus put the total area beyond eligibility, while the problems are concentrated in one particular portion of the area, which need the help this bill can provide.

Philadelphia is typical of older cities which suffer from obsolescence and congestion. Neither the municipality nor private enterprise have the funds to tear down obsolete buildings at these expensive locations and make more room for existing industry, for expansion of off-street loading, for parking, and so forth. Yet the industrial slums created over time by increasing age and progressing technology near the center of cities must be eliminated and new industrial areas must be developed in order to give the city a tax base which can sustain the necessary municipal services without having to go hat in hand to the State and Federal Governments for emergency help just to keep up with current needs.

Section 14 of the bill, by explicitly removing some of the restrictions which have so far inhibited industrial redevelopment under the existing urban renewal legislation, makes it possible to do some redevelopment of industrial slums along with residential slum clearance. It will still be up to the local authorities to decide what the best balance should be between industrial redevelopment and other kinds of slum clearance; but the provision of this section gives the city a chance to redress this balance on the basis of its own best judgment and thus to make room for new industry and for an increased tax base.

Philadelphia has been consistently concerned over the last several years with the problem of a declining industrial base. It has done everything within its power to remedy that situation. The city administration has joined with the chamber of commerce in founding a nonprofit corporation for the retention of industry in the city, and the attraction of new industry into the city which, although it has only been in actual operation for a few months, has already shown some remarkable successes. The State has spent millions over the last few years for bringing industry into Pennsylvania, and Philadelphia has received a portion of this help. There again, however, the limits of available private and public funds are very evident.

The Area Redevelopment Act provides funds for all kinds of remedial action on this problem, and makes it possible to dovetail these remedies with particular problems involved. It provides, for example, for loans

for developing land for industry, for building plants, and even for machinery and equipment for industry. This last possibility is particularly important, as our experience shows that the financing of construction of new buildings and equipping it with the necessary new machinery presents a major stumbling block for attracting new industry or for giving a chance of new ventures to industry already here. As for the development of older industry, particularly in loft structures, which cannot afford or do not need entirely new buildings, the Area Redevelopment Act provides for loans for rehabilitation of old buildings, for their conversion or enlargement (section 6). The flexibility of this section is of signal importance for the complicated and varied needs of different industries within as diversified an area as Philadelphia.

The demands from many sides upon the capital expenditures of a city such as Philadelphia makes it very hard to support industry with the public facilities which are in many cases a prerequisite for enlarging the city's economic base. Section 7 provides for loans to any eligible jurisdiction for those public facilities needed to develop the land for industry, as well as for the alteration and improvement of existing public facilities for the successful establishment or expansion of industrial plants or facilities. Section 8 even provides for grants for this purpose. In many cases the improvement or extension of existing utilities must precede the successful location of industry. The building of parking lots or parking garages will make it possible for a large labor force to be available to new industry locating within the city. A new grid of streets adapted to truck use around an industrial area may be necessary before loans to industry are of practical use, etc.

Philadelphia, as mentioned before, has lost industry in the past. This leaves a number of workers with obsolescent skills. Under the present system these men retrain only if it can be proven that a job is waiting for them after their training period. Sections 16 and 17 of this bill provide for training and retraining of workers and for payment of subsistence to them while they train. This is also of great use for workers who lack industrial competence and the basic knowledge of working in an industrial society (because they come from rural areas, largely in the South). As the number of workers without skills or with obsolete skills in Philadelphia is great, this provision of the bill, which helps overcome the rigidity of the existing training apparatus, would make it possible for more workers to be equipped with the kind of skills useful in today's and tomorrow's labor market—which in turn makes the location a great deal more attractive to industry.

The Area Redevelopment Act would give Philadelphia a chance to fully use the great locational advantages and the splendid community spirit it has to offer to old and new industry, by making it possible to offer industry the public facilities, the necessary loans, the training of workers, etc., all of which adds up to a persuasive argument for old firms not to leave the city and for new firms to build plants here. It so happens that the city's efforts in this direction show clearly (and chapter and verse can be cited) that the best will in the world and great community efforts time and again flounder on the difficulty of obtaining financing for clearing out industrial obsolescence, of being unable to provide needed public facilities in time, etc.—all problems which in each case could be solved by the help promised in the Area Redevelopment Act. It is therefore not only of great importance for the chronically and deeply depressed areas of Pennsylvania, but also of vital importance to the well-being of the 2 million residents of the city of Philadelphia that this bill be passed.

Strontium 90

EXTENSION OF REMARKS

OF

HON. LEONARD G. WOLF

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. WOLF. Mr. Speaker, herein are certain letters to the chairman of the Joint Congressional Committee on Atomic Energy; letters that the Defense Department apparently wanted kept secret because they present certain disturbing facts; namely, that more fallout exists over the United States than any other country and that strontium 90 contaminates the earth at a faster rate than was originally conceived by scientists.

I might add in passing that one of the most insidious results of the continuing crisis with the Soviet Union is the subtle change that has occurred in the United States in the field of public information. The refusal of the executive branch to keep the public informed of scientific data concerning radioactive fallout and other science and defense subjects has resulted in an uninformed and unaware public in issues which are life and death matters to the public. We are all aware that rational decisions on science and defense policy can only be made when facts are available. If these facts are not available to the general public, the public cannot participate in making decisions which concern their destinies. Decisionmaking falls to fewer and fewer men who cannot be questioned or criticized because the people do not have the facts. This false security consciousness must be stopped before the public loses all power over its servant, the Government.

We in the United States have prided ourselves on our right to know, on freedom of the press, and on freedom from censorship. It is a terrifying thing to think that we may be losing the fight against tyranny internally because we are not forever aware and vigilant in protecting these basic rights.

The letters follow:

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

TEXTS OF DOCUMENTS MADE PUBLIC BY ANDERSON ON FALLOUT OF RADIOACTIVE MATERIALS

STATEMENT BY ANDERSON

In commenting the other day on the Defense Department leak of classified information on the Argus shots—high-altitude nuclear explosions in the South Atlantic in September 1958—I pointed out that it was curious that the Defense Department at the same time was gagging the Joint Committee on making public some important data on fallout from weapon tests.

The Defense Department and the AEC (Atomic Energy Commission) have now released their fallout correspondence with classified deletions, and it is made public in the attachments. First is a letter to me dated February 19, 1959, by the Defense Department revealing new data from classified sources on the residence time of fallout in the stratosphere, and the areas of maximum dripout. Next is a letter from the AEC spokesman, Dr. W. F. Libby, commenting on the Defense Department letter and research project on which it is based. Then there is a transmittal letter from AEC stating their official reservations. Finally there is a brief chronology of our attempts to make this information public.

The process of making public any fallout information is an example of how difficult it is to make available to the public the information it is entitled to have.

The February 19 Defense Department letter states that their measurements indicate that the radioactivity in the stratosphere has a residence half-life of 2 years, instead of 7 years as had previously been assumed by AEC. It also indicates that there is a latitude band of maximum dripout of the fallout from the stratosphere which occurs from 35° to 50° north or south. This area includes the northern part of the United States, and the letter states that the concentration of strontium 90 on the surface of the earth is greater in the United States than in any other area in the world.

In laymen's language, it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent higher readings of radioactivity in soils and plants.

This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and the theory that stratospheric fallout tends to drip out uniformly throughout the earth. The AEC letter of February 27, 1959, ought to be checked for consistency with the speech of the same AEC spokesman on March 13, 1959, at Seattle.

The Joint Committee will look into these matters when it holds its fallout hearings in May of this year under the chairmanship of Congressman CHET HOLIFIELD (Democrat, of California) of the special Subcommittee on Radiation.

DEFENSE DEPARTMENT LETTER

FEBRUARY 19, 1959.

DEAR MR. CHAIRMAN: The following is a brief status report outlining the present programs for analyzing and evaluating the radiation hazards resulting from atomic detonations:

Fallout reports from Operation Redwing (1956), Plumbbob (1957), and Hardtack (1958) are currently under preparation.

The hazards of local contamination from nuclear-weapon detonations have been fairly well delineated. However, the difficulty in accurately predicting the rapidly varying atmospheric conditions results in uncertainties as to the area of fallout. Predictions of local fallout contours from enemy bombs must be based on a large number of assumptions, such as the type of weapon, height of burst, and yield. These unknowns do not allow accurate prediction of fallout from enemy bursts during wartime. Delineation of contaminated areas by airborne radio instruments after deposition of the fallout is presently practicable and will be of considerable military and civil value during wartime.

The deposition of worldwide fallout or worldwide surface contamination is now beginning to be accurately measured * * * (classified portion deleted) * * *. Recent indications are that the radioactivity in the stratosphere has a residence half-life of 2 years (in contrast to the previously assumed value of about 7 years) and the present amount of strontium 90 in the stratosphere would be maintained by the injection of about 6 megatons of fission products per year. The concentration of the strontium 90 on the surface of the earth is greater in the United States than in any other area of the world. The danger of carbon 14 and cesium 137 has been examined and the immediate probability of any one individual being affected is about 1 in 500,000.

The risk of damage resulting from the testing of weapons is, therefore, extremely

small and much less than other common day occurrences such as X-rays, contaminants, household cleaners, etc. However, the probable casualties attributable to radioisotopes from weapons testing when summed over the populations of thousands of years create a moral issue that could be of considerable propaganda importance.

The distribution of the radioactive debris in the stratosphere as a result of detonations to date is not clearly defined as to its altitude and latitude variation. The altitude dependence partially determines the dripout rate and the latitude dependence influences the extent to which the worldwide fallout is uniform over the earth. Tentative conclusions to date indicate that three-tenths of the quantity of radioactive debris leaves the stratosphere each year, that the north-south diffusion of radioactive particles in the stratosphere does exist, and that in both hemispheres there is a latitude band of maximum dripout which is from 35° to 50° north or south.

There is a need for more experimental and collecting programs in the following areas of the effects and behavior of fallout from nuclear weapons:

(a) Amount of fallout deposited locally from a low height of burst.

(b) More accurate determination of the dripout rate of radioactive particles from the stratosphere.

(c) Further define the estimate of the amount of radioactivity formed per kiloton of fission yield.

(d) The refinement of measuring techniques to account for all radioactivity produced from a nuclear yield.

(e) Advancements in the knowledge of fireball chemistry, physics, and particle behavior.

(f) Response of biological systems to radiation.

Sincerely yours,

HERBERT B. LOPER,
Assistant to the Secretary of Defense (Atomic Energy).

LETTER FROM DR. LIBBY

FEBRUARY 27, 1959.

Hon. HERBERT B. LOPER,
Chairman, Military Liaison Committee.

DEAR GENERAL LOPER: In connection with your letter to Senator ANDERSON of February 19, 1959, concerning radiation hazards resulting from atomic detonations, I have just completed a study of data which you kindly made available to us last December. I am sorry that, because of the complexity of the problem and my preoccupation with other duties, I have been so slow in finishing my consideration of the data and in sending on my comments.

I think your letter to Senator ANDERSON is an excellent exposition of the present position we are in. There are, however, one or two points you make, on which I believe further words are necessary in order to resolve some questions.

The extensive data that have already been published by Project Sunshine and the United Kingdom study group, together with your beautiful * * * work, still leave us, despite their great volume and complexity, in some uncertainty, as you say, as to the distribution of the radioactive debris in the stratosphere to both altitude and latitude variation, since the altitude variation determines in part the dripout rate and thus the residence half-life in the stratosphere, this quantity is left in some doubt. My own present conclusion is in agreement with yours as stated in your letter, in that my previous value of 7 years for this important number is too long and that it should be reduced. In a restudy of this question, being released March 13 in Seattle, a copy of which will be sent you as soon as it is printed, a new value of about 4 years rather than the earlier 7 is arrived at. I find it difficult to push it down to the 2 years you give as an indicative value.

On the amount of strontium 90 in the stratosphere, at the present time there is a somewhat larger difference in our estimates which may be due to your not having included the Russian series of last October which in itself alone, according to my estimates, increased the stratospheric inventory by about 50 percent You give the present inventory as requiring 6 megatons (megatons fission equivalent) per year to be maintained at its present level. For a half-life of 2 years this corresponds to only 17 megatons total and appears to leave too little room for the injections from tests before last October, which I estimate still have left some 25 to 30 megatons and a corresponding required rate of injection for steady maintenance of about 7 megatons per year. The closeness of this figure to your 6 megatons per year number shows how badly we need further information on the actual stratospheric content.

Evidence increasing

You indicate that the stratospheric fallout occurs at maximum rates in the 30°–50° bands of latitude in both hemispheres. This old argument still is not quite settled, I believe, although the evidence in favor of your conclusion is increasing. My principal difficulties with it at the moment are that we know that a considerable part of the peak in observed fallout in these latitudes in the Northern Hemisphere is due to tropospheric or local fallout which was never in the stratosphere and the evidence for a corresponding peak in the Southern Hemisphere seems to be rather weak.

With respect to the carbon 14 and cesium 137 hazards, the laboratories measuring radiocarbon dates in various parts of this country, in Europe and New Zealand have sent me data on the present increase in the carbon 14 content of living matter which amounts to about 10 percent of the natural level of carbon 14 from the cosmic rays which in itself corresponds to about 1.5 milliroentgen per year—about 1.5 percent of the average total natural dose rate. Turning to cesium 137, Dr. E. C. Anderson in the Health Division at our Los Alamos Laboratory has just reported data on the human level in the United States and Europe for the late summer and early fall of last year which amount to an average of about 75 micromicrocuries per gram of body potassium for an internal dose rate of about 3 milliroentgens per year. The total cesium 137 fallout in the United States now amounts to about 50 millicuries per square mile. This adds about 1 milliroentgen per year of external dose for a total of about 4 milliroentgens per year due to cesium 137 which is about 3 percent of the natural average radiation dose rate from natural radioactivity and the cosmic rays. I can't tell whether these numbers are in strict keeping with your estimate that the immediate probability of any one individual being affected by bomb test carbon 14 and cesium 137 is about 1 in 500,000 but I think your estimate looks reasonable.

On the many other points in your letter I find myself in complete agreement, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst. Since it may be that we will not again have the opportunity to test devices, at least above ground, it is particularly important to consider whether we may not collect more information at this point from past tests. I believe there are some possibilities of doing this and I suggest that we undertake such a program jointly right away.

W. F. LIBBY,
Commissioner, Atomic Energy Commission.

AEC LETTER

(From the General Manager to the Joint Committee, received March 21, 1959.)

This is in reply to your letter of March 9, 1959, by which you forward a copy of General Loper's letter to Senator ANDERSON dated February 19, 1959, and requested our comments thereon.

Commissioner W. F. Libby has written his comments to General Loper in a letter dated February 27, a copy of which was sent to Senator ANDERSON at that time. For your convenience another copy of Dr. Libby's letter is attached.

The revised estimates of stratospheric burden and the residence time presented by General Loper are consistent both with the data referred to by General Loper and with the "Ash Can" data obtained by the Atomic Energy Commission in its balloon sampling up to 90,000 feet. However, it should be kept in mind that knowledge of the stratospheric content alone is not sufficient to determine retention time. In addition, one needs the knowledge of either the stratospheric injection or of total stratospheric fallout as a function of time. Within the range of accuracy with which fallout has been measured, observed fallout to date is not incompatible with General Loper's estimate of the injection rate which would be required to maintain the present stratospheric burden.

The two main reasons for the uncertainty in the stratospheric burden and residence time are (1) that the entire stratosphere has not been adequately surveyed from pole to pole and up to altitudes beyond which the overlying radioactive debris can be confidently neglected and (2) that the data obtained at the higher altitudes by balloon only are subject to sizable sampling errors, uncertainties of collection efficiency of the sampling filters, and radiochemical analysis errors due to the small amounts collected.

As a consequence of these uncertainties we do not consider that the data now available are sufficiently decisive to resolve the differences between the estimates of stratospheric content and retention time made by General Loper and the higher estimates given by Dr. Libby in his letter to General Loper. It may be observed that on the basis of the estimates made by General Loper the total worldwide fallout of long-lived radioactive fission products anticipated from all tests up to date would be roughly two times the total deposition so far and that on the basis of Dr. Libby's estimate the total would be roughly three times.

We concur with General Loper in recognizing the need for further investigation along the lines suggested in his letter. We plan to continue our efforts in all these fields. In particular, we hope to be able to differentiate Operation Hardtack surface-burst debris and high-altitude debris, by analysis of tungsten and rhodium isotopes respectively, and, in turn, to distinguish these from the recent U.S.S.R. debris. In this way it should be possible to obtain a much better picture of the actual patterns and rates of spread of stratospheric debris originating in different latitudes and altitudes.

The information bracketed in red on the first page of the attached copy of Dr. Libby's letter of February 27, 1959, is considered by the originating agencies to be confidential defense information. With these deletions Dr. Libby's letter is declassified.

Sincerely yours,

(S) A. R. LUDECKE,
General Manager.

CHRONOLOGY

Brief chronology of action by Joint Committee on Atomic Energy to make public Defense Department report on fallout:

December 1958: Dr. Libby furnished new data by Defense Department indicating that

the radioactivity in the stratosphere has a residence half-life of 2 years instead of previously assumed value of 7 years.

February 20, 1959: Joint Committee received fallout report by the Department of Defense dated February 19, 1959 classified "Confidential—Restricted Data."

February 27, 1959: Confidential letter sent to Defense Department by Dr. Libby with copy to Joint Committee chairman in which Dr. Libby arrived at new value of 4 years instead of previous 7 years.

March 9, 1959: Joint Committee by letter this date to the Defense Department questioned the reasons for the confidential classification of the report and inquired as to what extent the information could be discussed in public without compromising classified information. A separate letter this date was also sent to the AEC requesting the Commission's views on the report and to what extent the conclusions affected previous assumptions and statements.

March 13, 1959: Restudy by AEC of worldwide stratospheric fallout released at Seattle, Wash., in which no mention of Defense Department study is made and which maintains position of a residence time of 5 to 10 years, selecting 6 years as the mean residence time of stratospheric fallout. Results of another AEC analysis Project Ash Can which indicated a residence time of 3 years was discounted as being doubtful. No mention was made that the Department of Defense conclusions of residence of half-life of 2 years tended to support results of Project Ash Can.

March 18, 1959: By letter, the Defense Department advised the Joint Committee that only one sentence in the report contained classified information and after identifying it went on to state:

"Although the remainder of the letter is unclassified, the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that has been obtained so far. We believe it would be far better before the date and conclusions are made public that there be a close agreement amongst the investigators concerned. Therefore, we believe that until the results are more than preliminary, the confidential classification should remain on the letter."

March 20, 1959: Letter received by Joint Committee from the Defense Department advising the report could be made public with deletion of the one classified sentence.

March 21, 1959: Letter received from AEC stating what portion of Dr. Libby's confidential letter of February 27, 1959, to the Department of Defense does not contain classified information.

Letter and report released by Joint Committee after deletion of classified information.

An Analysis of the Farm Situation

EXTENSION OF REMARKS

OF

HON. PAUL C. JONES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. JONES of Missouri. Mr. Speaker, under leave to extend my remarks, I am including herewith an address, given last week by the junior Senator from Missouri, the Honorable STUART SYMINGTON, at the annual National Farmers Union convention, held at Springfield, Ill.

Senator SYMINGTON, with a business background and with an illustrious record as a devoted public servant who rendered an outstanding service in many branches of the executive department of our Government, before being elected to the U.S. Senate, has within a very brief period become one of the recognized exponents of a sound agricultural program. He has a faculty of analyzing the problem, and then being capable of expressing this analysis in simple terms that can be understood even by those who have little or no knowledge of what is admittedly one of the more pressing problems of this era.

Mr. Speaker, it is for this reason that I have requested permission for the printing of this speech, which I hope all of the Members of Congress will read. It does point up the problem; it explains why we are in the position we now find ourselves, but more important it suggests some of the things that can be done to alleviate the situation.

It gives hope, as indicated in the very title of his address, which I am informed was enthusiastically received by these in attendance at the Springfield convention.

AN EFFECTIVE FARM PROGRAM POSSIBLE

It is a privilege to be with you at your annual convention—to see farmers here from all over the country, working together.

You have an ambitious schedule ahead for the next 4 days. I know you will be working hard to prepare a program which will meet the common needs of the farmers of America.

I wish I could stay with you all week, to hear your advice on what can be done in Congress to write a constructive program.

We of the Senate Agriculture Committee know that the members of the Farmers Union are dedicated to the service of farm families, first, last and always.

Your president, Jim Patton, and I have been friends for many years.

We served together in the National Security Resources Board. I found out then what we all know, that Jim is an experienced analyst on the farmers' problem, the finest type of leader American farmers could have.

I am also delighted to see your general counsel, my old colleague, Charlie Brannan.

Charlie and I used to work together for a great dirt farmer, a man people respect primarily because he respects people, the No. 1 citizen of my State, Harry S. Truman.

We of the Agriculture Committee also think a great deal of your Washington representative, John Baker.

John gets just about the most done, with the least words of anybody in Washington.

Before coming into Government most of my experience was in business. But my brother and I raised cattle for many years.

During that time I learned that, fundamentally, farming is a business too, involving such matters as inventory, and assets and liabilities, and of course profit and loss.

My State of Missouri is one of the largest farm States in the Nation.

Agriculture is our largest single industry—in fact, our only billion dollar industry.

One-fourth of the people of Missouri live or work on the farm.

When I came to the Senate, my mail proved that no people in our State have greater troubles than the farmers.

So it seemed right for me to work to get on the Agriculture Committee. I have been there now, for some years, watching the incredible approach of this administration toward the problems of the family size farm; and doing my best to correct them.

I try to look at this problem as a businessman; therefore from the standpoint of what we would call good business practice under sound accounting principles.

If any businessman tried to run his plant or office the way the Department of Agriculture has been run in recent years, he would promptly go broke.

Secretary Benson has spent nearly $30 billion of the taxpayers' money on a farm program that hasn't worked.

And they said the Brannan plan was expensive.

Since the Department of Agriculture was created in 1889, there have been 14 Secretaries of Agriculture plus Secretary Benson.

If Mr. Benson continues to operate at the present rate, by the end of the next fiscal year he will have spent more money than all his 14 predecessors combined.

Let some of the figures, his own figures, speak for themselves.

This Administration has raised the cost of administering the price support program from $34 million in 1952, to $364 million in 1958 an increase of 954 percent.

Twenty-two thousand employees have been added to the payroll.

What worries me more than the past, however, is the growing realization that the people now running the Department of Agriculture simply do not know where they are going.

As example, consider the current problem of Government farm inventory.

Any businessman knows that excess inventory can be his Achilles heel.

If a concern is to be successful, inventories have to be moved.

In 1952, the Commodity Credit Corporation owned some $1 billion of farm commodities.

Today, six years later, it owns over $5 billion.

But that is far from the whole story.

According to the President's budget message, by June, 1960, the total CCC investment—inventory and loans—will be over $10 billion.

And let me make this prediction today. Based on the current Government corn support policy, price supports on corn with no controls of any kind whatever—that inventory estimate of the President's is going to turn out to be plenty conservative.

A few weeks ago, when Mr. Benson came before our committee to ask for authorization for more billions, we asked him questions any banker would ask any businessman who requested a loan.

I asked him whether he had any definite plans to move this gigantic inventory out of Government warehouses.

The Secretary said he did not.

I asked him how much inventory he could move this year.

He said he did not know.

I asked him how long it would take to move it.

He said he didn't know that either.

On that basis, if it were your money, would you loan him any more?

But it is your money, and my money, and the money of millions of other Americans.

Maybe the men in charge of our farm policies are not good businessmen but they are very good advertising men.

They plant their propaganda into city newspapers and weekly magazines favorable to their cause. In this and other ways they have been highly successful in influencing city folks who do not have access to the facts.

If these people had been half as successful helping farmers as they have been spreading fairy tales about farmers, we would have a far better farm program today.

One of the stories these bureaucrats try to sell is that the farm problem is the result of the inefficiency of our farmers.

That is just not true.

American farmers are the most efficient and productive farmers in the world.

As illustration, here are a few figures.

Last year, average per acre yields on nearly every major commodity set new records.

We now produce the same amount of food and fiber on 57 acres that in 1940 we produced on 100 acres.

This Nation produces more pounds of meat, with less feed, than ever before.

Since 1944, milk production per cow has increased 39 percent.

And who have reaped the benefits of this great productivity?

Primarily the American consumers, the best-fed and best-clothed people on the face of the earth.

Another misconception, currently cultivated by some, concerns how hard farmers work.

I don't think the average city family has any real idea about the expense, the work, the risk that farmers put into the loaf of bread, or the thick steak, or the quart of milk which shows up so miraculously on the kitchen table.

It takes a lot more than pushing buttons on some automated farm gadget.

It takes hard work, 12, 14, sometimes 16 hours a day.

How many people know how it feels to lose a prize calf, or suffer prolonged drought, or see a whole year's investment destroyed by one June hailstorm, or one late-season frost?

And I am sure few of those city people have any idea what it is like, in terms of trial, tribulation, and heartbreak, to live through 6 years of Ezra Taft Benson.

There is a third misconception which stands in the way of public acceptance of a good farm program. It is that farmers occupy a privileged position in the Federal Government.

That is not true.

They are supported some, but so is every other segment of our economy.

And the supports are not nearly as much as the Department of Agriculture continues to assert and imply.

A study of the budget of this Department was made at the request of your and my good friend, Senator MILT YOUNG, of North Dakota.

This study showed that of the total expenditures of the Department in the fiscal year 1958, considerably less than half went primarily for the benefit of farmers.

The rest—some $2.8 billion—went for programs chargeable to everybody: overseas food programs, defense, milk for school and school lunches, research, meat inspection, forest management, and the like.

Reduced to its actual size then—$2 billion—how does the farm support program compare with supports or subsidies to other parts of our economy?

Since the end of World War II, this Government has allowed tax writeoffs and other tax privileges to mining and manufacturing industries which total $43 billion.

Many billions more have been earned by industry as the result of tariffs imposed against low-cost goods anxious to come in here from foreign lands.

In the last 10 years, this administration has given over $6 billion in subsidies to magazines and newspapers.

We have a minimum wage law.

We have a social security program.

We have unemployment compensation.

We have insured savings.

We have many other Government programs which assist and support other groups in our economy.

We know we can afford these other programs.

Surely therefore we can also afford a program which will give a fair return to those who produce our most important commodity—food.

The trouble with fairy tales is that, if they are retold often enough, people soon get to believe them.

And that is true about the fairy tale that the way to lower farm production is to reduce farm prices.

In fact, that tale has been the basic premise behind the farm programs of the past 6 years.

The programs have failed because this premise is 100 percent false, and here is the reason why.

We all know there are fixed costs connected with farming: payments on notes and mortgages, installment payments on equipment, out of pocket costs for fertilizer, seed, fuel, and such.

In recent years, these costs have been steadily going up.

To meet these fixed and out-of-pocket expenses, and at the same time take care of family expenses, a farmer must have a minimum income.

That income, of course, is derived from price times volume minus costs.

If your price goes down at the same time your costs go up—and that has been the case in recent years—you have only two choices: Increase your volume, or go broke.

In the past 6 years, nearly 4 million farm people have been forced off our farms.

But the rest of our farmers have taken the other course. You have taken advantage of every new technique of farming to vastly increase your production.

Let's look at the record.

During the past 6 years, farm prices have averaged 15 percent below the 1952 level.

But farm production has gone up in each of these 6 years; and is now 15 percent greater than in 1952.

So you can see that efforts to reduce production by reducing prices have failed completely.

The men behind this policy did not appreciate the strength and the determination of the ordinary American farmer to stay in business.

The present program has been bad for the farmer, bad for the consumer, and bad for the Government, because it has caused lower farm prices, higher food prices, and costly surpluses.

It is time this administration got back to sound economic principles.

Only then will we be able to get out of the mess we are in.

A basic principle of farm economics is that a relatively small increase in production and marketing causes a much larger drop in farm prices.

Some of the top farm economists, including Professor Cochrane, who will speak here later this week, tell us that a 1 percent increase in the total marketing of farm products results in a heavy drop in the farmer's price.

This concept has been the backbone of nearly every farm program that has ever worked.

Despite all the sweet talk about freeing the farmer to produce unfettered by controls, experience has proven the following:

For most farm products, price supports, without effective production or marketing controls, just do not make sense.

And we taxpayers now have this $8 billion inventory to prove it.

A good specific example is the corn program.

In 1956 the Department of Agriculture told farmers that in order to get the $1.50 support price, they would have to comply with acreage controls.

Later on they turned around and gave those who did not comply $1.25.

This was the beginning of the end for the corn program.

In 1957, compliers were given $1.50, noncompliers $1.10.

In 1958, compliers got $1.36 a bushel, noncompliers $1.06.

Is it any wonder that last year only 12 percent of our corn was produced under acreage allotment?

Last November 25, there was a corn referendum. To the farmers who had not been complying, the Agriculture Department said:

"Vote for our program and we will raise your price supports at least 6 cents a bushel.

"Vote against us and you won't get any support at all."

To the producers who had complied, the Department said: "If you don't vote for our program, we will cut your acreage and cut your price."

Secretary Benson's program carried, and he reported with pride that he had won a great vote of confidence.

Now Mr. Benson has his corn program.

But what is he going to do with it? If weather conditions are normal this year, he will end up with at least a billion dollars more corn to add to his already gigantic inventory.

My friends, when the American people come out of this farm binge, they are going to have a hangover the likes of which have not been seen.

This surplus hangover is going to be with us long after the present farm policies are buried.

It is going to prove a grave handicap to any new program, no matter how sound and effective.

That is why we should make the control and liquidation of this inventory our first order of business.

To do this, we first need an overall program designed to bring farm production more nearly in line with our needs.

We must begin to use the sound economic principles that have been ignored in recent years.

There are 5 million farms producing over 200 different commodities. Therefore no single, simple program will work.

For some commodities, the direct payment plan offers many advantages.

For other commodities, price supports through nonrecourse loans may still be the best answer.

The continued success in certain commodities of marketing orders, and marketing or bargaining co-ops, provides a base from which a similar approach might be extended to many other commodities.

Used properly and where best adapted, each of these can contribute to the ultimate objective.

What is that objective?

A situation in which farmers are able to compete favorably with the other, more closely organized segments of the economy—and thereby earn a return on their investment, labor and land comparable with the returns in other areas.

Any sound program must also provide for the varied and growing credit needs of farm families.

It must stress improved quality of product and more efficient, effective marketing.

It must deal with the special problems of the chronic underemployed, low income farm families.

These families need more than just the talk, plans, meetings and moral support now being provided under the Department's rural development program.

If time permitted, we could go into many other problem areas; such as the need for improved conservation of our natural resources, greater use of democratically elected county committees.

You members of the Farmers Union are familiar with these areas.

In nearly all cases, the legislative authority for a fair and workable farm program is now on the books.

But this does not guarantee that authority will be used.

The best farm program written into the law does not guarantee a prosperous agriculture.

You must have a sympathetic and understanding administration which believes in

farmers and will fight for the farmer's interests.

But even with a sound, effective farm program we must face up to the problem of moving the current huge and growing inventory.

Here are some suggestions.

Part of it should be set aside as insurance in case this country was ever attacked with modern weapons.

I have introduced a bill to stockpile food, medical supplies and other basic items necessary for survival.

Some of the inventory can be well used to alleviate hunger and malnutrition in our own country.

I was in West Virginia just last week, where conditions are truly tragic.

One hundred thousand children in West Virginia have only one-third of the calories and proteins they need.

We can do far more than we are doing to move our surplus food into our own areas of economic distress.

And last, but not least, we can and should use the productive genius of American farmers to promote our goals in the world.

What do all of us want more than anything?

A just and lasting peace.

We want the kind of world in which we can farm and raise our families, free from the dreaded fear of nuclear war.

We can have that kind of world if we use our national strength in the most effective manner.

This Nation is strong in many things—not only in faith, but also in food.

This food can be used to strengthen our ties with the underdeveloped countries of the world.

It has been suggested that the free nations set up a world food bank, in which storable food could be deposited, withdrawn, or loaned, in order to meet emergencies of member nations.

As long as we are going to be in the righteous business of strengthening countries to resist communism, why not do much of it with food, of which we have plenty, instead of dollars, with which we are having increasing troubles?

This is not only good foreign policy, it is the humane and right thing to do.

It is a sin to waste food when people are hungry.

But it is worse than a sin when this food could have been used to help build a peaceful world.

In closing, let me state my confidence that the farmers of America, with the cooperation of their Government, will develop an effective farm program at a greatly reduced cost to the American taxpayer.

The work you are doing here this week will contribute to that goal, to a strong America, and to a peaceful world.

SENATE

TUESDAY, MARCH 24, 1959

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

Our Father God, save us, we beseech Thee, from regarding this sacred week as a secluded cloister that shuts us away from the noisy, needy world.

By its still waters and green pastures may each of us find the deep and healing springs of inner renewal that will fit us to serve the present age.

Make us persons of brotherly love in an unbrotherly world. To others' faults, make us forgiving, as we would be forgiven. As our lives touch the lives of others, teach us to be gentle in our thoughts, just in our dealing, and generous in our judgments.

May the beauty of the Master of these days of the passion be seen in us, casting out all envy and uncleanness. Lead our minds in the quest of truth—even the truth of eternal life in the midst of our fleeting days.

In fearless dedication to the holy cause of human freedom, make us heralds of hope, even in the dense darkness as sure of victorious morning as we are that birds will sing at dawn and white clouds will grace the blue and children will wake to laughter and men, refreshed, will stride forth with faith to meet the new day.

We ask it in the name of the brightest and best of the sons of the morning. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 23, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con Res. 13) to provide additional funds for special study by the Joint Economic Committee.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature;

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 3472. An act to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.;

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program;

H.R. 5508. An act to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes; and

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 109) extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

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

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees;

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H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.; and

H.R. 5508. An act to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes; to the Committee on Finance.

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.; to the Committee on Foreign Relations.

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; to the Committee on Agriculture and Forestry.

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.